

West Yorkshire Combined Authority

**MEETING TO BE HELD AT 11.00AM ON THURSDAY 24 JULY 2014
TOWN HALL, HALIFAX**

A G E N D A

- 1. APOLOGIES FOR ABSENCE**
 - 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
 - 3. EXCLUSION OF THE PRESS AND PUBLIC**
 - 4. MINUTES OF THE PREVIOUS MEETING HELD ON 26 JUNE 2014**
-

Strategy

- 5. LEEDS CITY REGION STRATEGIC ECONOMIC PLAN – GROWTH DEAL UPDATE**
(Member lead: Cllr P Box/Roger Marsh)
-

Transport

- 6. RAIL NORTH GOVERNANCE**
(Member lead: Cllr K Wakefield/Cllr J Lewis)
- 7. RAIL FRANCHISE CONSULTATION**
(Member lead: Cllr K Wakefield/Cllr J Lewis)
- 8. HIGH SPEED RAIL AND EAST-WEST CONNECTIVITY**
(Member lead: Cllr K Wakefield/Cllr J Lewis)

- 9. LOW MOOR : AUTHORITY TO SEEK APPROVAL FROM THE SECRETARY OF STATE TO MAKE A COMPULSORY PURCHASE ORDER**
(Member lead: Cllr J Lewis)
-

Economy

- 10. LEEDS CITY REGION GREEN DEAL AND ENERGY COMPANY OBLIGATION (ECO) SCHEME**
(Member lead: Cllr D Green)

- 11. DEVELOPING RELATIONSHIPS WITH THE UNIVERSITIES**

Verbal item.

Organisational

- 12. WEST YORKSHIRE+ TRANSPORT FUND GATEWAY APPROVALS**
(Member lead: Cllr Green)

- 13. ANY OTHER BUSINESS**

WEST YORKSHIRE COMBINED AUTHORITY
DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS

NAME OF MEMBER:

COMMITTEE: **Combined Authority Meeting**

DATE: **24 July 2014**

AGENDA ITEM NO	NATURE OF INTEREST

Signed

You should complete this form only if you have a disclosable pecuniary interest in any particular item on this agenda. (See attached appendix for schedule of disclosable pecuniary interests.) Completed forms should be handed in to the Secretary and Solicitor **before** leaving the meeting.

NOTE: Should you have a disclosable pecuniary interest in an item on the agenda you should not participate in any discussion on the matter, vote on the matter or remain in the meeting during discussion and voting on the matter subject to paragraph 24 of the Code of Conduct.

If you are unsure of the correct course of action to take, you should seek advice from the Secretary and Solicitor prior to the meeting.

**SCHEDULE OF DISCLOSABLE PECUNIARY INTERESTS UNDER THE LOCALISM ACT 2011 AND THE
CODE OF CONDUCT OF THE WYCA**

Disclosable Interest	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant Authority) made or provided within the relevant period in respect of any expenses incurred by a Member in carrying out duties as a member, or towards the election expenses of the Member.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the Authority—</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land	Any beneficial interest in land which is within the area of the Authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the Authority for a month or longer.
Corporate tenancies	<p>Any tenancy where (to the member's knowledge)—</p> <p>(a) the landlord is the Authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>

Securities

Any beneficial interest in securities of a body where—

- (a) that body (to the Member's knowledge) has a place of business or land in the area of the Authority; and
- (b) either—
 - (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
 - (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

If a Member has a disclosable pecuniary interest in a matter under discussion, the Member may not:-

- (a) participate, or participate further, in any discussion of the matter at the meeting;
- (b) participate in any vote, or further vote, taken on the matter at the meeting (unless the Member has requested and been granted a relevant dispensation), or
- (c) remain in the room during the discussion or vote on the matter.

Where Members have a disclosable pecuniary interest in a matter to be considered at a meeting, they may attend the meeting but only for the purposes of making representations, answering questions or giving evidence relating to the matter, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise. Once Members have finished, or the meeting decides they have finished, Members must leave the room and may not remain in the room during the discussion or vote on the matter.

Note: If a close family member has a Disclosable Pecuniary Interest, this is deemed to be a Disclosable Pecuniary Interest of the Member of the Authority.

PUBLIC INSPECTION OF DOCUMENTS AND ACCESS
TO MEETINGS OF THE WEST YORKSHIRE COMBINED AUTHORITY

- (a) Files containing correspondence etc, relating to items to be discussed at the meeting may be inspected by contacting the originating department - please see below. Certain information may be confidential and not open to inspection.
- (b) The attached Agenda Items do not contain any exempt information as defined in Part 1 of Schedule 12A to the Local Government Act 1972.

Compilation of Agenda by:	Angie Shearon
Telephone No:	Leeds (0113) 251 7220
Date:	16 July 2014

**MINUTES OF THE MEETING OF THE
WEST YORKSHIRE COMBINED AUTHORITY
HELD ON THURSDAY 26 JUNE 2014 IN WELLINGTON HOUSE, LEEDS**

Present:	Cllr Tim Swift (Chair)	-	Calderdale MBC
	Cllr David Green	-	City of Bradford MDC
	Cllr David Sheard	-	Kirklees MC
	Cllr Keith Wakefield	-	Leeds City Council
	Cllr James Alexander	-	City of York Council
	Roger Marsh	-	Leeds City Region LEP
	Cllr Janet Battye	-	Liberal Democrat Representative (Calderdale MBC)
	Cllr Andrew Carter	-	Conservative Representative (Leeds City Council)
	Cllr Robert Light	-	Conservative Representative (Kirklees MC)

In attendance:

	Cllr James Lewis	-	Chair of WYCA Transport Committee
	Adrian Lythgo	-	Combined Authority
	Nick Winney	-	Combined Authority
	David Burrell	-	Combined Authority

36. Apologies for Absence

Apologies for absence from Councillors Peter Box and Denise Jeffery were noted.

37. Opening Remarks

Members congratulated Councillor Andrew Carter on his award of a CBE in the Queen's Birthday Honours.

38. Declarations of Disclosable Pecuniary Interests

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

39. Exclusion of the Press and Public

There were no items on the agenda requiring exclusion of the press and public.

40. Minutes of the Meeting held on 29 May 2014

Further to minute 25, West Yorkshire Plus Transport Fund, Councillor Wakefield Informed the Committee that representatives from the WYCA were to meet with the Rt Hon Danny Alexander MP on 30 June 2014. The meeting had been requested by the WYCA to agree a mechanism that allowed the Combined Authority to resource the £1.0 billion West Yorkshire Plus Transport Fund programme. Members would be informed of the outcome of the meeting.

Resolved: That the minutes of the meeting of the WYCA held on 29 May 2014 be approved and signed by the Chair.

41. Combined Authority Appointments

The Combined Authority considered a report on the changes in appointments and nominations to the Combined Authority following the recent council elections. A revised schedule outlining appointments and nominations to the Combined Authority had been circulated to members. It was noted that Councillor Andrew Carter had been nominated as a Leeds City Council Conservative member for appointment to the Transport Committee.

Councillor Janet Battye queried dual membership on Governance and Audit Committee as well as Overview and Scrutiny Committee. It was considered that there was no conflict of interests arising though this would be clarified through legal advice.

Resolved:

- (i) That the following substitute members, as nominated by the constituent Councils, be noted:

Bradford	Councillor Imran Hussain (for Councillor David Green)
Calderdale	Councillor Barry Collins (for Councillor Tim Swift)
Kirklees	Councillor Peter McBride (for Councillor David Sheard)
Leeds	Councillor Judith Blake (for Councillor Keith Wakefield)
Wakefield	Councillor Denise Jeffery (for Councillor Peter Box)
York	Councillor Tracey Simpson-Laing (for Councillor James Alexander)
LEP	Bob Cryan (for Roger Marsh)
Conservative	Councillor Glenn Miller (for Councillor Robert Light)
Conservative	Councillor Monica Graham (for Councillor Andrew Carter)
Lib Dem	Councillor Stewart Golton (for Councillor Janet Battye)

- (ii) That the following members be appointed to Committees as the Combined Authority representatives:

Transport Committee	- Councillor Tim Swift
WY & York Investment Committee	- Councillors David Green and James Alexander
Governance & Audit Committee	- Councillor Robert Light

- (iii) (a) That the nominated, co-opted members be appointed by the Authority to the Transport Committee, West Yorkshire and York Investment Committee, Governance and Audit Committee and the Overview and Scrutiny Committee as set out in Appendix 1 to the submitted report be noted.

- (b) That Councillor Andrew Carter be appointed to the Transport Committee as a Leeds City Council Conservative member.

- (iv) (a) That the following members be appointed as Chairs:

Transport Committee	- Councillor James Lewis
Overview & Scrutiny Committee	- Councillor Stephen Baines

- (b) That the West Yorkshire & York Investment Committee and Governance & Audit Committee be authorised to elect the Chair at their next meetings.

- (v) That the proposals for district representation on the District Consultation Sub-Committees be noted.

42. Single Transport Plan

The Combined Authority considered a report which provided further strategic input to the development of a Single Transport Plan.

The Combined Authority had previously agreed that a review be undertaken of current transport plans and to develop a single transport plan for West Yorkshire that reflected the ambition of the Combined Authority.

It was considered that the Single Transport Plan should incorporate short, medium and long term objectives which were achievable within the set timescales. Members also emphasised the need to ensure that the Plan assessed relative priorities in respect of all transport modes including bus, rail, freight, air, cycling and highways issues.

It was also recognised that the previous Leeds City Region Transport Strategy had not been developed with an explicit and clear focus on economic growth or social

inclusion and that as a result existing assumptions and micro policy objectives should be re-evaluated in the context of the recently submitted Strategic Economic Plan.

In welcoming the recent announcement by the Chancellor of the Exchequer for a HS3 high speed rail link between Liverpool and Hull, members commented that whilst the proposals were important for the future economic growth in the North, any plans should include connectivity to other towns and cities as well as Leeds and Manchester. There should also be an additional stop on any proposed east-west high speed route between the two cities. It was also stressed that the provision of a rail link should not be at the expense of other major infrastructure schemes in the region such as the electrification of the Calder Valley line and a Leeds Bradford Airport link.

It was proposed that the Transport Committee would oversee the development of the Plan with a view to it being considered by the Combined Authority in December 2014 prior to consultation with the public and other stakeholders.

Resolved:-

- (i) That members' comments made on the approach to the objectives for a Single Transport Plan be noted.
- (ii) That the draft Single Transport Plan be considered by the Combined Authority at its meeting to be held in December 2014.

43. LEP Business Growth Programme and Growing Places Fund

The Combined Authority considered a report which provided an update on the key funding programmes which were supporting local businesses across the Leeds City Region to expand and grow, creating new jobs and increasing their competitiveness.

In respect of the Business Growth Programme (BGP), it was reported that to date 247 local businesses had been awarded grants creating over 2,000 jobs in the private sector. In welcoming this achievement, it was acknowledged that there was also a wider social dimension to the programme in that many of the grants had been awarded to businesses in areas of high deprivation. The Authority stressed the need to be proactive in promoting and communicating these successes to ensure widespread publicity.

Councillor Battye expressed her disappointment at the low numbers of applications from the Green business sector. It was reported that whilst there had been few applications, the Strategic Economic Plan (SEP) bid had included support for the Green agenda. Furthermore, a number of supported projects provided environmental benefits. Additional information was requested on how the BGP linked into the SEP and it was also suggested that further details be circulated regarding the grant enquiries which had been considered by the LEP Board.

Resolved:

- (i) That the progress made by the constituent authorities and its private sector partners in supporting businesses to expand, grow and create new jobs across the city region be welcomed.
- (ii) That the ongoing discussions with Government, emphasising the critical importance of continuing the funding programmes to support local businesses and local development projects be supported.
- (iii) That further information regarding the relationship between the Business Growth Programme and Strategic Economic Plan be provided.
- (iv) That details regarding the grant enquiries considered by the LEP Board be circulated to the Combined Authority.

44. Development of a Leeds City Region Joint Committee

The Combined Authority considered a report outlining the proposals in relation to the proposed dissolution of the Leeds City Region Leaders Board and the establishment of a Joint Committee between the WYCA and other Leeds City Region authorities to replace the Board.

Members recognised that an alternative governance arrangement needed to be established following the dissolution of the Leeds City Region Leaders Board in order to ensure that the non-West Yorkshire and York Leeds City Region authorities continued to play a useful part in the Leeds City Region.

Resolved:

- (i) That work continues to develop proposals for a Joint Committee between the WYCA and the other Leeds City Region authorities.
- (ii) That further details on the emerging plans for the Joint Committee be brought forward for consideration by the WYCA.

REPORT FRONT SHEET

AGENDA ITEM: 5

Combined Authority: 24 July 2014

Report Title: Leeds City Region Strategic Economic Plan – Growth Deal Update

Report Summary

To provide the Combined Authority with an update on the recent Local Growth Fund Settlement for 2015 / 2021 and a longer term settlement to create a £1bn West Yorkshire + Transport Fund.

Key facts:

- The City Region figure for 2015/2021 of £572.9m is the largest in the country.
- The additional funding for the period 2021/22 through 2034/35 of £420m together with previously secured funding via the City Deal and local contributions produces a £1bn Transport Fund.
- The Growth Deal includes the flexibility “to redirect Local Growth Fund to fit with changing growth priorities”.
- Other Funding Streams – particularly European Funding - will need to be aligned with the Local Growth Fund settlement if the economic ambitions outlined in the SEP are to be fully delivered.

Possible Questions

1. Could the Chair of the LEP comment on the scale of the settlement compared to other LEP areas?
2. When do we think we’ll fully understand the implications of the Transport Fund being delivered over a 20 rather 10 year period?
3. What further financial options are in scope to ensure that the Fund delivers the agreed schemes?
4. It appears that if we fail to deliver in the first 5 years then the future funding is at risk – what steps do we need to take immediately to reduce this risk?

Note: The above questions may arise during the debate, but do not preclude other items for discussion and debate.

Originators: Rob Norreys
LEP Director & WYCA Head of
Economic Strategy
Jeff English, Assistant Director
Integrated Transport



ITEM 5

Report to: Combined Authority

Date: 24 July 2014

Subject: Leeds City Region Strategic Economic Plan – Growth Deal Update

1. Purpose

1.1. To provide an update on the Growth Deal announced as part of the settlement of the Strategic Economic Plan bid to the Local Growth Fund.

2. Information

Background

- 2.1. Government has created a new Local Growth Fund, of around £2bn per year, to operate from April 2015. Each of the 39 Local Enterprise Partnerships (LEPs) in England was asked to submit a Strategic Economic Plan (SEP) to government by 31 March as part of a competitive bidding process to win a share of the new Fund. The government has now announced 'Growth Deals' that allocate both financial resources and also any devolved powers and flexibilities for each LEP for 2015-16 and beyond.
- 2.2. The Strategic Economic Plan is a document with two purposes:
- to present the long term ambitions and economic strategy of the LEP
 - to make a case to government for investment in the City Region and a delivery plan for 2015-16
- 2.3. The SEP was submitted to government on time. Nationally, the overall Local Growth Fund budget for 2015-16 of £2bn was overbid by at least three times. The actual competition for funding is even more intense, since £1bn of the Fund is pre-allocated to previously announced transport schemes.
- 2.4. As part of its decision-making process on the allocation of the Growth Fund, government assessed not only the strength of our overall economic plan for the City Region, but also each of the projects and programmes in our SEP against its view of their value for money, deliverability and overall risk level. Additional clarification on

a number of projects and programmes was requested and this was provided on 20 May.

- 2.5. Improving connectivity internally and externally for the City Region is a lynchpin of the SEP. The LEP Chair wrote to Greg Clark, the Minister for Cities, to reiterate the importance of the West Yorkshire plus Transport Fund (WY+TF) to the overall Plan, and to argue that any alternative WY+TF settlement should not be at the expense of other elements of the coherent overall Plan. A meeting with the Chief Secretary to the Treasury to discuss the Transport Fund was also held on 30 June.
- 2.6. These developments were reported to the extraordinary meeting of the LEP Board on 29 May, which was also attended by members of the Combined Authority and Chief Executives. That meeting resolved that the case should continue to be made for as high an overall allocation as possible, and that the transport settlement to honour the 2012 City Deal should not damage other elements of the Plan. Additionally, a meeting of the Combined Authority on 29 May agreed to ask for a meeting with the Chancellor in order to make the case for the potential of the City Region as an economic powerhouse for the nation.
- 2.7. The government announced the Growth Deals for all LEPs on 7 July 2014. A copy of the Deal is attached for information at Appendix A.
- 2.8. The headlines are that over the 6 year period (2015/16 – 2020/21) of the Deal, the Leeds City Region has secured **£572.9 million**, which is the **largest settlement** in the Country.

Transport Funding through the SEP

- 2.9. The Leeds City Region Growth Deal announcement states that:

The investment secured by the deal will be focused on three key areas to deliver transformative growth:

Improving transport connectivity, accelerating housing growth and town centre regeneration

This Deal will ensure that transport connectivity provides the engine for growth in Leeds City Region. Major investment will be made in order to provide infrastructure to better connect people, jobs and goods. This will improve inter-city and intra-city connectivity, and could include enhancements to rail and rapid transit, more efficient highways and bus networks and significant improvements to multi-modal transport corridors. Infrastructure investments will also create better quality housing at sites across the City Region and attract new jobs and investment by supporting development-ready sites and schemes. As part of the package of investments, the Government confirms a deal with Leeds City Region, providing £180 million over 6 years (2015-16 to 2020-21) to support the West Yorkshire plus Transport Fund. This agreement could be worth up to £600 million over 20 years, dependent on the economic impact of local investments. This agreement, when combined with local commitments, could deliver a £1 billion Transport Fund in the Leeds City Region.

- 2.10. The £572.9m settlement (see 2.8 above) includes **£180m** for the WYTF at £30m per year (2015/16 – 2020/21). In addition a further **£420m** will be provided between 2021/22 and 2034/35 at £30m per year for WYTF, a total of £600m for the WYTF.
- 2.11. Together with the **£183m** devolved major scheme funding' previously secured through the City Deal process and local contributions, this will produce a **£1billion** Transport Fund as below:

Year	WYTF Funding Component	£m
2015/16 – 2020/21	LGF - 6 years @ £30m per year	180
2015/16 – 2025/26	Devolved Major Scheme Funding (already announced)	183
2021/22 – 2034/35	LGF - 14 years @ £30m per year (subject to satisfactory delivery and economic impact in first 6 years)	420
2015/16 – 2034/35	Public Sector match funding including committed levy	217
Total		1,000

- 2.12. The WY+TF proposal submitted earlier this year was based around a Payment by Results model where borrowing costs were to be met by an income stream arising from the growth in the local economy generated by the schemes in the Fund. The LGF settlement is on a different basis, with the sums in the table above being paid in advance each year as grant. The original City Deal proposition was the Fund would be 80% locally funded but this was prevented by the Local Audit and Accountability Act 2014 and Spending Round 2013. The Growth Deal now offers 80% national funding or £4 for every £1 of local investment. The settlement also provides flexibility as the funding is awarded at a programme level, rather than on an individual scheme by scheme basis, which is a benefit secured by very few LEPs.
- 2.13. There is still a 'payment by results' element with future funding beyond 2021 dependent on an independent verification of progress and in particular economic impact. It is likely the verification process will take place in 2019. It is essential therefore that the agreed 'quick win' WY+TF projects continue to be developed and that they remain on track, along with developing the next schemes in the pipeline.
- 2.14. A review and re-prioritisation of the overall WY+TF delivery programme will be undertaken to ensure that the anticipated economic outcomes can be delivered by 2019 when the independent verification takes place.
- 2.15. The funding for the 'tail' (legacy major schemes), such as New Generation Transport, Leeds Inner Ring Road and Kirkstall Forge/Apperley Bridge Rail Stations, are included separately in the Growth Deal.
- 2.16. The other transport schemes set out in the SEP bid did not receive a specific funding allocation. An immediate review of the current Local Transport Plan Implementation Plan 2 (2014/15 – 2016/17) will be therefore be undertaken, as previously advised, to identify the impact of the SEP announcements on planned LTP commitments. The outcome of this review will be reported to a future meeting of the Transport

Committee. There is also likely to be a requirement to re-evaluate some interventions currently planned to be provided through the WY+TF in the light of other parts of the growth deal to ensure that the highest economic impact is achieved across different funding streams. This is likely to be done through the Single Appraisal Framework.

Monitoring and reporting against progress against the Strategic Economic Plan outputs and outcomes

- 2.17 The LEP is now reviewing the implications of the Local Growth Fund (LGF) settlement and what this means with regards to delivery of the full range of project outputs and economic outcomes included in the Strategic Economic Plan (SEP).
- 2.18 Despite the size of the current LGF settlement further funding will be required if the ambition set out in the SEP is to be fully achieved. The Investment Committee will oversee work required to identify how other major funding streams including the European Structural and Investment Funds, can be best aligned to fill identified funding gaps for both revenue-focused and other capital programmes/projects not in receipt of LGF in this round of Growth Deals.
- 2.19 As part of the monitoring and reporting process against the SEP outputs and outcomes, the LEP will produce a regular dashboard that monitors progress, some of which will use 'real time' data based on programme/project outputs, and some of which will use modelled and official statistics to better understand the full economic outcomes of activity.
- 2.20 This work will take place over the next few months, with the intention that a full dashboard of finalised indicators (outputs and outcomes) for each of the four Pillars of the SEP can be presented to the Combined Authority at a future meeting.

3. Financial Implications

- 3.1. The financial implications are set out in section 2 and Appendix 1.
- 3.2. Further work will be required to match the funding available against the WY+TF delivery programme and identify any timing differences that will require addressing through use of the local contribution, borrowing or re-profiling. This work will be undertaken by the WYCA Director of Resources in collaboration with District Finance Officers.

4. Legal Implications

- 4.1. None as a direct result of this report.

5. Staffing Implications

- 5.1. The organisational capacity and capability, including staff resource, required to deliver the WYTF will be reviewed in light of the SEP announcements and will be reported to a future meeting of the WYCA.

6. Consultees

- 6.1 Adrian Lythgo (Head of Paid Service and Chief Executive with lead responsibility for transport) and John Henkel (WYCA Acting Director of Transport) have provided advice in the preparation of this report.

7. Recommendations

- 7.1. That the Combined Authority welcomes the Growth Deal awarded to the Leeds City Region.
- 7.2. That the Combined Authority endorses the continued development of the quick win West Yorkshire plus Transport Fund schemes to ensure that the anticipated economic outcomes are delivered by 2019 when the independent verification takes place.

8. Background Documents

- Strategic Economic Plan March 2014
- Combined Authority Item 5 - 29 May 2014 - Adoption of the SEP
- Transport Committee Item 11 - 11 July 2014 – SEP Funding Announcements

LEEDS CITY REGION GROWTH DEAL

The Leeds City Region Growth Deal aims to attract the next generation of jobs and deliver a step change to the growth of the City Region. This deal will lead to investment in integrated local transport, enable the development of housing and commercial sites, expand a skilled workforce and provide support for growing businesses.

The Growth Deal, subject to a satisfactory conclusion of the funding agreement, will bring together local, national and private funding as well as new freedoms and flexibilities to focus on three key priority areas as identified in the LEP's Strategic Economic Plan:

- Improving transport connectivity, accelerating housing growth and town centre regeneration
- developing a skilled and flexible workforce
- Supporting growing business and promoting resource efficiency

The Leeds City Region has secured **£572.9m from the Government's Local Growth Fund to support economic growth in the area – with £62.2m of new funding confirmed for 2015/16 and £233.3m for 2016/17 to 2021.** This is on-top of £277.4m of funding which the Government has previously committed as part of Local Growth Deal funding for the area.

This substantial investment from Government will **bring forward at least £340m of additional investment from local partners and the private sector. Combined together this will create a total new investment package of £912.9m for the Leeds City Region area.**

By 2021, this Deal will create at least 8,000 jobs and allow 1,000 homes to be built.

The Leeds City Region Enterprise Partnership brings together the local private sector with Barnsley Council, City of Bradford Metropolitan District Council, Calderdale Council, Craven District Council, Harrogate Borough Council, Kirklees Council, Leeds City Council, North Yorkshire County Council, Selby District Council, Wakefield Metropolitan District Council and City of York Council, together with the West Yorkshire Combined Authority.

Summary of Leeds City Region Growth Deal projects and funding

Leeds City Region Enterprise Partnership Local Growth Fund breakdown (£m)			
	2015/6	2016 onwards	Total
Local Growth Fund award	62.2	233.3	295.5
Previously committed funding	10.7	266.7	277.4
Total	72.9	500	572.9

These totals exclude match funding for European Social Fund (ESF) skills activities. The total amount of ESF skills activity LEPs have planned in their draft strategies over the 7 year programme is currently just over 1 billion euros. Actual skills ESF match will be used on the basis of the skills activity which is delivered at LEP level according to their final strategies.

The table above includes the provision of £1.98m loan funding (subject to due diligence) to Citu (Low Fold) LLP to accelerate the delivery of 280 homes on the Low Fold Passivehaus site. The table above

excludes the provision of £3.46m loan funding (subject to due diligence) to BOCM PAULS Ltd to accelerate the delivery of 844 homes on the Olympia Park¹ site.

¹ The above Olympia Park figure is captured in the York, North Yorkshire and East Riding Growth Deal.

Leeds City Region and Central Government have agreed to co-invest in the following jointly-agreed priorities:

- **West Yorkshire Plus Transport Fund** – This Growth Deal represents a step change in the ability of local partners to deliver the infrastructure necessary to support the area’s ambitious growth plans. Government will provide support for a multi-year flexible fund that will allow the West Yorkshire Combined Authority to oversee significant investments in inter-city and intra-city connectivity schemes. These will include rail enhancements, junction improvements and city centre master planning.
- **Skills capital programme** – Investment in further education colleges and training providers that will support sectors which are likely to generate the largest contribution to economic growth, as well as ensuring a world-class learning environment for young people.
- **Business Growth Programme** – Funding that will provide for capital grants for businesses. This will increase commercial lending and equity, and make a valuable contribution to work on supply chains, innovation and inward investment.
- **Energy Hub** - Specialist vehicle responsible for the development of a pipeline of new energy infrastructure projects (including energy efficiency, energy generation, supply chain and distribution and storage).
- **Resource smart business support** – tailored support to small and medium sized enterprises to reduce resource costs and increase productivity and competitiveness.
- **One City Park, Bradford** – Transformation of Bradford city centre through site works to enable the development of a central business district.
- **East Leeds extension** – strategic development for housing growth. This project is for Red Hall and brownfield sites in Seacroft and includes preparatory site works, land remediation and relocation of council facilities to provide land for the East Leeds Orbital road.
- **City Fields, Wakefield** – strategic development for housing growth. Funding relates to the former power station site in the development’s Southern Gateway. Funding will enable the removal of old structures and site remediation.
- **York Central** – Regeneration site that will accommodate housing, office, retail and leisure within a 1 million sq ft urban extension. Funding will support Phase 2, including site clearance and remediation and Holgate Beck capital works.
- **Halifax Town Centre** – Part of the wider Halifax Town Centre renaissance plan, this project for Northgate House will support site clearance and demolition to enable a new commercial development.
- **BioVale, York** – Innovation cluster for biotechnology, focusing on the development of high value chemicals, natural products, next generation biofuels and bio-waste valorisation. A joint project with the York, North Yorkshire and East Riding Local Enterprise Partnership.
- **Horse Close, Craven** – A key site for employment and housing in Skipton. This project will fund a new bridge over the Leeds/Liverpool canal to open up land, including for affordable housing, in this North Yorkshire market town.

Local flexibility over Growth Deal programme: Leeds City Region has demonstrated strong partnership arrangements which deliver collective decisions, has articulated a clear and deliverable

vision for growth in the area and has established strong financial monitoring procedures and cross local authority collaboration. As a result the LEP will have the ability to redirect Local Growth Funding to fit with changing growth priorities. Government will disburse funds to deliver the deal to the LEP annually in advance; the LEP will need to notify Government of any changes to specific projects.

The Growth Deal does not amount to an endorsement of everything in the submitted SEP. All development decisions for specific proposals must go through the normal planning process and be guided by local plans taking into account all material considerations.

The Leeds City Region Growth Deal

The investment secured by the deal will be focused on three key areas to deliver transformative growth:

Improving transport connectivity, accelerating housing growth and town centre regeneration

This Deal will ensure that transport connectivity provides the engine for growth in Leeds City Region. Major investment will be made in order to provide infrastructure to better connect people, jobs and goods. This will improve inter-city and intra-city connectivity, and could include enhancements to rail and rapid transit, more efficient highways and bus networks and significant improvements to multi-modal transport corridors. Infrastructure investments will also create better quality housing at sites across the City Region and attract new jobs and investment by supporting development-ready sites and schemes. As part of the package of investments, the Government confirms a deal with Leeds City Region, providing £180 million over 6 years (2015-16 to 2020-21) to support the West Yorkshire plus Transport Fund. This agreement could be worth up to £600 million over 20 years, dependent on the economic impact of local investments. This agreement, when combined with local commitments, could deliver a £1 billion Transport Fund in the Leeds City Region.

Leeds City Region Enterprise Partnership commitments	Central Government commitments
<ul style="list-style-type: none"> • Draw together national and local funding streams to invest in infrastructure that will drive economic growth across Leeds City Region. • Ensure that schemes that offer maximum benefits and value for money are prioritised for investment. • Provide public sector match funding of at least £217m from 2015/16 to 2034/35 towards the West Yorkshire plus Transport Fund raised by a local levy. At least £42.3m of this local funding will be provided from 2015/16 to 2020/21. • Align the previously devolved £183m transport major funding from 2015/16 to 2025/26 with the West Yorkshire plus Transport Fund investment • Commission an independent review of the economic benefits and economic impact of the first tranche of transport investments. The outcome of this review will inform the decision as to whether further investment will be unlocked. • Deliver 11,350 houses as a result of the West Yorkshire plus Transport Fund. • Invest £9.8m in One, City Park, Bradford; • Invest £64.5m in East Leeds Extension, Red 	<ul style="list-style-type: none"> • Provide £180m from the Local Growth Fund to support Leeds City Region’s ambitions for the West Yorkshire plus Transport Fund. This funding will be provided as £30m per annum from 2015/16 to 2020/21. • Subject to an independent review, provide up to £420m over the period 2021/22 to 2034/2035 for the West Yorkshire plus Transport Fund. This funding will be provided as up to £30m per annum from 2021/22 to 2034/35. • Invest £5.2m in One, City Park, Bradford (£0.4m in 2015/16); • Invest £5.1m in East Leeds Extension, Red Hall and Seacroft (£2.6m in 2015/16); • Invest £2.5m in City Fields Wakefield, former power station site in 2015/16; • Invest £1.7m in York Central, Phase 2 in 2015/16; • Invest £1.3m in Halifax Town Centre, Northgate House (£0.3m in 2015/16); • Invest £0.9m in Horse Close, Craven in 2015/16; • DfT commits to implementing the partnership agreed between the Secretary of State and Rail North in January 2014 as an initial step in

<p>Hall and Seacroft;</p> <ul style="list-style-type: none"> • Invest £11.1m in City Fields, former power station site • Invest £65.5m in York Central, Phase 2 • Invest £10.2m in Halifax Town Centre, Northgate House • Invest £34.5m in Horse Close, Craven • Continue to develop a self-sustaining investment fund, using the Single Appraisal Framework to assess all investment projects and determine the most appropriate type of funding support, based on a 'loan first' principle. • The LEP and partners agree to take a more proactive role in consultation on long-term rail planning and franchise specification; and provide a co-ordinating role between constituent local authorities. • The LEP agrees to take a more proactive role in consultation on long-term strategic road network planning and provide a co-ordinating role between constituent local authorities. • The LEP and local planning authorities commit to working together to deliver the housing provided for in Local Plans. The LEP commits to supporting the 10 local authorities in applying the LCR Statement of Cooperation, which sets out how local authorities will positively engage to update their local plans and deliver strategic planning priorities set out in the LEP Strategic Economic Plan. 	<p>devolving responsibility for the Northern and TransPennine rail franchises. The shared objectives that underpin the partnership include:</p> <ul style="list-style-type: none"> ○ Growing the railway to maximise the benefits of infrastructure investment and linking this to railway efficiencies; ○ Having a platform for determining investment priorities within the Partnership; ○ Risk and reward sharing between members of the Partnership, including the potential for revenue or profit-sharing mechanisms that could allow reinvestment into rail services ; and, ○ A partnership structure that allows the balance of risk to change over time. • The Department for Transport and Network Rail commit to more proactive engagement of the Local Enterprise Partnership in the long-term rail planning process (e.g. Route Studies) and in rail franchise specification through targeted local engagement of the Local Enterprise Partnership as part of an enhanced consultation process. The Department for Transport also commits to encourage bidders for franchises to identify and take into account the priorities of Local Enterprise Partnerships and other key local stakeholders as part of the franchising process, and will also encourage Train Operating Companies to continue with, and enhance where possible, their engagement with LEPs as key local stakeholders. • The Highways Agency commits to developing a more proactive and collaborative approaches to promoting national and local growth and commits to continue building strong relationships and working arrangements with Local Enterprise Partnerships and the Local Enterprise Partnership Network, in the same way as with Local and Combined Authorities and the Local Government Association. Through its Route Strategies, the Highways Agency will engage the Local Enterprise Partnership in better understanding the challenges and opportunities associated with the network and to develop evidence based long-term plans to bring about much needed local economic
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	<p>growth and development, and commits to providing each Local Enterprise Partnership with a named contact, generally the relevant regional director. The Highways Agency commits to forming a Growth and Economic Development Group to support Local Enterprise Partnerships at a national and sub-national level, and a draft licence published on 23rd June 2014 for the new Highway Agency Company includes a requirement to co-operate, which will underpin the arrangements described above.</p> <ul style="list-style-type: none"> • The Homes and Communities Agency will continue to collaborate with the Leeds City Region Enterprise Partnership and Local Authorities on the development of pipeline projects and the alignment of investment including: <ul style="list-style-type: none"> ○ working jointly with the LEP and Registered Providers to develop effective AHP bids; ○ working closely with the LEP and Local Authorities regarding potential LIF schemes (due diligence is being undertaken in relation to a £4.5 million investment proposal from the Round 1 LIF Programme for City Fields in Wakefield. • In the published consultation on High Speed 2, the route for Phase Two included stations at Leeds, Manchester Airport, Manchester City Centre, Sheffield Meadowhall, and Toton. DfT and HS2 Ltd are considering the responses to the consultation, along with Sir David Higgins' recommendation to accelerate the benefits of HS2 to the Midlands and the North by extending the line to Crewe. • Ahead of the Secretary of State for Transport announcing the outcome of that consultation, Growth Deal support will focus on Phase One locations. • Through Growth Deals, Government has established a package of support which will be provided to all HS2 station LEPs once the route is announced. Government commits to working with and supporting Phase Two LEPs to develop their HS2 Growth Strategies once the final decision on Phase Two is published. This will include the development of detailed proposals which LEPs can put forward for
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	financial or other support through future Growth Deals. In the meantime, Leeds City Region LEP will work with Phase One LEPs and Government officials to co-design an approach to developing and delivering HS2 Growth Strategies.
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Developing a skilled and flexible workforce

The Deal includes a substantial package of measures to ensure that key sectors and sources of growth are supported by high quality skills and education facilities. Leeds City Region has 14 further education colleges, eight higher education institutions and many other skills providers, working in close partnership with the LEP. There is a student body of 230,000 in those colleges and universities. Through the deal, the LEP will invest in excellent learning facilities which support the LEP's economic drivers, our key business sectors and our Skills Plan.

Leeds City Region is also well-positioned to enhance the current Careers Information, Advice and Guidance offer by influencing the shape of provision so that it meets the needs of the local economy. Moreover, the LEP has the ability to link employers with education providers; can have strategic influence over skills supply, and have the ability to coordinate local services towards a shared goal. The skills capital investment, along with more influence over careers and guidance will help Leeds City Region to fulfil its ambition to create a NEET-free City Region, with more and better jobs, and the skilled and flexible local workforce to sustain them.

Leeds City Region Enterprise Partnership commitments	Central Government commitments
<ul style="list-style-type: none"> • Invest £26m in a skills capital investment programme (with £6m in 2015/16). • Leeds City Region will facilitate stronger linkage between education providers and local businesses. It will also work with relevant local stakeholders to communicate local priorities and align offer to the National Careers Service (NCS) providers ahead of the new service's roll-out in October 2014 in order to augment the service. • Leeds City Region will consider skills implications as part of decision taking on growth strategies. • Leeds City Region will clearly articulate and evidence their skills priorities in the light of strategic national and local growth opportunities and communicate them to the Further Education and skills sector. 	<ul style="list-style-type: none"> • Invest £74m in a skills capital investment programme (with £12m in 2015/16). • Government commits to working with Leeds City Region to help ensure that local employer priorities are fed into the operations of the new National Careers Service (NCS) providers in Leeds City Region. • Improving skills levels is a key factor in stimulating local growth and taking advantage of new economic opportunities. Government is committed to ensuring that adult skills provision is increasingly responsive to the needs of business and supports local economic growth and jobs. • Government, through the Skills Funding Agency, will ensure that provision meets local priorities and that increasing responsiveness is delivered through a three-pronged approach: <ul style="list-style-type: none"> ○ Procurement of new provision: LEPs will be involved throughout the process and providers' track records against LEP requirements will be considered as part

<ul style="list-style-type: none"> • Leeds City Region will positively engage the Further Education and skills sector in key strategic partnerships eg Skills and Employment Boards. • Leeds City Region will recognise where the private sector has a responsibility to invest in skills provision and work with business and the skills system to realise that investment. • The LEP and its partners will open up new jobs associated with the Local Growth Fund to local unemployed and long-term unemployed people working closely with local and national back to work initiatives. This would be part of a wider expectation that that local areas use of the Social Value Act, drawing on best practice across local councils and central expertise in maximising social value. • Alongside this Growth Deal, the Government expects Leeds City Region to deliver against its commitments towards youth employment. • The LEP commits to work with Government to explore the design of a programme of Enterprise Advisers to advise schools on how to drive employer engagement. 	<p>of this assessment</p> <ul style="list-style-type: none"> ○ Accountability: Providers will be required through their funding agreements with the Agency to explain to LEPs details of their provision and planning and we are testing ways in which they can be most effectively held to account for being responsive to local economic priorities. The Skills Funding Agency is trialling Skills Incentives Pilots from 2014/15 to explore the mechanisms through which providers will account to LEPs for delivery. ○ Allocations and Intervention: In future years providers' records in delivering to LEP requirements will be taken into account when setting allocations and triggering interventions. From 2015/16 the Skills Funding Agency will take into account the outcomes of the Skills Incentive Pilots in Stoke and Staffordshire, the North East and West of England, in making allocations to those providers in scope; subject to evaluation of the pilots, these mechanisms will be rolled out to other LEPs in future years <ul style="list-style-type: none"> • Government will set out revised information for LEPs on how they can take advantage of this approach and options for seeking advice if provision is not responsive to their needs. The Skills Funding Agency will publish information during summer 2014 on how LEPs can influence the use of all skills budgets in their localities, and the steps they can take if they are dissatisfied with the pattern of delivery. • Government will seek to improve the provision of skills data for LEPs and will develop and publish new reports that will quantify and assess responsiveness to local skills needs. In the summer of 2014 the Skills Funding Agency will provide all LEPs with a data set that updates them on the provision delivered in their areas. • This Government remains committed to helping all young people to achieve their potential and specifically to reduce long-term youth unemployment. As part of this commitment the Deputy Prime Minister
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	<p>launched the Youth Contract for Cities in November 2013 providing local areas with devolved funding to boost employment opportunities for young people. As part of this, Leeds City Region was awarded £4.6m from the Government to develop its youth employment programme, including an innovative pilot looking at the role that Employment Agencies can play in helping young people into work and through a Young Ambassador scheme.</p> <ul style="list-style-type: none"> • Government welcomes Leeds City Region LEP’s ambition to strengthen the link between education providers and businesses in the local area. Through the Growth Deal, Government will work with Leeds City Region LEP to explore the feasibility of implementing a programme of Enterprise Advisers in line with Lord Young’s recommendation in his review ‘Enterprise for All’, in addition to wider school-business linkage activities. Advisers would be volunteers drawn from local private and public sector organisations and would advise head teachers and teachers on how employers can engage with schools. • Central Government commits to work with the LEP to explore the design of a programme of Enterprise Advisers, in addition to wider school-business linkage activities, and allocate funding for such a project subject to further discussions.
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Supporting growing businesses and promoting resource efficiency

The Growth Deal will extend the successful Business Growth Programme in order to provide grants for those businesses with the potential to grow, including a large manufacturing base and the largest financial and professional services sector outside London. It will also support the creation of a Leeds City Region Business Growth Hub that will provide a seamless customer experience for businesses, which makes it easy for them to get the right support at the right time. Government support for the BioVale innovation cluster, in partnership with the York, North Yorkshire and East Riding LEP, will provide specific support for the growing Yorkshire life sciences sector.

In addition, the deal will ensure that businesses in Leeds City Region can be more energy and resource efficient. There will be significant investment in new energy infrastructure – including energy efficiency, energy generation, supply chain and distribution and storage – across Leeds City Region through an Energy Hub, which will boost innovation and product development.

Leeds City Region Enterprise Partnership commits to:	Central Government commitments
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<ul style="list-style-type: none"> • Secure £90m of private sector match funding for the business growth programme (with £40m in 2015/16) • Invest £5.4m of public sector match funding for Energy Hub over the lifetime of this Deal • Invest £1.2m of public sector match funding for the resource smart business support programme (£0.2m in 2015/16) • Invest £35m of match funding for BioVale • Provide £0.5m of public and private funding in 2015/16 to support the delivery of the local growth hub. Provide a clear model for coordinating and simplifying business support so that it joins up national, local, public and private provision and creates a seamless customer experience for businesses, which makes it easy for them to get the right support at the right time. • The LEP will undertake a robust evaluation of its Growth Hub, with the aim of becoming a model for identifying the most effective business support interventions. The LEP will work closely with Government to gather detailed data on the Growth Hub and follow best practice on evaluation. • The LEP will steer delivery of the University of Bradford/BT/NHS University Enterprise Zone within the context of the Strategic Economic Plan as agreed with BIS as part of enhancing Higher Education/business interaction in the City Region. • LCR Enterprise Partnership and the Enterprise Zone team will be clear with UKTI about the sectors they wish to promote and the assets they have which will be of interest to investors. • Leeds, Bradford and York City Councils will commit to boosting SME voucher take-up as part of the Superconnected Cities Programme. To support extension of superfast broadband coverage to 90% of UK premises by 2016, via existing broadband projects, Leeds City Region Enterprise Partnership will commit to work with local partners and BT to support delivery. To support extension of superfast broadband 	<ul style="list-style-type: none"> • Invest £18m in business growth programme (with £8m in 2015/16). • Invest £0.6m in Energy Hub in 2015/16 • Invest £1.2m in resource smart business support programme (with £0.2m in 2015/16). • Invest £3m in BioVale (with £1m in 2015/16 and funded as part of a joint programme with York North Yorkshire LEP) • Provide £0.625m funding for a growth hub in 2015/16 subject to minimum conditions that reflect the position agreed by the Government review on business support and services • Invest £3.8m in the Bradford University Enterprise Zone • The Technology Strategy Board will support LEPs in developing the emerging Growth Hubs and in exploring how LEPs can help drive up local business awareness and engagement in Technology Strategy Board programmes and initiatives. • UKTI will commit to effectively communicating its strategic priorities to LEPs and where possible help them access relevant opportunities. UKTI will double the number of Partnership Managers to 16. This will ensure that UKTI can work more closely with LEPs and help build their capability to secure more inward investment. • UKTI will support the ambitions of the Aire Valley Enterprise Zone and work with Leeds City Region Enterprise Partnership in an integrated way wherever possible, extending opportunities made available to the LEP, such as marketing workshops or training on proposition development, to include Enterprise Zone teams.
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<p>coverage to 95% of UK premises by 2017, Leeds City Region Enterprise Partnership will also work with local partners to help ensure match funding is in place for the next round of projects</p>	
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As part of the deal:

- **Ensure implementation and demonstrate success**, by accepting the funding agreement, and by tracking progress against milestones and agreed core metrics and outcomes in line with a monitoring and evaluation framework. This will include agreeing monitoring metrics and reporting arrangements with the Government by September 2014. The LEP will also produce an evaluation plan for the projects contained in the Deal before April 2015.
- **Ensure value for money** by developing robust processes that will guide local decision-making. This will include agreeing an assurance framework with the Government by September 2014, building on existing local and national frameworks
- **Communicate the ongoing outputs and outcomes of the Deal to the local community and stakeholders** by publishing the Growth Deal and reporting regularly, and publically, on their progress to implement the strategy, ensuring that local people understand how Government money is being spent via the Growth Deal, and what the benefits are for them and the area. The Cities and Local Growth Unit will continue to work with the LEPs on communications activities, and help make the links with other Government communications teams.

Funding for projects starting in 2016/17 will be subject to conditions that Government will discuss with the LEP over the next few weeks and months, along with establishing the best timetable for the project, taking into account practicalities and affordability.

The Government commits to opening discussions with the LEP right away on its priorities for the next round of Growth Deals.

REPORT FRONT SHEET

AGENDA ITEM: 6

Combined Authority: 24 July 2014

Report Title: Rail North Governance

Report Summary

This report is a significant milestone in the plans to devolve rail services and reflects the government commitment to devolution set out in the recent Local Growth Deal. The report sets out the proposed governance arrangements for Rail North and recommends that WYCA agrees to become a member of the proposed Association of Rail North Partner Authorities and Rail North Limited. Delegated authority is sought to enter into the legal agreements required to become a member.

Possible Questions

1. What does WYCA wish to achieve from the devolution of rail services? (e.g more and better aligned investment to support HS2/HS3)
2. What are the main things that WYCA would like to see in the proposed partnership between Rail North and the Department for Transport? (e.g a structure that supports investment as well as contract management)
3. How do we ensure that the Local Growth Fund and long term funding deal for the West Yorkshire Plus Transport Fund is reflected in the proposed arrangements?
4. How do we ensure that the rail industry (particularly Network Rail) is more responsive to our priorities in the SEP and Local Growth Fund?
5. At the moment, City of York Council is a separate Local Transport Authority entitled to join Rail North in its own right. Is the approach of working jointly on matters in relation to Rail North, through WYCA, supported?

Note: The above questions may arise during the debate, but do not preclude other items for discussion and debate.

Originator: David Hoggarth
Director, Development



ITEM 6

Report to: Combined Authority

Date: 24 July 2014

Subject: Rail North Governance

1. Purpose

- 1.1. To provide the Transport Committee with an update on the plans for the devolution of rail services in the North of England and outline the proposed governance arrangements to establish Rail North together with a new partnership with the Department for Transport (DfT).
- 1.2. To discuss the outcomes WYCA would like to see from the proposed devolution partnership.

2. Background

- 2.1. Rail services in West Yorkshire and York play a key role in supporting economic growth. Over the last 15 years or so, local rail patronage has more than doubled, reflecting economic growth and enabling people to access employment in the main centres as the structure of the economy has changed over time. However, investment (for example in rolling stock and train capacity) has not kept pace with the growth leading to problems with overcrowding and quality of journeys. Whilst significant investment has been made locally (for example in new stations or the innovative 'Yorkshire 6' deal for extra train carriages) it has often been difficult to deliver and not always joined up with industry investment plans.
- 2.2. The City Deal (agreed in 2012) included the devolution of responsibility for rail services from the Department for Transport in recognition of the importance of rail transport to the economic growth of the north. The Strategic Economic Plan also included rail devolution as one of the 'asks' from government.
- 2.3. A report to the West Yorkshire Combined Authority (WYCA) on 29 May 2014 provided an update on the proposed Rail North partnership and governance arrangements. Further work has now been undertaken to reach the current position.

3. Proposed Governance Arrangements

- 3.1. The work of Rail North is currently overseen by the Leaders of the 30 Local Transport Authorities involved.
- 3.2. An outline governance structure for Rail North to manage the new franchises has now been developed. The proposed governance structure has the following key features:
 - An Association of Local Transport Authorities known as the Association of Rail North Partner Authorities (ARNPA), with a member from each of the of 30 LTAs in the North, and governed by a Leaders' committee;
 - Rail North Limited (RNL), a Special Purpose Vehicle (SPV) being a company limited by guarantee, whose Directors are appointed by geographical sub-groups determined by ARNPL; and
 - A Joint Venture (JV) body or partnership established under arrangements between Department for Transport (DfT) and Rail North Limited.
- 3.3. Further details are provided in Appendix 1. It should be noted that WYCA and City of York Council working together would be one of the proposed sub-groups able to appoint a director. The appointment of the director would be through WYCA and the subject of a further report at an appropriate time.
- 3.4. Each LTA is being asked to enter into these arrangements after which they can nominate one person as their representative on ALTA. Its main purposes would be to develop, revise and oversee the implementation of the Long Term Rail Strategy, establish sub-groups to appoint members to Rail North Ltd and act as shareholders to that company.
- 3.5. It is proposed that Rail North Limited will subsequently enter into a partnership with the DfT to manage the new Northern and TransPennine Express franchises. It is planned that the Partnership will draw existing staff from the LTAs and the DfT. The details of the partnership are currently under development.

4. Financial implications

- 4.1 There will be a small cost involved with the establishment and running of the association and Rail North Limited (around £36,000 p.a). It is envisaged that this cost will be shared between the members in proportion with the voting rights. Further work is being undertaken on the cost and a further report will be prepared once the final cost is known.

5. Legal Implications

- 5.1 The proposed governance arrangements involve WYCA entering into various legal arrangements, namely:

- Becoming a member of ARNPA
- Becoming a member of Rail North Ltd (RNL)
- Entering into a RNL Members' Agreement

6. Staffing Implications

- 6.1 None as a result of this report. There may be staffing implications if Rail North Ltd enters into a partnership with the DfT. A further report will be provided once the partnership proposal has been finalised.

7. Consultees

- 7.1 The Head of Paid Service for WYCA and Chief Executives of West Yorkshire and York have been consulted.

8. Recommendations

- 8.1 That WYCA agrees to become a member of the Association of Rail North Partner Authorities and of Rail North Limited.
- 8.2 That WYCA delegates to both the Head of Paid Service and the Secretary and Solicitor (in consultation with the Chair) to enter into the necessary accession arrangements and documentation.
- 8.3 That WYCA considers the outcomes WYCA would like to see from the proposed devolution partnership.

9. Background Documents

- Report to WYCA, 29 May 2014, Rail North Partnership

Appendix 1 – Proposed Rail North Governance Arrangements

1. THE LEADERS’ COMMITTEE (“LC”)

Establishment

The LTAs covered by the Northern and TPE franchises would establish a local authority association formed under section 143 of the LGA 1972 (“LGA 1972”). It is expected that all relevant LTAs (currently 30) would be party to these arrangements. The association (provisionally known as the Association of Rail North Partner Authorities) would be governed by a Leaders’ Committee (LC).

Each LTA¹ would appoint one elected member to the LC. This member would normally be its Leader/ Mayor/ Chair or its Lead Member for Transport.

The LC would elect a Chair and one or more Vice-Chairs.

Voting Arrangements

It is expected that most major decisions would be reached by consensus. However, where votes are taken, a system of weighted voting would apply based on metrics relating to rail usage on Northern and TPE services to and from each LTA’s area. The rationale for this is that it reflects the respective stake of each LTA area in the franchising. The apportionment of votes would be revised from time to time to reflect changes in rail usage.²

Frequency of Meeting and Urgency

The LC would meet twice a year, although there would be provision for additional meetings to be called if demanded by a specified (significant) number of member LTAs.

Functions

The Association through the LC would have the following functions:-

- to promote and improve rail services in the Rail North area
- to campaign for devolution of responsibility for the Northern and TPE franchises
- to develop and approve, and oversee the implementation of, a long-term Rail Strategy.
- to establish regional sub-groups as provided for below, whose functions would include the appointment of representatives on the RNL Board
- to provide political leadership and oversight of RNL

¹ Whilst City of York Council remains a separate Local Transport Authority, it would be eligible to appoint an elected member to the Leaders’ Committee. Options for York to exercise this right through WYCA will be explored.

² Provisional voting shares indicate that West Yorkshire and York together would have a 26.6% share of the voting rights, the highest share of any individual LTA or sub-area. The provisional share is being updated to reflect latest data and any significant changes will be reported back to WYCA

Sub Groups

The LC will establish a number of geographical sub-groups of LTAs, whose composition will be decided by the LC and whose function would be to appoint a person to serve as a director of the Board of RNL. In determining the composition of the sub-groups, account will be taken of factors such as:

- local Authority, LEP and LTB linkages
- the geography of the rail network
- the need to ensure inclusivity and representation across the North.

The shadow LC has agreed initially to establish the following eleven sub-groups:

- *GMCA*
- *West Yorkshire (plus York)*
- *South Yorkshire*
- *Merseyside (including Halton)*
- *North East (Tyne and Wear, Durham and Northumberland)*
- *Lancashire and Cumbria (including Blackpool and Blackburn with Darwen)*
- *Tees Valley (Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton-on-Tees)*
- *North Yorkshire*
- *Humberside (East Riding, Hull, North Lincs, North East Lincs)*
- *Cheshire and the Potteries (Cheshire East, Chester West and Chester, Warrington, Stoke, Staffordshire)*
- *East Midlands (Derby, Derbyshire, Nottingham, Nottinghamshire, and Lincolnshire)]*

It is expected that decisions on appointments by geographical sub-groups would be reached by consensus. However where votes are taken the same system of weighted voting would apply as on the Leaders' Committee.

Administrative Support and Funding

The LC will appoint the Chief Executive of one of the LTAs as Secretary to be responsible for providing administrative support.

The minimal costs of the joint body will be apportioned between the partner LTAs as agreed by them probably on the basis of voting rights.

2. THE SPECIAL PURPOSE VEHICLE (SPV) – RAIL NORTH LTD

Establishment

The members of the Association will establish the SPV as a company limited by guarantee called Rail North Ltd (RNL). The SPV would be established pursuant to the well-being power under sections 99 and 102A of the Local Transport Act 2008 and the functional power of competence under sections 11 and 13 of the Localism Act 2011 in the case of CAs / ITAs and the general power of competence under section 1 of the Localism Act in the case of county and unitary councils.

The key decision-making bodies within the SPV would be the members of the company and the board of directors.

Board of Directors

Each of the regional sub-groups established by the Leaders' Committee pursuant to paragraph 2.7 would appoint one elected member to the Board of RNL.

Voting on the board would be on the basis of one director, one vote although it is expected that most decisions would be taken by consensus. However, given the substantial variations in the proportions of rail usage between the various sub-groups approval of certain key matters would be reserved to the members of the company.

The Board would be supported in managing RNL by a dedicated Executive Team of officers of the Rail North partner authorities and the PTEs.

Members of RNL and Reserved Matters

All the members of the Association are eligible to become members of RNL.

The voting entitlement of each member would be based on the voting power of each member based on rail usage as set out in Appendix 2.

Funding

Members would make an annual payment to cover the running costs of the Company to be apportioned in accordance with voting rights. Prior to the commencement of the franchises, this is likely to be a relatively nominal amount. Arrangements may need to be reviewed when the level of risk/expenditure to be borne by RNL under the partnership arrangement with DFT is established. However, in these circumstances, LTAs would have the opportunity to withdraw before the franchise agreements are signed and if unwilling to accept risk or make increased payments.

The articles of the company would provide that certain important strategic decisions would require the approval of members of the company collectively holding 75% of the voting rights.

The reserved matters would include:-

- any change to the articles of the company
- any partnership / shareholders' agreement between RNL and the DFT
- approval of RNL's annual and medium-term business plan
- expenditure above certain limits
- borrowing and the giving of financial guarantees

Functions of RNL

The principal initial functions of RNL will include:-

- To oversee local authority input into the design of the franchises including the specification and commercial arrangements.

- To develop proposals with DFT for a single integrated partnership / joint venture structure to assume responsibility for managing the franchises

3. DFT/RAIL NORTH PARTNERSHIP

Rail North officers are engaging with DFT officials and lawyers in relation to the governance arrangements for the DFT/RNL partnership. A paper with proposals will be brought forward for consultation in due course.

Provisional Weighted Voting on Leaders' Committee and RNL members' meetings (based on percentage share of passenger revenue)

Analysis by Local Transport Authority

Transport Authority	Weighted Voting Share %
Blackburn with Darwen Borough Council	0.9
Blackpool Borough Council	1.7
Cheshire East Council	1.6
Cheshire West and Chester Council	0.6
City of York Council	3.1
Cumbria County Council	3.4
Darlington Borough Council	0.6
Derby City Council	0.1
Derbyshire County Council	1.3
East Riding of Yorkshire Council	1.6
Greater Manchester Combined Authority	25.7
Hartlepool Borough Council	0.3
Hull City Council	1.7
Lancashire County Council	6.4
Lincolnshire County Council	0.5
Liverpool City Region Combined Authority	6.2
Middlesborough Council	0.7
North East Combined Authority	4.2
North East Lincolnshire Council	0.4

North Lincolnshire Council	0.4
North Yorkshire County Council	4.1
Nottingham City Council	0.6
Nottinghamshire County Council	0.3
Redcar and Cleveland Borough Council	0.4
Sheffield City Region Combined Authority	6.5
Staffordshire County Council	0.1
Stockton-on-Tees Borough Council	0.5
Stoke-on-Trent City Council	0.2
Warrington Borough Council	1.1
West Yorkshire Integrated Transport Authority	23.5

Analysis by Regional Sub-Group

Transport Authority (ITA, CA or LTA)	Weighted Voting Share
West Yorkshire (plus York)	26.6%
GMCA	25.7%
Lancashire and Cumbria (including Blackburn and Blackpool)	12.4%
South Yorkshire	6.5%
Merseyside (including Halton)	6.2%
North East (excluding Tees Valley)	4.2%
North Yorkshire	4.1%
Humber	4.1%

Cheshire and the Potteries	3.6%
East Midlands	3.1%
Tees Valley	2.5%

REPORT FRONT SHEET

AGENDA ITEM: 7

Combined Authority: 24 July 2014

Report Title: Rail Franchise Consultation

Report Summary

This report provides information on the Department for Transport/Rail North consultation in relation to the re-franchising of the TransPennine (TP) and Northern (NT) rail franchises.

It also seeks approval for the proposed West Yorkshire Combined Authority (WYCA) response to the consultation.

Possible Questions

1. Does the draft response cover all the key issues the Combined Authority wants to raise?
2. What are WYCA's views on specific questions raised in the consultation document including:
 - whether 'below average' fares in the North should be increased to fund improvements?
 - whether certain services could be reduced to fund improvements to rolling stock?
 - whether some reduction in ticket office opening hours and staffing could be permitted?
3. Are WYCA's ambitions for rail services including proposals to double rail patronage, support HS2 and improve east-west connectivity adequately highlighted?

Note: The above questions may arise during the debate, but do not preclude other items for discussion and debate.

Originator: David Hoggarth,
Director, Development



ITEM 7

Report to: Combined Authority

Date: 24 July 2014

Subject: Rail Franchise Consultation

1. Purpose

- 1.1. To provide information on the Department for Transport/Rail North consultation in relation to the re-franchising of the TransPennine (TP) and Northern (NT) rail franchises.
- 1.2. To seek approval for the proposed West Yorkshire Combined Authority (WYCA) response to the consultation.

2. Information

- 2.1. On 9 June 2014, the Department for Transport (DfT) published its consultation document in relation to the future of the TP and NT franchises which serve the Leeds City Region (LCR). While the refranchising is a DfT-led process, it is taking place in partnership with Rail North, and the consultation is an exercise involving DfT and Rail North. The consultation period runs until 18 August 2014. The consultation document can be found at: <https://www.gov.uk/government/consultations/future-of-northern-and-transpennine-express-rail-franchises>.
- 2.2. The consultation process provides the opportunity for WYCA (as the Local Transport Authority with a role in shaping these franchises) to provide direct inputs into the refranchising process and highlight the importance of these rail operations for the economy of the LCR, as well as priorities for the development of rail services.
- 2.3. West Yorkshire's rail strategy, Railplan 7, sets out a Vision and Objectives for the development of the rail network which were developed following a public consultation process, as well as utilising the Yorkshire Rail Network Study evidence base. RailPlan 7 and the Rail North Long Term Rail Strategy have been used to support the draft consultation response that has been prepared for consideration by WYCA. Input from the Transport Committee has been sought to the draft response that has been prepared, and which will be circulated to WYCA members separately.

2.4. The Rail Plan 7 vision and objectives are:

Vision: For West Yorkshire to have the best railway in the country by 2026 - A rail network that connects people and places in a way that supports the economy, the environment and quality of life while delivering the best service reliability and customer satisfaction in the country.

Objectives:

- To double annual rail patronage;
- To improve passenger satisfaction scores;
- To develop a rail network that secures better value for money for passengers and taxpayers; and
- To exploit the benefits of high speed rail when it arrives in West Yorkshire in the 2030s.

- 2.5. The consultation documents contain the Secretary of State's objectives for both franchises. There are similarities between the franchise objectives and those of Railplan 7, notably in terms of rail services better supporting the economy. There is however a distinct focus in the NT franchise objectives on 'affordability', and being able to cater for demand growth only in this context. This contrasts with the TP franchise objectives, where the focus is on creating an "Inter-City" operation between the north's major centres, as well as catering for increased demand through increasing rail's mode share.
- 2.6. The DfT also poses a number of specific questions including whether 'below average' fares in the North should be increased to fund improvements, whether certain services could be reduced to fund improvements to rolling stock and whether some reduction in ticket office opening hours and staffing could be permitted. There are also specific questions in relation to train services and possible calling patterns and destinations. Consultees are asked to respond to the specific questions citing evidence where possible that supports views expressed.
- 2.7. The DfT is proposing a duration for the NT franchise of 8 – 10 years, and for the TP franchise of 7 – 9 years. Both franchises will therefore manage services during a period of significant investment in the north's rail network through to the early to mid-2020s, a period which will also see the beginning of construction of HS2. Given the ambitions of HS2, and, more recently the debate that has now begun about HS3, the apparent focus in the NT franchise consultation on trade-offs and possible reductions in service levels could be seen as inconsistent with the longer term ambitions.
- 2.8. The proposed WYCA response confirms the overriding priority to be that the new franchises must support the economic aspirations of the city region as set out in the Strategic Economic Plan (recently adopted by WYCA).
- 2.9. Whilst recognising that efficiency improvements are desirable, a programme of service reductions, staff reductions and ticket office closures would risk jeopardising the RailPlan 7 objectives. The proposed response advocates that rather than this, a sustained period of investment (for example electrification and new rolling stock) is

required in order to address the clear quality gap between railways in the North of England and London and the South East. Such investment, coupled with much better revenue protection and collection including the use of state of the art ticketing technology, as well as making better use of station buildings and staff, would generate additional revenue and help secure better value for money for the taxpayer.

2.10. Input has been sought from the Transport Committee, which highlighted the following key points for the draft WYCA response:

- The response needs to be robust, outlining the need for ambitious franchises and a rail service that supports the economy and wider social and environmental objectives. A repetition of previous no/low growth franchises is not acceptable.
- WYCA, through the Rail North partnership, wants to see more local control over rail services in the north. Local politicians in the north are closer to the economic needs of the area and working together, will be able to deliver better outcomes from our rail network than if controlled from Whitehall.
- The two new franchises in question and improvements to the rail offer that they should provide will form a very important part of making Leeds City Region “HS2 ready”.
- Allied to the development of the rail network to maximise the benefits of HS2, is the need to improve East-West connectivity across the north. The Calder Valley line as an east-west rail route is in urgent need of modernisation, and as such, the inter-urban services on this route should be part of the new TP franchise rather than the NT franchise.
- The capacity and quality of rolling stock and accessibility of stations are major areas for improvement.
- Affordability of fares is critical to encourage use. Revenue protection and collection is highly important, as is the role of modern retail channels to help facilitate this. Fares anomalies need to be addressed e.g. cross-boundary fares.

3. Financial implications

3.1 The consultation process itself has no direct financial implications for WYCA.

3.2 It should be noted however that there could be financial implications for WYCA if proposed improvements to the LCR’s rail services to be cited in the response are not included as part of the baseline franchise specification by the DfT, and need instead to be included as “priced options”/“third-party increments” in the franchise specification for funding by the WYCA. This would be the subject of a further report if required.

4. Legal Implications

4.1 None known as a result of this consultation.

5. Staffing Implications

- 5.1 The preparation of the WYCA response is being undertaken within existing staff resources.

6. Consultees

- 6.1. Input to the WYCA response has been sought from the District Councils, District Consultation Sub-Committees (as user representatives) and the Transport Committee.

7. Recommendations

- 7.1 That the WYCA approve the proposed response to the rail franchise consultation.

8. Background Documents

- DfT/Rail North consultation document;
- Railplan 7;
- Rail North Long Term Rail Strategy; and
- Yorkshire Rail Network Study.

REPORT FRONT SHEET

AGENDA ITEM: 8

Combined Authority: 24 July 2014

Report Title: High Speed Rail and East-West Connectivity

Report Summary

To provide the Combined Authority with an update on the High Speed Rail and East-West connectivity work-streams.

Possible Questions

1. Is WYCA content with its role in the HS2 work-streams?
2. How does WYCA want to engage with Government and HS2 Ltd?
3. How do we ensure that the benefits of high speed rail are spread across the City Region?
4. What are the main points WYCA would like to make to the consultants working on the Connectivity Study (e.g WYCA's main objectives and priorities)?
5. Would it be helpful for a small group of WYCA members to provide more detailed feedback to the consultants?

Note: The above questions may arise during the debate, but do not preclude other items for discussion and debate.

Originator: David Hoggarth
Director, Development



ITEM 8

Report to: Combined Authority

Date: 24 July 2014

Subject: High Speed Rail and East-West Connectivity

1. Purpose

- 1.1. To provide the Combined Authority with an update on the High Speed Rail and East-West connectivity work-streams.

2. Information

High Speed 2

- 2.1. Government has asked that the Leeds City Region aligns its plans with HS2 and embeds the aspirations that are driving HS2's development.
- 2.2. This work is already on-going, for example, the West Yorkshire plus Transport Fund is well placed to maximise the connectivity benefits of HS2, and HS2 is one of the main themes contained within the Strategic Economic Plan.
- 2.3. However, there is still more work to be done to clearly set out the City Region's 'Growth Strategy' in relation to HS2. For this reason, work-streams are running across the City Region, and with partners in other cities, to respond to the recommendations outlined in 2.5 below.
- 2.4. The Leeds City Region HS2 Regional Programme Board provides an opportunity for WYCA, District Councils, the Local Enterprise Partnership and the Chambers to steer the programme. HS2 Ltd and Department for Transport are also part of the Board.
- 2.5. The key issues identified by the HS2 Regional Programme Board are:
 - Reaching a consensus within the City Region, and across the North, to speak with one voice about collective transport priorities, including making sure HS2 itself is built;

- Embedding HS2 into the plans for the Southbank area of Leeds, with a seamless interchange with the existing station and other public transport to ensure regeneration opportunities and connectivity to the rest of the City Region is maximised;
 - Communicating a compelling story to City Region’s businesses and residents about the benefits; and,
 - Being ready to discuss with Government any funding options and gaps in the autumn.
- 2.6. The arrival of HS2 will be transformational across the whole of the City Region and will provide released capacity on the existing network. In the meantime, however, it is essential that Government continue to invest in the existing network such as providing enhancements to the East Coast Main Line (ECML).

Leeds City Region HS2 Connectivity Study

- 2.7. On behalf of the Leeds City Region HS2 Programme Regional Board, the Combined Authority has commissioned consultants to develop a HS2 connectivity package so that all parts of the city region will benefit from the arrival of HS2. Work starts immediately and will conclude in December 2014. The study will develop an evidence-led vision, closely aligned with the Strategic Economic Plan, and will include a package of transport investment across the city region. The work will build on the evidence and proposals already established in the West Yorkshire plus Transport Fund, Railplan7 and Yorkshire Rail Network Study.
- 2.8. Work has started on phase one to agree objectives, build the evidence and establish the vision and evaluation framework for completion by August 2014. Key questions being considered by the consultants in phase one include:
- Are strategic and local plans for growth aligned to maximising HS2 growth potential?
 - What economic and housing growth is planned?
 - Will local and strategic connectivity to HS2 be sufficient and deliverable to maximise HS2 growth potential?
- 2.9. Phase two includes identifying options and sifting and defining the proposed package. Output from phase two will be ready by the end of the year with initial outputs ready for a dialogue with Government in the autumn. The Combined Authority and all the District Councils will be involved throughout the study process. Initial input is sought from WYCA at the meeting.

HS2 Station

- 2.10. On behalf of the Leeds City Region HS2 Programme Regional Board, Leeds City Council is commissioning a Southbank study to examine the local development, public realm and transport opportunities from HS2 in the Southbank. The work will ensure that the station is part of an overall plan for the future of that area, the city and City Region. It will also consider the options for linking the new station and the

existing station which is crucial to ensure that the connectivity to the rest of the City Region works.

- 2.11. The Government's HS2 Growth Taskforce recommended that local authorities with a station in their city set up delivery bodies. The Programme Board is therefore exploring how best to establish this.

Eastern HS2 Route Benefits

- 2.12. The Leeds City Region Enterprise Partnership is also setting up a piece of work to consider, in more detail, the benefits of the eastern leg of phase 2 of HS2. The work will be done in partnership with HS2 Ltd and the other Eastern leg areas such as Sheffield, Nottingham, Derby, etc. It is important to continue to make the case for the Eastern leg and to provide further evidence to substantiate this.

East-West Connectivity

- 2.13. In collaboration with the other core cities, and in response to the challenge set by Sir David Higgins in his recent HS2 report, a new piece of work is underway looking at transformational change to East-West connectivity. The work builds on the latest HS2 proposition and focuses on strategic connectivity between the main centres, leaving local connectivity issues to individual city regions.
- 2.14. Consultants who led on Northern Way and the Yorkshire Rail Network Studies are working with a specialist freight company to develop an East –West connectivity vision. The vision needs to include all the main centres in the north, not just the core cities on the current main TransPennine route (for example, the Calder Valley line and linkages, together with movements to/from Wakefield are in scope).
- 2.15. The work will consider committed schemes, new requirements prior to HS2 opening and a longer term vision for 2030 onwards.

3. Financial Implications

- 3.1. None as result of this report.

4. Legal Implications

- 4.1. None as result of this report.

5. Staffing Implications

- 5.1. The work is being undertaken utilising existing staff resources.

6. Consultees

- 6.1. Adrian Lythgo (Head of Paid Service and Chief Executive with lead responsibility for transport) and John Henkel (WYCA Acting Director of Transport) have provided advice in the preparation of this report.

7. Recommendations

- 7.1. That WYCA endorses the principles of spreading the benefits of HS2, maximising the released capacity, and enhanced connectivity across all parts of the City Region.
- 7.2. That WYCA discusses their initial input to the Connectivity Study.
- 7.3. That WYCA urges Government to invest in the current network in advance of HS2.

8. Background Documents

- High Speed Rail: Investing in Britain's Future July 2013

REPORT FRONT SHEET

AGENDA ITEM: 9

Combined Authority: 24 July 2014

Report Title: Low Moor: Authority to seek Approval from the Secretary of State to make a Compulsory Purchase Order.

Report Summary

The report provides an update on the current position, particularly detail relating to the land ownership. Land sales by agreement are not progressing due to delay and lack of engagement from the sellers.

The report advises that in order to ensure that all land is obtained the only option is to progress the CPO.

The CPO process requires the WYCA to consider its policies, its powers and its duties to weigh up the public interest in using compulsory powers. It is *essential* to be able to robustly defend a challenge to the CPO that the Authority carefully considers all of these aspects when making its decision.

The report sets out the powers that the WYCA can rely on and refers to the Statement of Reasons, which is a formal document that must be submitted when applying for a CPO. This document sets out the case in support of the use of powers, and highlights the benefits of the scheme that justify the use of the powers, which are in line with the policy objective of the Authority.

If the WYCA is satisfied that it needs to use these powers and that the benefits of using them outweighs the rights of individuals whose land is to be affected by the CPO then it may make the decision to seek the consent of the Secretary of State to proceed to make a CPO.

The report also seeks some specific delegations to the Director of Development and the Secretary and Solicitor in order to fine tune the CPO before it is submitted and carry out certain key legal steps in order to make the Order without having to bring a further report back to the WYCA, in the interests of efficiency.

It should be noted that it is still the aim to avoid a CPO and a public inquiry if at all possible to conclude land sales by agreement.

Possible Questions:

1. Are the members satisfied with the policy benefits stated in the Statement of Reasons attached to the Report?
2. Are the members satisfied that it is the right thing to do at this stage to progress with a CPO in view of the continuing delay of the Sellers to engage with the WYCA.
3. Have the members considered the important Human Rights implications – do the benefits delivered by the use of the compulsory powers outweigh the private rights that are being infringed? It is crucial to appreciate that public inquiries frequently fail because the public authority fails to demonstrate that it properly considered the human rights issues when making its decision.

Note: The above questions may arise during the debate, but do not preclude other items for discussion and debate.

ITEM 9

Report to: Combined Authority

Date: 24 July 2014

Subject: Low Moor: Authority to seek Approval from the Secretary of State to make a Compulsory Purchase Order.

1. Purpose

- 1.1. To update the Authority with progress on the proposed Low Moor Railway Station development (“the Proposed Railway Station”) and close working with City of Bradford Metropolitan District Council.
- 1.2. To seek the approval of the Authority to apply to the Secretary of State for consent to the use of powers of Compulsory Acquisition in accordance with the Transport Act 1968.
- 1.3. To delegate appropriate powers to make a compulsory purchase order (CPO) to the Director of Development and to the Secretary and Solicitor following the receipt of the approval to exercise such powers being received from the Secretary of State for Transport.

2. Information

- 2.1. Capital approval for the Scheme was given by the former WYITA at its meeting in February 2014.
- 2.2. Officers within WYCA and City of Bradford Metropolitan District Council (CBMDC) have been working closely in relation to a land acquisition strategy to support the scheme. CBMDC has agreed to provide some of its land for the scheme in a continuation of the close partnership working that has also seen good progress towards the delivery of a new station at Apperley Bridge.
- 2.3. Approval was given to the use of further funding offered by CBMDC for the acquisition of land adjoining the proposed station site. This was with a view to potentially avoiding the need to use CPO powers and also to provide land that could be used for expanded parking facilities in view of the anticipated patronage

growth. WYCA will acquire this land and formalise occupation agreements with existing businesses to hopefully deliver rental income for Bradford.

- 2.4 Planning permission for the scheme was granted by the Local Planning Authority on 12 May 2014.
- 2.5 The only obstacle to delivery of the scheme that must be delivered prior to construction commencing on site is the acquisition of all the land required.

Scheme Delivery

- 2.6 At this stage the main role of the WYCA is to assemble the land required for the scheme. Once that is achieved, delivery of the scheme will become essentially a design and construction contract between the WYCA and Network Rail. These sorts of agreements have been entered into on several schemes recently, such as Apperley Bridge Rail Station and Leeds Station Southern Entrance.
- 2.7 Land referencing agents have confirmed that four land owners together own all of the land needed. Two of these land owners are CBMDC and Network Rail Limited. In view of the relationship between these organisations and the WYCA, and the terms of agreements that are or will be put in place, it is not considered necessary or appropriate to seek to compulsorily acquire their land.
- 2.8 The remaining land owners have been approached at various times over a number of years during the development of the scheme. The WYCA's property agents have been in formal negotiations with these land owners since November last year, and have agreed heads of terms with both parties very recently. However, at this point in time, no agreements have been signed and progress on acquisition is slow and has the potential to prevent the Proposed Railway Station being delivered in accordance with the programme.
- 2.9 Every effort will be made to acquire the land by agreement so that a CPO is not required, but in order that WYCA is able to remain in control of the delivery programme, it is necessary for a compulsory purchase order to be made and promoted as a fall-back position, should those negotiations fail.
- 2.10 The only way to ensure that the land necessary for the scheme is in public ownership in line with the programme is to continue with the CPO process at the same time as bringing pressure to bear to conclude agreements voluntarily. Government guidance issued in 2004 approves the commencement of CPO processes in line with negotiations:

“Before embarking on compulsory purchase and throughout the preparation and procedural stages, acquiring authorities should seek to acquire land by negotiation wherever practicable. The compulsory purchase of land is intended as a last resort in the event that attempts to acquire by agreement fail. Acquiring authorities should nevertheless consider at what point the land they are seeking to acquire will be needed, and, as a contingency measure,

should plan a compulsory purchase timetable....Given the amount of time which needs to be allowed to complete the compulsory purchase process, it may often be sensible for the acquiring authority to initiate the formal procedures in parallel with such negotiations.”

Land proposed as the subject of the CPO

- 2.11 The land required for the Proposed Railway Station and proposed as the subject of the CPO (“the Order Land”) is identified on the CPO Plan included as **Appendix 1** to this report. A draft schedule has been prepared of all land interests in the site (included as **Appendix 2**). This was compiled by external consultants, Hamer, procured by the project team. Hamer undertook detailed title investigations, visited the site and issued statutory requisitions to those understood to be owners, occupiers or interested in the Order Land in order to compile this schedule. The draft compulsory purchase order (“the proposed Order” or “CPO”) is also included as part of **Appendix 2**.

The Case for making the CPO at Low Moor

- 2.12 WYCA should make the proposed Order using its powers under Section 10 of the Transport Act 1968 (“the 1968 Act”). This is considered to be the most suitable power to compulsorily acquire the land required for the Proposed Railway Station. Section 10(3) of the 1968 Act states as follows;

“If the Authority so request in writing, the Minister may authorise [the Authority]... to purchase compulsorily any land which [the Authority] requires for the purposes of their business, and the [Acquisition of Land Act 1981] shall [apply to the compulsory purchase].”

- 2.13 By virtue of the West Yorkshire Combined Authority Order 2014 these powers vested in the WYCA and apply in the area of the WYCA.

- 2.14 Pursuant to Section 9A(5) of the 1968 Act:

“9A(5) Where it appears to the Authority...that it would be appropriate for the [Authority] to take any measures for the purpose of or in connection with promoting, so far as relates to [the area of the Authority] ...

(b) the convenience of the public...in using all available public passenger transport services

The Authority may from time to time formulate general policies with respect to the description of such measures to be taken by the Authority and the Authority shall take such measures for the purpose or in the connection mentioned above as appear to them to be appropriate for carrying out those policies.”

2.15 The powers of a combined authority under section 10(1) of the Transport Act 1968 include the following:

“(via) to enter into and carry out agreements with any person who is the operator of, or who has an estate or interest in, or right over, a network, station or light maintenance depot or some part of a network station or depot, in connection with the building replacement redevelopment, refurbishment, repair, maintenance, operation or staffing of the network, station or depot;

(xxi) to develop their land for the purposes of their business in such a manner as they think fit; and

(xxxii) to do all other things which in their opinion are necessary to facilitate the proper carrying on of their business.”

2.16 The development of a new railway station at Low Moor will undoubtedly provide an important and much needed rail passenger service between Low Moor and Leeds City Centre. This has been identified as a gap in the existing railway passenger service in the Authority’s “Rail Plan 7” policy and will lead to a number of significant benefits, which are listed below, and detailed in the draft statement of reasons attached to this report at **Appendix 3** in section 3.1-3.18. The development also falls within the policy objectives of the Authority’s statutory Local Transport Plan:

- Creates additional car parking capacity to help manage rail peak demand
- Encourages park and ride journeys and helps lower carbon emissions
- Contribute towards a doubling of annual rail patronage
- Facilitate a more mobile population which is required to support economic growth in a sustainable way
- Help improve passenger satisfaction scores, which is essential to encourage mode shift from car and realise the associated environmental benefits
- Contribute to quality of life benefits through travel by sustainable modes
- Help develop a rail network that secures better value for money for passengers and tax payers (a key objective of the 2012 Rail Command Paper)
- Supports economic growth by effective investment and better value for passengers

2.17 Were it not for the intervention by the WYCA, then the new station development in Low Moor, and associated train service provision, would not be provided by Network Rail or Northern Rail and the significant benefits identified would not be achieved. Network Rail interventions are generally of a national interest as directed by the Department for Transport (Dft) (as in the case of HS2) whereas it is the responsibility of the local transport authority (WYCA) to develop the local rail network in line with their local Plans and Policies (such as LTP3 and Rail Plan 7).

- 2.18 The WYCA is invited to note the contents of the Draft Statement of Reasons which it is proposed would be submitted to the Secretary of State to support the request for approval to use CPO powers. Once finalised, the Statement of Reasons will also be submitted to the Department for Transport together with the Proposed Order.

3. Financial Implications

- 3.1. The financial implications of pursuing CPO powers, including legal and compensation costs, were fully factored into the capital approvals for delivery of the Scheme. It is hoped that the WYCA will be able to complete the necessary land acquisitions by private treaty which would reduce the cost of conducting a CPO and remove the cost of a public inquiry into the Proposed Order, however, this cannot be guaranteed.

4. Legal Implications

- 4.1. In addition to the requirements of the Transport Act 1968, the Acquisition of Land Act and the various compulsory purchase acts, the WYCA must consider Human Rights obligations when considering whether to proceed with the use of compulsory acquisition. Commonly, it is allegations that the use of CPO powers is in breach of fundamental Human Rights which form the basis of legal challenges. It is therefore critical that the WYCA considers all of these factors when making a decision to seek authority to use these powers.

Human Rights

- 4.2 **Section 6** of the Human Rights Act 1998 prohibits public authorities, including the Authority, from acting in a way which is incompatible with rights protected by the European Convention on Human Rights (“ECHR”/ “the Convention”).
- 4.3 The position is conveniently summarised in paragraph 17 of Part 1 of the Memorandum to ODPM Circular 06/2004, which states that a compulsory purchase order should only be made where there is “*a compelling case in the public interest*”. The Circular makes it clear that an acquiring authority should be sure that the purposes for which it is making a compulsory purchase order sufficiently justify interfering with the human rights of those with an interest in the land affected. In making this assessment, an acquiring authority should have regard, in particular, to the provisions of Article 1 of the First Protocol and Article 6 of the Convention and, in the case of a dwelling, Article 8 of the Convention. These are summarised and considered below.
- 4.4 **Article 1** of the First Protocol states that:

“...Every natural or legal person is entitled to peaceful enjoyment of his possessions” and “no one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by the law and by the general principles of international law...”

4.5 Whilst occupiers and owners in the Order Land will be deprived of their property if the CPO is confirmed, this will be done in accordance with the law. The CPO is being pursued in the public interest as required by Article 1 of the First Protocol.

4.6 The WYCA must consider whether the CPO will strike a fair balance between the public interest in the implementation of the new railway station and those private rights which will be affected by the CPO. The WYCA will, however, compensate those affected in accordance with the Compulsory Purchase Compensation Code.

4.7 **Article 6** of the Convention provides that:

“In determining his civil rights and obligations...everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law”

4.8 The Proposed Railway Station has been extensively publicised and consultation has taken place with the communities and known parties that will be affected by the CPO. There has been a great deal of support for the scheme from local business and residents, as evidenced by over 100 letters of support following the planning application, and no letters of objection. All those affected by the CPO have or will be notified and will have the right to make representations and/or objections to the Secretary of State for Transport, and to be heard at any public inquiry. The statutory processes and associated right for those affected to pursue remedies in the High Court where relevant, are compliant with Article 6.

4.9 **Article 8** of the Convention states that:

“Everyone has the right to respect for his private and family life, his home and his correspondence...interference is justified however, if it is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic wellbeing of the country, for its prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedom of others.”

4.10 Interference with rights that may occur via the use of a CPO is in accordance with the law, and in pursuit of a legitimate aim: namely the provision of such public passenger transport services as the Authority considers appropriate for meeting any public transport requirements within its area. Use of a CPO is proportionate having regard to the benefit that will be provided to the residents and businesses within a significant radius of the Proposed Railway Station, not to mention the benefit to the cities of Bradford, Leeds and Halifax to which will be afforded greater connectivity.

4.11 There are no residential properties affected. All the land is in the ownership of private limited companies, and almost all of the land is currently wasteland along the perimeter of either operational railway land or light industrial warehousing businesses. These businesses could continue in operation, albeit with some interruption during construction, or if temporarily relocated to nearby suitable

premises which it is believed can readily be arranged via land agents. The remaining Order Land forms part of the Spen Valley Greenway and has been dedicated for public use as such. The Scheme will impact on the public use of the greenway for a limited time during construction, and thereafter the route is likely to be only marginally deviated from its present route to ensure it safely bypasses station access structures.

Compatibility with the Convention on Human Rights

- 4.12 Those directly affected by the CPO will be entitled to compensation which will be payable in accordance with the Compulsory Purchase Compensation Code, assessed on the basis of the market value of the property interest acquired, disturbance and statutory loss payment or home loss payment. The reasonable surveying and legal fees incurred by those affected will also be paid by the Authority. The Compulsory Purchase Compensation Code has been held to be compliant with Articles 8 and Article 1 of the First Protocol. If land sale agreements are concluded, compensation would be agreed at the same time, as part of that agreement. Likely compensation costs have been estimated and included within the capital approval.
- 4.13 The European Court of Human Rights has recognised in the context of Article 1 of the First Protocol that *“regard must be had to the fair balance that has to be struck between the competing interests of the individual and the community as a whole”*. Both public and private interests must be taken into account in the exercise of the Authority’s powers and duties. Similarly, any interference with Article 8 rights must be *“necessary in a democratic society”*, that is to say proportionate.
- 4.14 In pursuing this CPO, the WYCA must carefully consider the balance to be struck between the effect of acquisition on individual rights and the wider public interest in the development of the Order Land for the Proposed Railway Station. The key question is whether the interference with Convention rights is justified in order to secure the public benefits which the Proposed Railway Station will bring.
- 4.15 The public benefits associated with the Scheme are set out in the draft Statement of Reasons attached to this report, and summarised above in section 2.
- 4.16 The Authority must satisfy itself that the development of the Order Land as part of the Proposed Railway Station is necessary to allow the Proposed Railway Station to proceed and for these benefits to be delivered.
- 4.17 On balance it is considered that the benefits of the Scheme and progressing with the CPO, whilst paying appropriate compensation, and carefully managing any interruption to local businesses, will strike a fair balance between the public interest and the private rights which will be affected by the CPO and that such interference is therefore justified.
- 4.18 It is also clear that the WYCA must exercise its CPO powers to secure assembly of the land necessary to deliver the Scheme within the programme, thereby delivering

the public benefits of the Proposed Railway Station for the residents and businesses of West Yorkshire, in particular those within the metropolitan district council areas of Bradford, Calderdale and Leeds, within a reasonable timeframe and without unnecessary delay.

- 4.19 The detailed case for making the CPO is set out in the draft Statement of Reasons included as **Appendix 3** to this report. The statement of reasons is a document which will be served on those affected if the CPO is made.

5. Staffing Implications

- 5.1. None as a result of this report

6. Consultees

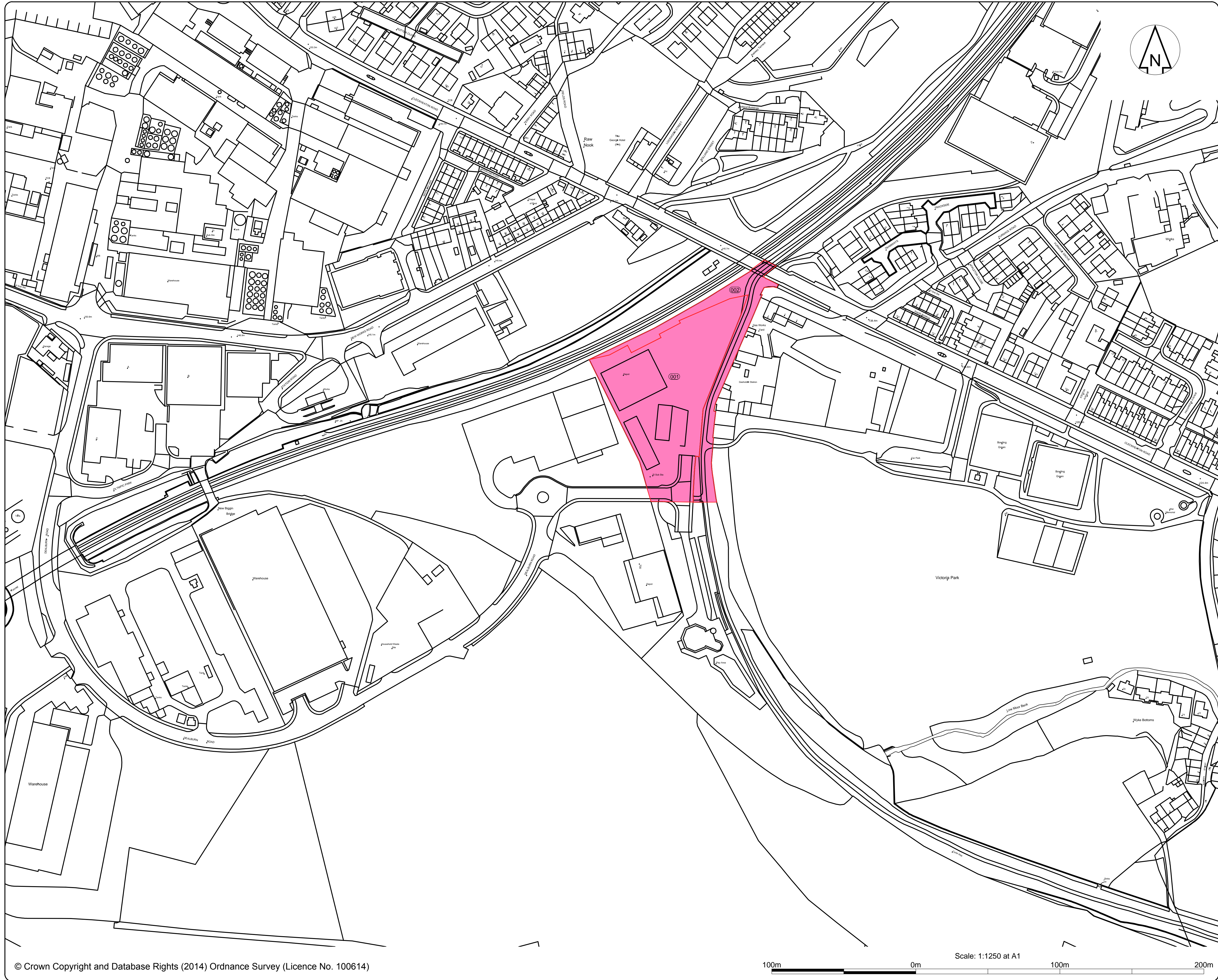
- 6.1. The Director of Development has been consulted during the creation of this report.

7. Recommendations

- 7.1. That this report be noted.
- 7.2 That the contents of the draft Statement of Reasons at **Appendix 3** be noted.
- 7.3 Provided that the Secretary of State first authorises the use of compulsory purchase powers to deliver the Proposed Railway Station at Low Moor pursuant to section 10 of the Transport Act 1968, that the WYCA approves the use of the powers under section 10 of that Act to purchase compulsorily the land shown on the CPO Plan at Appendix 1 for the purpose of facilitating the development of a new railway station.
- 7.4 That the Director of Development be authorised:-
- 7.4.1 to do all things required to seek the approval of the Secretary of State to the use of the CPO Powers as required under s.10 Transport Act 1968; and
- 7.4.2 to take all necessary actions to make, submit and secure confirmation of the Proposed Order by the Secretary of State including making minor amendments, modifications, or deletions to the Proposed Order Map should this be necessary and promoting the case at public inquiry.
- 7.5 That subject to confirmation of the CPO by the Secretary of State the Secretary and Solicitor be authorised to do all things necessary to acquire title and/or possession of the Order Land for the Authority, including as appropriate, by:-
- Serving Notice of Confirmation of the CPO on all affected parties
 - Serving Notice of Intention to Execute a General Vesting Declaration on all affected parties to transfer the title of the land included in the CPO to the Authority
 - Executing any General Vesting Declaration[s]

- Serving Notices to Treat and/or Notices of Entry; and
- Acquiring land and interests through negotiation

7.6 That the Secretary and Solicitor be authorised, if required, to take all necessary actions to secure from the relevant Highway Authority all necessary orders to extinguish or divert existing public rights of way and highways necessary to achieve the Scheme.



Notes:

Key:

- KEY:**
- Land to be Acquired
 - Local Authority Boundary

Revision	Date

Client:



Project:

Low Moor - Bradford

Title:

Low Moor - Bradford

Date: 11/07/2014 Scale: 1 : 1250 @ A1

Drawn: CGD Drwg N°: CGD14_24_04



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**THE WEST YORKSHIRE COMBINED AUTHORITY (LOW MOOR STATION)
COMPULSORY PURCHASE ORDER 2014**

THE TRANSPORT ACT 1968 – SECTION 10

THE WEST YORKSHIRE COMBINED AUTHORITY 2014 ORDER

AND THE ACQUISITION OF LAND ACT 1981

The West Yorkshire Combined Authority (in this order called "the acquiring authority") makes the following order –

1. Subject to the provisions of this order, the acquiring authority is under Section 10 of the Transport Act 1968 hereby authorised to purchase compulsorily the land and rights described in paragraph 2 for the purpose of facilitating the development of a new railway station and ancillary uses including a car-park and access for members of the public and for maintenance purposes, which is likely to contribute to achieving the promotion or improvement of the economic, social and environmental wellbeing of the area.
2. (1) The land authorised to be purchased compulsorily under this Order is the land described in the Schedule below and delineated and shown coloured pink on the map, which has been prepared in duplicate, sealed with the common seal of the acquiring authority and marked:

"Map as referred to in The West Yorkshire Combined Authority (Low Moor Station) Compulsory Purchase Order 2014";

TABLE 1

Number on Map	Extent, Description and Situation of the Land	Qualifying persons under section 12(2)(a) of the Acquisition of Land Act 1981 – Name and Address			
		Owners or Reputed Owners	Lessees or Reputed Lessees	Tenants or Reputed Tenants	Occupiers
1	All interests in 7,479sqm being hardstanding land and premises at 120 Dealburn Road, Low Moor, Bradford	Kelvic Holdings and Developments Limited		Insped plc Yorkshire Freight Company Limited Leman Limited	Kelvic Holdings and Developments Limited
2	All interests in 2,415sqm being grassland, shrubbery, access road and cycle route to the south of the railway corridor (Caldervale line between Bradford Interchange and Halifax) and north of Dealburn Road, Low Moor, Bradford	Ogden Properties Limited			Ogden Properties Limited

The total extent of land included within the Order is 9,894 square metres or thereabouts.

TABLE 2

Number on Map	Other Qualifying Persons under Section 12(2A)(a) of the Acquisition of Land Act 1981		Other Qualifying Persons under Section 12(2A)(b) of the Acquisition of Land Act 1981 – Not otherwise shown in Tables 1 and 2	
	Name and Address	Description of Interest to be Acquired	Name and Address	Description of the land for which the person in adjoining column is likely to make a claim
1	<p>Network Rail Infrastructure Limited</p> <p>Northern Powergrid Holdings Company</p> <p>British Gas plc</p>	<p>The free right to pass and repass with or without vehicles plant and machinery over such part of the property as is necessary to gain access to and egress from the signal box at Low Moor and to the adjoining railway and land. (see charges register in WYK559513)</p> <p>Rights in respect of cables poles and apparatus granted by a transfer of land dated 29/12/1994 between West Yorkshire Transport Trust Limited and Yorkshire Electricity Group plc (see charges register in WYK559513).</p> <p>Rights to lay and maintain a gas main granted by way of a wayleave dated 01/12/1965 granted by British Railway Board, and by way of a deed granted by City of Bradford Metropolitan Borough Council dated 12/04/1988.</p>		
2	<p>HSBC Bank plc</p> <p>Philip Stephen Wallace (Liquidator</p>	<p>Registered charge on freehold title WYK772732</p> <p>Registered charge on freehold title</p>		

	of Browns Solicitors Limited) Network Rail Infrastructure Limited	WYK772732 The free right to pass and repass with or without vehicles plant and machinery over such part of the property as is necessary to gain access to and egress from the signal box at Low Moor and to the adjoining railway and land. (see charges register in WYK772732)		
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This Order includes no land or property falling within special categories to which section 17(2), 18 or 19 of the Acquisition of Land Act 1981 apply.

THE TRANSPORT ACT 1968

AND

THE ACQUISITION OF LAND ACT 1981

WEST YORKSHIRE COMBINED AUTHORITY

LOW MOOR STATION

COMPULSORY PURCHASE ORDER [2015]

STATEMENT OF REASONS

CONTENTS

Clause		Page
1	INTRODUCTION.....	3
2	DESCRIPTION OF THE ORDER LAND	4
3	THE CONTEXT OF THE PROJECT	5
4	THE CPO POWERS	8
5	NEED, PURPOSE AND JUSTIFICATION	10
6	CONSULTATION.....	16
7	STATEMENT OF PLANNING POSITION RELEVANT TO THE DEVELOPMENT	17
8	PLANNING APPLICATION	17
9	DELIVERY AND FUNDING.....	18
10	HUMAN RIGHTS CONSIDERATIONS.....	19
11	SPECIAL CONSIDERATIONS	21
12	VIEWS OF THE GOVERNMENT DEPARTMENTS	21
13	RELOCATIONS.....	21
14	RIGHTS, EASEMENTS, ETC.....	22
16	REFERENCE TO THE INQUIRY RULES.....	22
17	LIST OF DOCUMENTS	22
Appendices		
1	PLAN OF THE ORDER LAND	23
2	PLANNING POLICY	24
3	INDICATIVE SCHEME DRAWING	Error! Bookmark not defined.
4	PROPOSED STOPPING UP OF HIGHWAYS	Error! Bookmark not defined.

1. INTRODUCTION

- 1.1 This document is the Statement of Reasons for a compulsory purchase order entitled The West Yorkshire Combined Authority (Low Moor Station) Order 2014 ("the Order"). The land and interests in land included in the Order are referred to as "the Order Land". The Order has been made under section 10(3) of the Transport Act 1962 as amended by The West Yorkshire Combined Authority Order 2014.
- 1.2 The Order has been made by the West Yorkshire Combined Authority ("the Acquiring Authority") formed under the provisions of the Local Democracy, Economic Development and Construction Act 2009 by the metropolitan district councils for the local government areas of Bradford, Calderdale, Kirklees, Leeds and Wakefield. The Acquiring Authority has powers in respect of transport and economic development matters in relation to the local area, including the Order Land.
- 1.3 The Acquiring Authority resolved to make the Order on [- 2014] for the purposes of the development of a railway station at Low Moor and associated car parking ("the Development"). The Development will deliver a variety of public benefits:
 - 1.3.1 Improved access to local & national rail network
 - 1.3.2 Improved journeys to Bradford and Leeds City Centres, from the area, which will encourage continued economic growth in a sustainable way
 - 1.3.3 Reduced road congestion in radial routes to Bradford and Leeds City centres
 - 1.3.4 Encouragement of park & ride journeys to help lower carbon emissions
 - 1.3.5 Promotion of mode shift from car generating associated environmental benefits
 - 1.3.6 Contribution to quality of life benefits through travel by sustainable modes
 - 1.3.7 Support of economic growth by effective investment and better value for passengers
 - 1.3.8 Regeneration of former industrial waste ground as a rail station will benefit local business and residents.

1.4 This Statement of Reasons has been prepared in accordance with the advice given in paragraphs 35 and 36 and Appendix R of the ODPM Circular 06/04: Compulsory Purchase and the Crichel Down Rules ("the Circular").

2. **DESCRIPTION OF THE ORDER LAND**

2.1 The land in respect of which the Order is sought ("the Order Land") is detailed in the schedule of interests with the Order. There are only two plots of land in third party ownership over which the Order is sought. In addition to the Order Land, there is further land required for the scheme which is currently in the ownership of Network Rail and City of Bradford Metropolitan District Council (CBMDC). The Acquiring Authority has entered into agreements with Network Rail and CBMDC to acquire from them, or for them to make available, at nil cost, the land required for the scheme. Following completion the railway station will be owned by Network Rail.

2.2 Plot 1 comprises approximately 2 acres [0.81 hectares] of light industrial land and premises which are accessed via Dealburn Road. The land is bordered by a railway line to the north, Dealburn Road to the south, further industrial premises (in private ownership) to the west and the Spen Valley Greenway to the east. Along the entire northern and eastern boundary, it is adjoined by Plot 2. The plot forms part of a wider parcel of light industrial land and premises within the same title as Plot 2 but which does not form part of the Order Land.

2.3 The land is laid out to provide an industrial warehouse of steel framed construction and steel profile sheet cladding which is positioned on a large, surfaced yard area. Internally, part of the property has been converted to provide integral office accommodation over two floors and externally, the property benefits from a loading bay with raised loading bay platform. The site also benefits from two separate single storey prefabricated office units, of steel profile construction. The buildings are occupied by three storage and distribution businesses that do not have any formal tenancy or occupational agreements.

2.4 Only a relatively small area of this plot is required for permanent physical structures for the Development. Part of the plot would also be required as a permanent route of access to the railway station, and as access for maintenance. Part of the plot will be required temporarily for construction compounds.

2.5 Plot 2 comprises an irregular shaped parcel of land which extends to approximately 0.34 acres [0.137 hectares]. The land is bordered by a railway line to the north, premises at Dealburn Road (Plot 1 to the south and west, and the Spen Valley Greenway to the east). The land is best described in three parts as follows:-

- A narrow strip of land to the west of Cleckheaton Road which runs parallel with the railway and forms a narrow border with Plot 1. The land

predominantly comprises unused wasteland albeit part of it is informally occupied by one of the tenants of Plot 1.

- The northern end of a short, unnamed privately owned access road which runs parallel to and is accessed from Cleckheaton Road. The road provides vehicular and pedestrian access to three private dwelling houses. It also provides access to the Spen Valley Greenway together with land (which is in the same title) on the east side of Cleckheaton Road.

It should be noted that the land forming part of this access road required for the Scheme will not affect access for residents of the private dwellings and the land on the east side of Cleckheaton Road will only be marginally affected as this point of access is via a locked gate and through a tunnel which is not open to the public, nor in regular use by the owner.

- The remainder of this plot is land forming part of the Spen Valley Greenway (the 'Greenway') and it is currently used as a public bridleway and cycle path. The intention will be to avoid a permanent diversion of the path of the Greenway although a temporary diversion is likely during construction. Following construction the entirety of the land in plot 2 will be transferred either to Network Rail or to CBMDC

3. THE CONTEXT OF THE PROJECT

- 3.1 A new station is proposed at Low Moor on the Caldervale Line and is part of The West Yorkshire Combined Authority's Rail Plan 7, which is the development strategy for West Yorkshire's rail network. The Plan details a number of committed new station developments to improve access to the network of which Low Moor is one project together with other new stations at Apperley Bridge and Kirkstall Forge.
- 3.2 The proposed station in Low Moor will be located between Bradford Interchange and Halifax, approximately three miles south west of Bradford. The station would serve a predominantly residential area as well as having a 131 space Park and Ride facility, which will cater for passengers from further afield.
- 3.3 The Leeds City Region's increasing levels of economic growth in recent years has resulted in worsening levels of congestion on many of the key radial routes into major conurbations, such as Halifax, Bradford and Leeds. There are no realistic road schemes likely to deliver additional capacity on these routes, and government policy is increasingly aligned with sustainable growth, making best use of existing assets. Park & Ride, such as will be provided at Low Moor, has been very successful in diverting car-borne trips to rail, including those previously using their cars alone and for the entire trip length.

3.4 Without this scheme, continued growth in car trips and the associated environmental and congestion issues will continue to impact on the productivity and competitiveness of the region. The recent increased popularity of rail usage needs to be sustained and opening new stations bringing access to the rail network closer to people will help maintain this momentum.

3.5 The core objectives for the scheme are:

- To improve accessibility to the rail network within the area of the Authority
- To increase the attractiveness of rail for all journeys, in particular commuting and business journeys.
- To tackle congestion in the major centres of Bradford Halifax and Leeds and main commuter corridors by providing a real alternative to the car.
- Encourage continued economic growth in a sustainable way.
- Contribute to quality of life benefits through travel by sustainable modes.
- Encourage park & ride journeys and help lower carbon emissions. Support economic growth by effective investment and better value for passengers.

Indirect benefits arising because of these objectives include the regeneration of the former industrial waste land with a new rail station providing benefits to local business and residents.

3.6 Low Moor is a key scheme as part of the existing 15-year Statutory Local Transport Plan (LTP3), titled 'my journey', setting out West Yorkshire's transport needs and ambitions until 2026. The LTP is a statutory plan under the Transport Act 2000 and has been adopted by the Authority as the Local Transport Authority for West Yorkshire. The LTP sets out the following objectives and themes:

Objectives of LTP3

3.7 Economy; To improve connectivity to support economic activity and growth in West Yorkshire and the Leeds City Region;

3.8 Low Carbon; To make substantial progress towards a low carbon, sustainable transport system for West Yorkshire, while recognising transport's contribution to national carbon reduction plans;

3.9 Quality of Life; To enhance the quality of life of people living in, working in and visiting West Yorkshire.

- 3.10 Projects, such as Low Moor, are in the plan in order to tackle congestion and a lack of transport investment which are key contributory factors to lower than average economic performance in West Yorkshire.

Themes of LTP3

- 3.11 Four themes run through LTP3 to help ensure it achieves its aims:
- 3.11.1 Transport Assets; focusing on the existing components of the transport network such as roads, bus stations & stops and traffic lights to ensure we are getting the most value out of them
 - 3.11.2 Travel Choices; enabling customers to make the most sustainable choices about when and how they travel
 - 3.11.3 Connectivity; ensuring people can make integrated and safe journeys using transport networks on which they can rely.
 - 3.11.4 Enhancements; improving the overall network to make it more fit for journeys in the future.

Rail Plan 7

- 3.12 Rail Plan 7, is a strategy document produced by The West Yorkshire Combined Authority to plan the development of the West Yorkshire rail network over the LTP3 period which provides a framework for assessing and prioritising schemes over the next few years. In order to meet the LTP3 objectives, Rail Plan 7 identifies a number of opportunities for the rail network, including the opening of new rail stations such as Low Moor. Four new stations have been identified for development in total in order to meet regional transport policies as set down in the LTP and Rail Plan, namely; Low Moor, Kirkstall Forge, East Leeds Parkway and Apperly Bridge.
- 3.13 The new Low Moor station, in meeting Rail Plan 7 Strategies and Objectives, will help in delivering the best railway in the country by 2026 and provides the following benefits in line with Rail Plan 7:
- Creates additional car parking capacity to help manage rail peak demand
 - Encourages park & ride journeys and helps lower carbon emissions
 - Contribute towards a double in annual rail patronage
 - Facilitate a more mobile population which is required to support economic growth in a sustainable way

- Help improve passenger satisfaction scores, which is essential to encourage mode shift from car and realise the associated environmental benefits
- Contribute to quality of life benefits through travel by sustainable modes
- Help develop a rail network that secures better value for money for passengers and tax payers (a key objective of the 2012 Rail Command Paper)
- Supports economic growth by effective investment and better value for passengers

4. **THE CPO POWERS**

4.1 Section 10(3) of the Transport Act 1968 provides a combined authority with the power to compulsorily acquire land which they require for the purposes of their business. Section 10(3) is set out in full below:

"If the Authority ... so request in writing, the Minister may authorise the [Authority] for that area to purchase compulsorily any land which the [Authority] or any wholly-owned subsidiary of theirs require for the purposes of their business, and the [Acquisition of Land Act 1981] shall [apply to the compulsory purchase]."

4.2 These provisions apply to the Acquiring Authority by virtue of the West Yorkshire Combined Authority Order 2014.

4.3 By virtue of section 108 of the Transport Act 2000 and s9 of the Local Transport Act 2008, the Authority, as the Local Transport Authority for the area of West Yorkshire, is under a duty to prepare the Local Transport Plan.

4.4 The powers of a combined authority under section 9A(5) of the Transport Act 1968 include the following:

"9A(5) Where it appears to the Authority...that it would be appropriate for the [Authority] to take any measures for the purpose of or in connection with promoting, so far as relates to [the area of the Authority] ...

(b) the convenience of the public...in using all available public passenger transport services

The Authority may from time to time formulate general policies with respect to the description of such measures to be taken by the Authority and the Authority shall take such measures for the purpose or in the connection mentioned above as appear to them to be appropriate for carrying out those policies."

- 4.5 The powers of a combined authority under section 10(1) of the Transport Act 1968 include the following:

"(via) to enter into and carry out agreements with any person who is the operator of, or who has an estate or interest in, or right over, a network, station or light maintenance depot or some part of a network station or depot, in connection with the building replacement redevelopment, refurbishment, repair, maintenance, operation or staffing of the network, station or depot;

(xxi) to develop their land for the purposes of their business in such a manner as they think fit; and

(xxxii) to do all other things which in their opinion are necessary to facilitate the proper carrying on of their business."

- 4.6 The Local Democracy, Economic Development and Construction Act 2009 sets out the reasons that a combined authority such as the Acquiring Authority should be established. Section 10(1) states as follows:

The Secretary of State may make an order establishing a combined authority for an area only if, having regard to a scheme prepared and published under section 109, the Secretary of State considers that to do so is likely to improve—

(a) the exercise of statutory functions relating to transport in the area,

(b) the effectiveness and efficiency of transport in the area,

(c) the exercise of statutory functions relating to economic development and regeneration in the area, and

(d) economic conditions in the area.

- 4.7 It is clear that the Development falls within the policies of the Acquiring Authority and that it has the requisite powers. The land to be compulsorily acquired for the Development is required for the purposes of delivering these policies and for the purposes of the business of the Acquiring Authority. The station forms part of a programme of investment in public transport in the West Yorkshire Area and will further the business of the Acquiring Authority by achieving this aim. The Development will improve the effectiveness and efficiency of transport in the area of the Acquiring Authority and the economic conditions of that area.

- 4.8 Section 10(3) of the Transport Act 1968 requires the Acquiring Authority to make a written request to the Secretary of State for authorisation to acquire land compulsorily under this power. The request was made to the Secretary of State on [-] 2014. The Secretary of State provided the necessary authorisation on [-] 2014.

4.9 Following receipt of this authorisation the Acquiring Authority resolved on [-] 2014 to make the Order under section 10(3) of the Transport Act 1968 to acquire the land for the purposes of their business to provide transport improvements in the West Yorkshire area and in consideration of the public benefits associated with the development of a railway station at Low Moor.

5. **NEED, PURPOSE AND JUSTIFICATION**

Need for a station at Low Moor

Station Proposals

- 5.1 Proposals to develop a new passenger railway station at Low Moor have been in development for a number of years and in 2009 were prioritised by the five West Yorkshire District Authorities through the West Yorkshire Strategic Programme of Schemes (WYSPS) with a full funding allocation. This funding is now incorporated into the statutory West Yorkshire Local Transport Plan programme and remains allocated to the delivery of the station.
- 5.2 There is both a strong strategic case and overwhelming local support for the proposed station at Low Moor. Over one hundred letters of support, and only limited objection, were received by the Local Planning Authority in relation to the Planning Application. A local "Friends of Low Moor Station" campaigning group has been established with which regular communication on the Development has been held. The new station is critical to providing an appropriate level of connectivity both for residents and businesses in this important part of the district, and to help improve economic performance, reduce congestion and address air quality issues in the district as a whole.
- 5.3 The new station will play a major role in addressing social exclusion, by opening up economic opportunities in terms of access to employment and education/training.
- 5.4 The station will be ideally situated to serve the communities on the outskirts of Bradford including; Low Moor, Oakenshaw and Wyke by bicycle or foot, and other communities including Cleckheaton by car or bus. The station would also serve the surrounding residential and industrial areas and be located within convenient access of the M62 / M606 junction to attract park and ride users.
- 5.5 A public consultation exhibition was held locally in 2011 with over 200 people attending. The purpose of the consultation was to present the proposed plans and to seek feedback. There was an overwhelmingly positive response to the outline designs: over one hundred letters of support were received on the Low Moor planning application.

Station Case

- 5.6 Low Moor is a key scheme within national and local planning policy and is part of the existing 15-year Local Transport Plan (LTP3), titled 'my journey', setting out West Yorkshire's transport needs and ambitions until 2026. Low Moor is also identified for delivery within Rail Plan 7, the strategic document produced by The West Yorkshire Combined Authority to plan the development of the West Yorkshire rail network over the LTP3 period.
- 5.7 Details of Planning and strategic objectives are given in Appendix 2 together with information on how these are being met. These can be summarised for Low Moor as:

National Planning Policy

- The new station in Low Moor helps manage patterns of growth to make the fullest possible use of the public transport network in a sustainable manner. The station provides an interface with different modes of transport including; car, walking and cycling.
- The Low Moor development provides excellent integration between modes and with the existing rail network and is balanced in favour of sustainable transport modes, giving people a real choice about how they travel.
- The proposal, by delivering a new railway station, will contribute significantly to journey opportunities in the south of the city and the Spen Valley and easily satisfies the principles of accessibility for all and providing transport choice.

Replacement Unitary Development Plan (saved policies)

- The Replacement Unitary Development Plan (rUDP) adopted in October 2005 includes two specific policies that are relevant to the application. These policies are TM4 (new railway stations) and TM7 (Park & Ride sites) and are both policies that have been saved by a direction of the Secretary Of State on 30th September 2008.

TM4 New Railway Stations

The station development provides an interchange with buses, being a short walk from the bus stops on Cleckheaton Road. Each platform will be fully accessible for mobility impaired people. Secure cycle parking is to be provided as part of the scheme, and in addition adequate lighting and CCTV facilities are to be provided. The proposal satisfies the policy.

TM7 Park & Ride Sites

The station at Low Moor represents a significant park and ride opportunity to reduce car journeys into Bradford, Halifax and Leeds. The proposal satisfies this policy.

Bradford Local Development Framework – Emerging Core Strategy

The Council's draft Core Strategy Development Plan for the District, outlines the preferred level of growth and strategic locations where development is to be encouraged.

The provision of a station at Low Moor fulfils the following strategic objectives:

"To improve and develop excellent public transport and highway systems to increase the level of accessibility within the District and establish good connections with other parts of the Leeds City Region and the country by ensuring safety, efficiency and sustainability."

" To ensure that transport management and investment support and help deliver the Core spatial strategy, in particular sustainable patterns of development, inclusive access to jobs and facilities, and shift to sustainable forms of movement."

In spatial terms the station is specifically identified in Policy BD1 City of Bradford sub-area (F) Transport "Develop new railway stations at Low Moor and Apperley Bridge."

In addition on the BD1 Spatial Vision Diagram – City of Bradford by 2030, "T2" identifies a station at Low Moor.

It is clear there is strong policy support in the Local Development Framework for the establishment of a railway station at Low Moor.

Objectives of LTP3

Economy; Improves connectivity to support economic activity and growth in West Yorkshire and the Leeds City Region.

Low Carbon; Makes a substantial contribution towards a low carbon, sustainable transport system for West Yorkshire with a large park & ride facility provided as part of the new station.

Quality of Life; Enhances the quality of life by providing sustainable travel choices for people living in, working in and visiting the area and West Yorkshire. The scheme provides regeneration, and decontamination, of waste industrial land and provides new transport infrastructure. This will benefit local business and

residents enhancing the quality of life of people living and working in the area and West Yorkshire, which is in line with this core Local Transport Plan objective.

Congestion; Low Moor promotes less use of and reliance on car journeys in order to tackle congestion in the City regions and West Yorkshire area.

Themes of LTP3

Transport Assets; Low Moor focuses on enhancing the existing components of the rail network to ensure best value.

Travel Choices; Increases choice and enables customers to make the most sustainable choices about when and how to travel

Connectivity; Provides improved integration with the existing rail network of West Yorkshire ensuring people can make safe journeys using transport networks on which they can rely.

Enhancements; Provides a brand new fit for purpose facility and improves the overall network to make it more fit for journeys in the future.

The proposed railway station satisfies the objectives of both the National and Local planning policies regarding improving access to public services, reducing demand on private car use, as well as promoting sustainable modes of transport such as walking and cycling and promoting social inclusion.

Business Case

- 5.8 Proposals to develop the new railway station at Low Moor have been under development for a number of years and are embedded within the West Yorkshire Combined Authority's Rail plan 5, 6 and 7. A business case already exists, which was last reviewed in 2013. That review concluded that there was a strong business case for the new station with a BCR of 2.2:1 *which is to say that every £1 of investment is estimated to produce £2.20 worth of benefits.*
- 5.9 The business case is based on the new station generating significant local benefits in the surrounding Low Moor area.
- 5.10 A range of service scenarios have been appraised, each of which delivers a strong economic and commercial case, without increasing the operating subsidy required, under the assumption that no additional train operating costs or rolling stock are required. Both economic and financial cases become stronger for more frequent service levels or with additional parking provision.
- 5.11 The Cost-Benefit Analysis which has been undertaken as part of the appraisal has been undertaken in accordance with guidance provided within The Treasury Green Book (published by HM Treasury on the appraisal of schemes).

- 5.12 The appraisal has compared the scheme against options which meet the same objective and background demand growth has been capped at 20 years from 2013 to ensure consistency between appraisals, and adherence to WebTAG rail appraisal guidance. (WebTAG is guidance issued by the Department for Transport on the conduct of transport studies and provides best practice information on the role of transport modelling and appraisal to support a business case).
- 5.13 Over the full 60 year appraisal period, each of the scenarios tested shows a strong economic and commercial case. This is due to a combination of the station generating a healthy level of demand and the modest level of incremental operating costs.
- 5.14 It is estimated that the proposed new station at Low Moor would attract around 507,000 annual journeys, assuming 1 train per hour service, rising to 573,000 annual journeys if a 2 trains per hour service is provided. This demand is largely generated through increase in rail use from the local catchment area and more attractive facilities for local park and ride. The demand is made up of modal shift (mostly former car drivers switching to rail) and induced travel (i.e. new journeys that can now be made as a result of the opportunities opened up by the station). The figure is net of the small number of journeys which are abstracted from existing rail stations (i.e. current rail travellers switching to use Low Moor).
- 5.15 The new station is expected to deliver a net operating financial surplus to the rail franchise in each year after opening. The current strategy agreed with industry partners and incorporated within the business plan is to open the station at 1 tph in 2016 in line with current construction timescales, and progress to 2 tph by December 2018 with 3 tph implemented when driven by actual patronage. Additional services at peak hours will also be pursued, particularly for the 1 tph case.
- 5.16 A robust business case is confirmed, showing a revenue surplus from opening of the new station. Setting aside the additional rail revenue generated by the scheme and the on-going station operating costs (both of which would fall to the franchise operator in the first instance) the Benefit:Cost Ratio (BCR) of the scheme, at the maximum expenditure of £10.5m, is robust at a minimum of 2.2, increasing if more services can be added in the peak hours and when service frequencies are enhanced.
- 5.17 Agreements have been reached with the local train operator on services to the new station in Low Moor. The Combined Authority is currently working with Northern Rail and Network Rail in order to finalise the details of the proposed timetable.

Need for compulsory acquisition

- 5.18 Plot 1 is required in part for permanent physical structures of the station platform, and boundary; in part for a permanent access to the station for passengers and in part for a permanent maintenance and emergency access route to the public highway. The reason that the whole plot is sought is that it will be necessary to impose legal restrictions on use of and access to the plot due to its proximity to the railway line, the station and the requirement to maintain unobstructed access for maintenance and emergency services. The intention will therefore be to offer back to the owners and/or the tenants all that part or parts of the plot that are not permanently required, but subject to restrictions being imposed on the title to that land for those purposes above.
- 5.19 Attempts to acquire the plot have been made by the Acquiring Authority's agents since November 2013 when the plot was put on the market for sale by Law of Property Act Receivers. Despite an offer having been recommended to the mortgagee for acceptance in June 2014, thus far no title or legal documentation has been provided by the seller in order to progress a private treaty acquisition. In order to ensure that the scheme can be delivered to budget and within programme compulsory powers are sought
- 5.20 Plot 2 is required for permanent physical structures of the station platform, bridge and access structures to the south side of the existing railway line, including construction works, in part for access to the station for passengers and in part as a permanent route for maintenance access (required by Network Rail following completion). It will also be required in order to accommodate the current design for the step free access structures for the station and an accessible link with the Spen Valley Greenway which may need to be slightly deviated from its current route during construction, all of which is accommodated within this plot.
- 5.21 Attempts to acquire the land by agreement from the owner have been underway for over three years but have been hampered by the receivership of the owner of plot 1. Since February 2014 the Acquiring Authority's land agents have renewed efforts to negotiate an agreed sale but so far it has not been possible to secure a purchase via private treaty. Heads of Terms have largely been agreed, including a price for the plot, but so far, no legal or title information has been provided by the owner to progress a sale to the Acquiring Authority. In order to ensure that the scheme can be delivered to budget and within programme compulsory powers are sought.
- 5.22 All of the required areas of land and proprietary rights which the Acquiring Authority is seeking are contained within the draft Order and are necessary for the construction, operation or safeguarding of the Scheme. The Acquiring Authority will continue to endeavour to acquire land and proprietary rights by agreement but it is necessary to make the CPO in order to ensure that the Development can be delivered on programme and to avoid increases in costs.

- 5.23 None of the Order Land is occupied as dwellings. During construction of the scheme, it is likely that the three commercial tenants on plot 1 will be required to give up part or parts of their current yard area in order to provide space for construction compounds and operations. At this point in time the precise extent of this displacement is not known as a construction methodology has not been finalised. All efforts to minimise such effects will be made and following construction, all land that is not required permanently for the scheme or for access to it will be made available to the tenants via the granting of formal tenancies at a Market Rent. Agents advise that in the event any business is required to be relocated during construction there are sufficient alternative industrial premises within the area for that purpose.
- 5.24 The nearby residential dwellings would not be physically affected by construction of the station or acquisition of any of the Order Land. Their route of access from Cleckheaton Road will not be impacted even if part of the northern end of the access road is to be acquired within the Order Land. Construction practices will limit noise and dust during construction, but it is likely there will be some impacts of this nature due to the proximity. The majority of construction will, however, be to the north of the railway line and unlikely to impact the dwellings significantly. These matters have been carefully considered by the local planning authority when they considered the planning application for the Development and were found to be acceptable. Indeed, there was overwhelming local support for the grant of planning permission.

6. **CONSULTATION**

- 6.1 A public consultation exhibition was held locally in November 2011 with over 200 people attending. The purpose of the consultation was to present the proposed plans and to seek feedback. There was an overwhelmingly positive response to the outline designs.
- 6.2 Residents consultation has also been undertaken with a number of letter drops, including update statements and scheme plans, the most recent of which were issued in March 2014 as notification of the Planning Application submission.
- 6.3 The West Yorkshire Combined Authority (WYCA) meet regularly with a local support group called the Friends of Low Moor which is attended by local residents and interested parties as well Local Councillors and Officers of the WYCA, Network Rail and the City Bradford Metropolitan District Council. The group is strongly in favour of the proposed new station development and eagerly await the opening.
- 6.4 Meetings have also been held with the City of Bradford Planning & Highways Accessibility Forum.

- 6.5 Letters of support have been received from local business for example; Osborn Metals Ltd, Low moor, Bradford.
- 6.6 Regular updates are also available on the WYCA's website and in the local press.
- 6.7 Negotiation with land owners has been on-going for many years as the scheme has been developed. The two land owners affected by the scheme Excluding CBMDC and Network Rail, have agreed heads of terms for a sale by them of the land required. Both owners have long been aware of the plans to develop a railways station at Low Moor and both have been supportive of this proposal at all times. Section 11 of this Statement of Case deals in more detail with formal negotiation since November 2013.
- 6.8 The proposed station in Low Moor has very strong local support as well as commitments from the local members and MP to deliver the scheme as early as possible. Delivery has previously been delayed for several years whilst technical and operational issues were addressed. These issues are all now resolved and the importance of early delivery, and prevention of any other delays to the project, is reflected through continued monitoring of the scheme by the CBMDC Environment and Waste Management Scrutiny Committee that has previously generated strong public support for the scheme and anger at delays in delivery. The Acquiring Authority considers it vital that the project stay on programme in order to deliver the local and community benefits as soon as possible. Avoiding further delays will also ensure best value of the scheme and avoid unnecessary further cost increases.

7. STATEMENT OF PLANNING AND TRANSPORT POSITION RELEVANT TO THE DEVELOPMENT

- 7.1 The planning application for the Development was considered by the local planning authority and found to comply with the development plan and other material considerations such as national policy. Details of the policy assessment can be found in the planning officers report to committee [Document []].

8. PLANNING PERMISSION

- 8.1 The full planning application was submitted and validated on the 19 March 2014 Application number 14/01083/FUL.
- 8.2 The full application was approved and planning permission granted on 12 May 2014. A copy of the planning application, the planning permission and the planning officer's report to committee are all provided with this statement of reasons (documents [], [] and [] respectively).

9. **DELIVERY AND FUNDING**

9.1 The maximum estimated capital cost of the scheme is £10.5m, including development costs, all relevant CPO and Public Inquiry costs and all legal costs, infrastructure costs, contingencies and inflation.

9.2 The maximum estimated capital cost of the scheme is included within the Integrated Public Transport Block of the Local Transport Plan and has full approval to spend from the West Yorkshire Combined Authority.

10. **IMPEDIMENTS TO IMPLEMENTATION**

10.1 There are currently no impediments to implementation other than acquisition of the Order Land,

10.2 Full Planning Permission was granted on the 12 May 2014

11. **NEGOTIATIONS**

11.1 The owner of Plot 2 has agreed Heads of Terms for a sale of this plot, and, at their request, additional land, since an offer was made in February 2014. Prior to this, over a period of several years, negotiations to acquire this land, as part of a land swap arrangement with the owner of Plot 1, had come close to agreement on more than one occasion. These negotiations were unfortunately halted by the receivership of the owner of Plot 1. However, despite solicitors having been instructed by both parties since March 2014, no legal and title information has been provided by the Seller and a private treaty sale has not progressed beyond Heads of Terms.

11.2 The owner of Plot 1 has been in LPA receivership since 2011. Attempts to acquire the part of plot 1 required for the scheme have largely been ignored by the Receiver since 2012 as they did not wish to sell part only of the site for reasons which are understandable from the commercial perspective of a mortgagee.

11.3 In November 2013 the LPA Receiver put Plot 1 and other land on the open market for sale, indicating that the property would need to be exposed to the market for some time in order to ensure that best price was obtained. A closing date of 19 June for bids was announced, and the Acquiring Authority made an offer via its agents which was recommended for acceptance to the mortgagee by the Receiver's property agents, GVA, at the end of June. However, since then, no legal or title information has been provided in order to progress a private sale.

The Acquiring Authority will make every effort to conclude a private sale of both plots to avoid the use of compulsory powers, but currently, compulsory powers are sought in order to ensure the scheme is delivered to budget and to programme.

12. HUMAN RIGHTS CONSIDERATIONS

12.1 Section 6 of the Human Rights Act 1998 prohibits public authorities from acting in a way which is incompatible with rights protected by the European Convention on Human Rights ("the Convention").

12.2 The position is conveniently summarised in paragraph 17 of Part 1 of the Memorandum to ODPM Circular 06/2004, which states that a compulsory purchase order should only be made where there is "a compelling case in the public interest". The Circular makes it clear that an acquiring authority should be sure that the purposes for which it is making a compulsory purchase order sufficiently justify interfering with the human rights of those with an interest in the land affected. In making this assessment, an acquiring authority should have regard, in particular, to the provisions of Article 1 of the First Protocol and Article 6 of the Convention. These are summarised and considered below.

12.3 Article 1 of the First Protocol states that:

"...Every natural or legal person is entitled to peaceful enjoyment of his possessions" and "no one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by the law and by the general principles of international law..."

12.4 Whilst occupiers and owners in the Order Land will be deprived of their property if the Order is confirmed, this will be done in accordance with the law. The Order is being pursued in the public interest as required by Article 1 of the First Protocol. The public benefits associated with the Development are set out earlier in this Statement. The Acquiring Authority considers that the Order will strike a fair balance between the public interest in the implementation of the Development and those private rights which will be affected by the Order.

12.5 Article 6 of the Convention provides that:

"In determining his civil rights and obligations...everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law"

12.6 The Development has been extensively publicised and consultation has taken place with communities and parties that will be affected by the Order. All those affected by the Order will be notified, will have the right to make representations and/or objections to the Secretary of State for Communities and Local Government, and to be heard at a public inquiry. It has been held that the statutory processes and associated right for those affected to pursue remedies in the High Court where relevant, are compliant with Article 6.

- 12.7 The Acquiring Authority considers that such interferences as may occur with the pursuance of the Order are in accordance with the law, pursue a legitimate aim (see list below) and are proportionate having regard to the public interest that the development will bring.

Benefits (legitimate aims);

- Improved access to local & national rail network
 - Improved journeys to Bradford and Leeds City Centres, from the area, which will encourage continued economic growth in a sustainable way
 - Reduces road congestion in radial routes to Bradford and Leeds City centres
 - Encourages park & ride journeys and helps lower carbon emissions
 - Promotes mode shift from car generating associated environmental benefits
 - Contribute to quality of life benefits through travel by sustainable modes
 - Supports economic growth by effective investment and better value for passengers
 - Regeneration of former industrial waste ground as a rail station will benefit local business and residents
- 12.8 Those directly affected by the Order will also be entitled to compensation proportionate to any losses that they may incur as a result of the acquisition. Compensation will be payable in accordance with the Compulsory Purchase Code, assessed on the basis of the market value of the property interest acquired, disturbance and statutory loss payment. The reasonable surveying and legal fees incurred by those affected will also be paid by the Acquiring Authority. The Compulsory Purchase Code has been held to be compliant with Article 1 of the First Protocol.
- 12.9 The European Court of Human Rights has recognised in the context of Article 1 of the First Protocol that “regard must be had to the fair balance that has to be struck between the competing interests of the individual and the community as a whole”. Both public and private interests are to be taken into account in the exercise of the Acquiring Authority’s powers and duties.
- 12.10 In pursuing the Order, the Acquiring Authority has carefully considered the balance to be struck between the effect of acquisition on individual rights and the wider public interest in a station being developed at Low Moor. Interference with Convention rights is considered by the Acquiring Authority to be justified

here in order to secure the transport, economic, social, and public benefits which the development will bring. It is relevant to the issue that the owners of the Order land have both agreed heads of terms for a sale of the land by them on commercial terms that they are, ostensibly, satisfied to accept. However, for reasons that the Acquiring Authority cannot ascertain, private treaties have not been progressed by the sellers beyond this point.

12.11 Consideration has also been given to whether the legitimate aim of securing the station can be achieved by means which are less interfering of individuals' Convention rights. Alternative approaches have been considered. For example, consideration has been given to allowing more time for the private treaty negotiations to reach a conclusion. This approach has been rejected because progress appears to have slowed and the overall programme for delivery of the proposed Development would be compromised unless steps to allow compulsory purchase of the land are taken immediately. The Acquiring Authority has endeavoured to procure the Order Land or rights over it by agreement but cannot risk failing to deliver the much needed public benefits of a scheme that has very significant local support and which has long since been identified as a key priority for improving connectivity within the region.

12.12 Were it not for the intervention by the WYCA, then the new station development in Low Moor, and associated train service provision, would not be provided by Network Rail or Northern Rail and the significant benefits identified would not be achieved. Network Rail interventions are generally of a national interest as directed by the Department for Transport (Dft) (as in the case of HS2) where as it is the responsibility of the local transport authority to develop the local rail network in line with their local Plans and Policies (such as LTP3 and Rail Plan 7). It is clear that without the Development proposed the benefits of the scheme would not be delivered.

13. **SPECIAL CONSIDERATIONS**

14. There are no ancient monuments or listed buildings within the Order Land. The Order Land is neither special category nor consecrated land and it does not fall within the boundaries of a conservation area.

14.1 No specific views have been expressed.

15. **RELOCATIONS**

15.1 It is not expected that any businesses affected by the proposed Order will require to be relocated, albeit negotiations are continuing with the landowners and occupiers to ensure that any temporary interference with business operations are minimised throughout the construction period. The Acquiring Authority is advised that should any occupying business require to be relocated, however, due to construction for example, there is adequate local alternative

premises that could be found for this purpose at the cost of the Acquiring Authority.

16. RIGHTS, EASEMENTS, ETC

16.1 It is intended that a General Vesting Declaration ("GVD") or Declarations will be made by the Acquiring Authority in respect of the Order Land in the event that the compulsory purchase powers are confirmed by the Secretary of State. It is also the intention of the Acquiring Authority that all easements, covenants, rights and other interests in the land included in such a GVD shall be acquired/overridden. Mortgages and rent charges are to be dealt with in accordance with Sections 14, 17 and 18 of the Compulsory Purchase Act 1965.

17. RELATED ORDERS

17.1 Consultation has been completed with the scheme partners, including the CBMDC, in respect of related off site highways works and Traffic Orders/Orders that may be undertaken in association with the scheme. Agreements are to be signed imminently with the CBMDC which will allow Orders to be drafted including any temporary relocation or stopping up of the Spen Valley Greenway.

18. REFERENCE TO THE INQUIRY RULES

18.1 This Statement of Reasons is not a statement under Rule 7 of the Compulsory Purchase (Inquiries Procedure) Rules 2007 and the Council reserves the right to alter or expand it as necessary.

19. LIST OF DOCUMENTS

19.1 [List of documents the combined authority would refer to in the event of an inquiry.]

19.2 Approved Planning Documents (list can be provided)

19.3 The Local Transport Plan 'my journey'

19.4 Rail Plan 7

APPENDIX 1

PLAN OF THE ORDER LAND

THIS IS THE CPO BOUNDARY PLAN TO BE PRODUCED BY HAMERS/EDDISONS

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APPENDIX 2

PLANNING POLICY DETAILS OF THE NATIONAL & LOCAL PLANNING POLICIES – RELEVANT TO THE DEVELOPMENT

Planning Policy

The relevant sources of policy providing guidance and advice in relation to this development include national planning policy, in the form of the National Planning Policy Framework (NPPF) and local planning policy. Specific references include the transport pages of the NPPF, the Replacement Bradford Unitary Development Plan (rUDP) and elements of the Local Transport Plan 3 (LTP 3), and its supporting document, Railplan 7.

National Policy

Planning policy has been consolidated into one all-embracing National Planning Policy Framework (NPPF). It sets out the overall parameters by which planning can foster sustainable development and encourage economic growth whilst at the same time focusing on important environmental and social roles in fostering communities and protecting the natural, historic and built environment. A core principle of the NPPF is to:

" actively manage patterns of growth to make the fullest possible use of public transport, walking and cycling, and focus significant development in locations which are or can be made sustainable"

Specific policies relating to transport in the NPPF (paras. 29 to 41) provide advice on how local authorities should promote sustainable transport and integrate transport and land use planning for all types of development. It states:

"Transport policies have an important role to play in facilitating sustainable development but also in contributing to wider sustainability and health objectives. Smarter use of technologies can reduce the need to travel. The transport system needs to be balanced in favour of sustainable transport modes, giving people a real choice about how they travel."

Further guidance is given in terms of protecting sites for transport improvements:

"Local planning authorities should identify and protect, where there is robust evidence, sites and routes which could be critical in developing infrastructure to widen transport choice".

The proposal, by delivering a new railway station, will contribute significantly to journey opportunities in the south of the city and the Spenn Valley and easily satisfies the principles of accessibility for all and providing transport choice.

Replacement Unitary Development Plan (saved policies)

The Replacement Unitary Development Plan (rUDP) adopted in October 2005 includes two specific policies that are relevant to the application. These policies are TM4 (new railway stations) and TM7 (Park & Ride sites) and are both policies that have been saved by a direction of the Secretary Of State on 30th September 2008. The policies are quoted

below, with a commentary in red on the proposal. The policies have been "saved" by direction under paragraph 1.3 to Schedule 8 of the Planning & Compensation Act 2004 and are therefore still valid within the context of the emerging Local Development Framework.

TM4 New Railway Stations

The upgrading of existing stations and formation of new stations, as identified on the proposals map, is supported. These should include:

- (1) The development and enhancement of physical interchanges, including integration between rail services, bus services and other modes (and where possible park & ride facilities);*
- (2) Disabled access from buses and the streets to trains;*
- (3) Adequate secure cycle parking facilities; and*
- (4) Good lighting and CCTV.*

On the proposals map and in the Bradford South Constituency proposals document Low Moor is identified as a location for a new station.

The station development provides an interchange with buses, being a short walk from the bus stops on Cleckheaton Road. Each platform will be fully accessible for mobility impaired people. Secure cycle parking is to be provided as part of the scheme, and in addition adequate lighting and CCTV facilities are to be provided. The proposal satisfies the policy.

TM7 Park & Ride Sites

The Council will pursue opportunities to provide park and ride facilities when these arise.

At paragraph 8.44 of the UDP it is stated that "The UDP seeks to encourage the use of public transport and thereby reduce the need for car parking in city and town centres. One of the key-ways of achieving this aim is through the development of Park and Ride schemes for both rail and buses, and including facilities for cycle parking".

The station at Low Moor represents a significant park and ride opportunity to reduce car journeys into Bradford, Halifax and Leeds. The proposal satisfies this policy.

The proposal is also consistent with Policies **D6** and **D7** of the rUDP. These policies relate to meeting the needs of pedestrians and cyclists through design, thereby promoting sustainable travel.

Bradford Local Development Framework – Emerging Core Strategy

The Council has published a draft Core Strategy Development Plan for the District, outlining the preferred level of growth and strategic locations where development is to be encouraged. The "Further Engagement Draft", published in October 2011, outlines in detail the transport policies which the Council seek to apply to new developments.

On 10th December 2011 the draft Core Strategy Development Plan was placed before the Full Council. Some minor amendments were agreed and it was resolved that the Plan (as amended) should be submitted to the Secretary Of State for independent examination pursuant to section 20 of the Planning & Compulsory Purchase Act 2004. It should therefore carry weight as it is progressing through the adoption process.

A strategic objective of the Core Strategy (pg 24) is stated as:

"To improve and develop excellent public transport and highway systems to increase the level of accessibility within the District and establish good connections with other parts of the Leeds City Region and the country by ensuring safety, efficiency and sustainability."

Further detail is given in Strategic Core Policy SC1, Overall Approach & Key Spatial Priorities:

(to) "Ensure that transport management and investment support and help deliver the Core spatial strategy, in particular sustainable patterns of development, inclusive access to jobs and facilities, and shift to sustainable forms of movement."

The provision of a station at Low Moor fulfils both strategic objectives.

In spatial terms the station is specifically identified in Policy BD1 City of Bradford sub-area (F) Transport:

*"Develop new railway stations at **Low Moor** and Apperley Bridge."*

In addition on the BD1 Spatial Vision Diagram – City of Bradford by 2030, "T2" identifies a station at Low Moor.

A further key policy shaping transport themes in the emerging Core Strategy is Policy TR1 (Travel Reduction and Modal Shift):

The Council through planning and development decisions and transport policies will aim to reduce the demand for travel, encourage and facilitate the use of sustainable travel modes, limit traffic growth, reduce congestion and improve journey time reliability. These will include:

A. Development to be appropriately located to ensure that the need to travel is reduced, the use of sustainable travel is maximised, and the impact of development on the existing transport networks is minimal. (Allocation DPD, Area Action Plan DPDs, and individual planning applications, will be informed by government policy and public transport Accessibility Standards in Appendix 3 and be accompanied by Transport Assessments and Travel Plans).

B. The Council will seek the effective and efficient management of the existing transport networks (strategic and local highway, rail, bus, and cycle and walking routes) to address congestion and encourage modal shift to sustainable transport modes. This will include prioritisation of appropriate sustainable transport modes on the highway, through measures such as HGV lanes, bus priority and cycle lanes.

C. Influence travel behaviour through the requirement for all new build and change of use developments (above thresholds set out in the latest DfT guidance) which lead to a potential increase in movements to provide an approved transport assessment /statement and Travel Plan in accordance with DfT guidance.

D. Travel Demand (particularly single occupancy car use) will be managed through application of parking policies (TR3), and the use of existing powers to explore innovative demand management measures, where local conditions are appropriate, in conjunction with the introduction of sustainable travel initiatives and enhancements.

E. Identify, protect and develop appropriate facilities and high quality infrastructure for active travel modes (walking, cycling and horse riding). Including identified strategic routes and networks as well as local routes and

links where opportunities arise, linking into national and regional routes. Provide appropriate facilities for active travel modes at new developments, including but not exclusively cycle parking, and changing facilities along with safe and attractive routes within developments.

F. A key factor in encouraging the wider take up of alternative fuels, technologies and vehicle ownership and use models is the implementation of the associated recharging, refuelling and other infrastructure. Proposals to implement such infrastructure, for example Electric Vehicle (EV) charging points, through the development process will be explored and supported where viable.

Policy TR 2 (Parking Policy) of the emerging core strategy specifically exempts railway stations from the overall goal of reducing long term car parking spaces, recognising their potential to act as a park and ride site serving the city centre. Finally Policy TR3 (Public Transport, cycling and walking) recognises the importance of improved opportunities for local transport interchange.

The site at Low Moor has high potential in this regard.

As such it is clear there is strong policy support in the Local Development Framework for the establishment of a railway station at Low Moor.

'My Journey' West Yorkshire Local Transport Plan 2011-2026 (LTP3)/Rail Plan 7

'My Journey' West Yorkshire Local Transport Plan 2011-2026

This includes a vision statement which promotes working together to ensure that West Yorkshire's transport system connects people and places in ways that support the economy, the environment and quality of life.

The Plan's objectives are:

1 Economy: To improve connectivity to support economic activity and growth in West Yorkshire and the Leeds City Region.

2 Low Carbon: To make substantial progress towards a low carbon, sustainable transport system for West Yorkshire, while recognising transport's contribution to national carbon reduction plans.

3 Quality of Life: To enhance the quality of life of people living in, working in and visiting West Yorkshire.

Specifically proposal 24 states:

"Get better use from the existing network including investing in additional capacity to address congestion and overcrowding at key locations.

The notes to this policy provide that:

In addition to on-train capacity, Metro (now the West Yorkshire Combined Authority) will work with Network Rail and the industry to develop solutions to track capacity and other infrastructure constraints (e.g. extending platforms)".

A specific LTP initiative included in the notes to proposal 24 states that a new rail station at **Low Moor** should be prioritised. The West Yorkshire Strategic Programme of Schemes (2010) also outlined this as a priority and the notes to proposal 25 of the LTP also state that a proposed new station at **Low Moor** remains a priority.

The West Yorkshire Local Transport Plans 3 seeks to achieve a more sustainable transport system. There are a number of key themes:

- delivering accessibility, which will incorporate the maintenance and development of public transport networks through rail and bus strategies and raising awareness of public transport;
- tackling congestion, including encouraging the modal switch to public transport and promoting smarter travel choices;
- safer roads;
- better air quality, including encouraging more sustainable travel and carbon reduction;
- effective asset management, improving the condition of transport infrastructure.

It is therefore the objective of the LTP3 to deliver integrated transport, accessibility, safer roads, better air quality etc. The proposed development thus meets the objectives of the LTP especially those for delivering accessibility, and tackling congestion. The proposed station at Low Moor will help to deliver strategy identified in Metro's Rail Plan 7 and Leeds City Region.

Railplan 7

Railplan 7 is a strategy document produced by Metro (*now the West Yorkshire Combined Authority*) to plan the development of the West Yorkshire rail network over the LTP 3 period and is an update to the previous Railplan 6 document. Railplan 7 provides a framework for assessing and prioritising schemes over the short term as well as providing an approach to longer term developments. It identifies making additional car parking capacity available as one of the key strategies in the development of rail peak demand through:

- Provision of larger car parks; and
- Construction of new stations where there's potential for strong park& ride demand.

Metro (*now the West Yorkshire Combined Authority*) has an over-arching policy for rail services in West Yorkshire to "ensure, in partnership with train operators, Network Rail and others that the train services are as effective as possible in meeting the travel needs of the people of West Yorkshire, serving both existing passengers and attracting additional patronage, including modal shift from the car." It can be seen that Low Moor station fulfils these aspects, enhancing opportunity to access the rail network.

In order to meet the LTP 3 objectives outlined earlier, Railplan 7 identifies a number of opportunities for the rail network, including the opening of new rail stations. Four new stations have been specifically earmarked for development in the short term, including Low Moor.

The proposed railway station satisfies the objectives of both the National and Local planning policies regarding improving access to public services, reducing demand on private car use, as well as promoting sustainable modes of transport such as walking and cycling and promoting social inclusion.

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REPORT FRONT SHEET

AGENDA ITEM: 10

Combined Authority: 24 July 2014

Report Title: Leeds City Region Green Deal and Energy Company Obligation (ECO)

Report Summary

To provide the Combined Authority with an update on the process to procure a private sector partner to deliver a scheme of energy efficiency improvements – and to propose (subject to the views of the Investment Committee) – that the WYCA enters into a contract with the supplier following the procurement exercise.

Key facts:

- Across the City Region there are 450,000 homes that are in need of energy efficiency improvements.
- Fuel poverty levels are running at between 15 and 22% across the city region districts
- Individual Local Authorities will work with the contractor to ensure that those most in need and the difficult housing stock are targeted.
- The intention is to let the Framework Contract by the end of October 2014 with the local authority Call-Off contracts to follow immediately after.

Possible Questions

1. Could the Chair of the Investment Committee comment on the scale of the problems of the city region's housing stock in relation to fuel poverty and energy efficiency?
2. What is the scale of local jobs and apprenticeships that could be created and sustained through this joint city region Scheme?
3. What are the advantages to local authorities in working collaboratively across the city region on this agenda?
4. Could the Chair of the Investment Committee confirm that all residents will receive the same level of offer and service irrespective of their location or housing tenure across the city region, be they in an urban, semi-urban or rural location?
5. Can commercial businesses and local authorities also use the Scheme for energy efficiency improvements and micro-generation opportunities?

Note: The above questions may arise during the debate, but do not preclude other items for discussion and debate.

Originator: Rob Norreys
LEP Director & WYCA Head
Of Economic Strategy



ITEM 10

Report to: Combined Authority

Date: 24 July 2014

Subject: Leeds City Region Green Deal and Energy Company Obligation (ECO) Scheme

1. Purpose

- 1.1. To provide an update on the process to procure a private sector partner to deliver a Green Deal and Energy Company Obligation (ECO) Scheme across the Combined Authority and Leeds City Region area, and to seek endorsement for the Combined Authority (WYCA) to enter into the strategic Framework Contract with the preferred provider once the procurement process is complete; subject to appropriate legal advice and acceptable risk.

2. Information

- 2.1 The Green Deal is one of the Government's flagship initiatives and will operate by providing energy efficiency and other works at no upfront cost to the householder. The works are financed through what is in effect a loan which is paid back through savings on the householders' bill. A 'Golden Rule' will apply where the payback amount will not exceed what the homeowner would have paid for energy over the period if no measures had been installed. The loan is repayable with interest which will be set nationally.
- 2.2 Standardised domestic Energy Performance Certificates will be provided to determine the works, the works eligible for Green Deal finance, and confirmation of compliance with the 'Golden Rule.' Once work is completed, the charge is attached to the electricity meter and collected over the life of the measure which will be 10 to 25 years. Where works do not obey the Golden Rule, a subsidy from ECO will be applied or the householder has a choice to contribute some cash. The charge may be repaid early, otherwise it remains with the electricity meter and is transferred if a householder changes supplier. The charge is made on a daily basis and collected whenever the electricity bill is paid.
- 2.3 From a detailed Business Case prepared in 2012, Leeds City Region Leaders agreed to procure through a Competitive Dialogue process, an 8 year (with a potential 3 year

break) single Green Deal and Eco Scheme for the city region to reduce local authority procurement and management costs, improve efficiencies, and deliver greater outcomes for residents, ensure local job creation, and to achieve wider economic, social and environmental objectives. We are now in the later stages of the procurement process with two final bidders. Dialogue meetings are currently taking place with bidders involving a range of local authority partners and detailed offers are scheduled to be initially submitted on 16 July.

- 2.4 A team of officers from a range of authorities will be involved in the appraisal of the bids. Legal officers from all partner authorities and the WYCA are also meeting regularly to negotiate the contract details – both for the Main Framework Contract and the district Call-Off Contracts. Following the detailed offer an invitation to submit a final refined offer will be made in late August. This will allow Bidders to consider their Bid in relation to feedback from the detailed solution stage.

Scale of the challenge & economic opportunities

- 2.5 There are around 450,000 homes across the City Region that are in need of energy efficiency improvements and the Business Case indicates that if all these homes were improved over a 20 year period, there is the potential for the following *direct* benefits:

- Generate and protect up to 24,000 jobs;
- Inject over £5bn into the local economy;
- Create over £1.7bn GVA growth;
- Energy savings to householders of 6.4m MW hours per year; and
- Reduce Co2 emissions by 1.3m tonnes per year

- 2.6 The original Business Case outlined a potential £80m investment programme for the first three years of the Scheme; however, due to significant reduction in how energy efficiency measures are funded announced by the Chancellor in last year's Autumn Statement (which significantly reduced the amount of ECO grant), the Scheme's expectations have had to be reduced.

- 2.7 The scale of the challenge in terms of tackling fuel poverty across the city region is indicated in that across all the city region districts, levels of fuel poverty are running at between 15% and 22%. With the continuing increases in fuel prices and concerns over the potential impacts of Benefit Reforms on particular population cohorts, those in fuel poverty are likely to also increase over time unless significant and sustained energy efficiency improvements are made in the city region's housing stock, particularly for the more deprived and vulnerable households.

- 2.8 As noted above there will be significant job opportunities created by the City Region Green Deal Scheme for local installers and mechanical service engineers, particularly for Small to Medium Size Enterprises (SMEs). Two major events were undertaken at the start of the procurement process with major sub-contractors and SMEs to outline and engage local companies whom could benefit from the investment and a meet the Bidders SME engagement event will be taking place on 16th July at Pudsey

Civic Hall. The format of the event will be a rolling programme of presentations and opportunities to meet the buyers (Bidders) in separate room to find out more about how they can become part of the supply chain of the successful contractor. The day will also be used to promote the Green Deal Communities funding from DECC for training of the Green Deal and ECO supply chain. Work has already been started to identify any gaps in the availability of trained and accredited companies.

- 2.9 Although some local authorities will be providing some funding to support the Scheme; for example, where measures are targeted at their public sector housing stock, the majority of the investment will come from the provider, through ECO, and from households themselves. The City Region Partnership and local authorities are primarily providing use of their trusted 'Brand' with support to market and promote the Scheme and help the contracted Provider target and deliver energy efficiency improvements to city region residents and SME businesses. For this a management fee is being negotiated which will be paid to the CA to contribute to central contract management and local authority support.
- 2.10 There will be a main strategic framework contract scheduled to be put in place in October 2014, along with individual district call-off contracts to be drawn down by the partner authorities reflecting the detailed implementation of measures for the first three years of the Scheme in their areas. Wakefield indicated earlier in the year that they are putting in place an alternative local scheme which will run until 2016, so they will not be drawing down a local contract from the Scheme until at least 2016. There are also some Social Housing Providers who have expressed an interest in using the scheme. They will use a works contract for their properties as they will not need all the services, for example, marketing for their stock.
- 2.11 All authorities have identified existing domestic retrofit schemes that may overlap with the LCR Scheme and these exclusions have been formally reported to the two Bidders, in order that they can properly build this information into their pricing and wider offer.
- 2.12 One of the key objectives of the procurement is to ensure that work is completed across the city region and that there is parity of offer across the city region. To this end there are key performance measures that specifically measure the number of properties and measures that will be completed within each Local Authority. The scheme will run for eight years and therefore the Contractor will have to invest in all property types in order to make the scheme sustainable for this time period.
- 2.13 Each Local Authority will work with the successful Contractor to identify area based schemes and types of property to target based on stock data and local knowledge. This will allow Local Authorities to target both their priority areas and more difficult housing in partnership with the Provider; for example, those areas suffering the highest in terms of deprivation and in greatest need of energy efficiency improvements to their homes, so as to help bring these households out of fuel poverty by reducing fuels bills and providing warmer and more comfortable homes to live in.

2.14 The recently announced government cash back schemes will also support investment into the more difficult property types as there is now money available to support measures such as external wall insulation.

Project delivery risks

2.15 A full Risk Schedule has been prepared and has been kept under continual review throughout the procurement process. The City Region Scheme Business Case highlighted a number of risks and mitigation measures. The key risk to the City Region is that the benefits discussed above will not be realised, resulting in

- Economic growth, jobs and training opportunities not being maximised or being displaced elsewhere;
- Inward investment opportunities being depressed;
- An ad-hoc approach to energy efficiency that could minimise take-up and potentially lead to higher costs to householders for Green Deal measures;
- The City Region being seen as not supporting the low carbon economy nor of seriously tackling fuel poverty;
- City Region energy efficiency and low carbon targets not being met; and
- Lower levels of Energy Company Obligation (ECO) funding being secured to support the most vulnerable households in the city region.

2.16 The key risks to local authorities in participating in the Scheme are primarily encouraging take-up by householders and local authorities' reputations if the quality and performance of delivery by the private sector provider and sub-contractors is below the high standards that will be set.

2.17 To mitigate these risks significant work has been undertaken in developing the Business Case, and further work is continuing across the city region to identify early deliverable properties and areas to target initial implementation. This detailed analysis has conservatively identified around 450,000 dwellings out of the housing stock of 1.2million in the city region, which are considered the easily 'accessible market' for Green Deal. Out of this total the initial LCR 3 year Scheme is likely to be aimed at targeting around 30,000 homes.

2.18 However, the 450,000 home accessible market provides an indication of the scale of the longer term potential / challenge to bring the City Region housing stock up to the necessary energy efficiency standards. The other Green Deal Providers will be looking to target this market themselves in direct competition with any scheme the LCR/WYCA may offer. Any LCR/Local authority branded scheme provided in partnership with a private sector partner would present competition to the wider market, but would drive competition in the market and perhaps could help drive down overall prices.

2.19 The local authority 'brand' is also considered critical to promoting take-up, to provide reassurance to householders of the quality and legitimacy of the Green Deal as a scheme. Discussions with the Market indicated that access to the local authority brand was essential and was of more importance to Providers than access to capital

funding. This trusted brand is becoming increasingly important as there are already reports of non-accredited companies offering deals under the Green Deal banner at over-inflated costs and repayment schedules, which may affect perceptions and take-up overall.

- 2.20 The Competitive Dialogue procurement process and ultimately the contractual agreement that will be put in place will ensure that the preferred provider will work to the high standards that the LCR/WYCA sets, and the necessary checks and balances will ensure high performance in delivery. The LCR / local authorities continued involvement in supporting the Provider such as to help to target households and support marketing and branding, as well as overseeing delivery in their local areas will also help ensure delivery performance and the Scheme's success. Local authority experience from previous similar programmes where contracts have not been put in place, have demonstrated that it has been difficult to effect change where poor performance has been occurring. This sometimes has not only impacted poorly on residents, but has also affected the reputation of local authorities by association.

Procurement progress

- 2.21 The procurement has progressed through the detailed Dialogue meetings and detailed submissions are to be submitted in mid-July. There have been over 30 meetings covering each theme of Scheme; for example, marketing and promotion, business case and the social impact proposals which have also allowed the bidders with the opportunity to receive feedback and seek clarity. These have generated over 70 clarifications which have been responded to in liaison and agreement with all the local authority partners.
- 2.22 The formal bids will be appraised and scored. The result of this stage will be reported to Home Energy Project Board in the first week of August and then there will be a refined final bid round starting towards the end of August to late September. It is scheduled for the successful Bidder to be announced in early October and this timescale will allow local authority partners sufficient time to seek approval to draw down and sign local contracts shortly thereafter
- 2.23 Bidders have made clear that all their marketing, business case and SME engagement/ social impact plans assume that the partner authorities will sign the call off contracts once the main Framework Contract is signed and work with them to achieve the Key Performance Indicators.

Contracts

- 2.24 Several contracts will require to be entered into, subject to the WYCA approving the proposals:
- A Framework Contract with the successful bidder. It is envisaged that the WYCA will award the contract in the place of Leeds City Council as part of the move towards the WYCA taking on responsibility as a delivery body for City Region authorities. Alternatively, the contract could be novated by Leeds City Council

to WYCA once it has been awarded. WYCA lawyers have been engaged throughout the contract negotiations.

- Call off contracts that City Region authorities will enter into with the successful bidder for services within their areas. It is not envisaged that the WYCA will enter into these contracts.
- An agreement with WYCA and the city region authorities governing its relationship with them as the framework manager.

2.25 WYCA officers have been brought into the discussions with bidders to brief them equally on the legal status of the combined authority and the prospect of the framework being awarded by WYCA instead of Leeds City Council.

2.26 The LCR Leaders Board at its meeting on 1st July 2014 supported the proposal for the WYCA to enter into the Framework Contract.

3. Financial Implications

3.1. There are no significant immediate financial implications, and the Contracts Manager post referred to in section 5 will be funded through the framework contract which should ensure that it is revenue neutral.

3.2. In practical terms, the decision as to which tender should win the award of the framework contract will not be made by the Combined Authority, but will be as a result of the procurement processes of Leeds City Council. This should be addressed within arrangements to be made between the City Region authorities and WYCA.

4. Legal Implications

4.1 WYCA will require to enter into contracts with the successful bidder and also an agreement governing its' relationship with all participating district councils, as the "framework manager". The legal section within WYCA is now working with the City Region Legal and Procurement Officer team within Leeds City Council that have led the project to date.

4.2 The Combined Authority is required to approve that the WYCA enters into these contractual arrangements. Bid offers have now been submitted and will appraised over the coming weeks, to be carried out by a joint procurement and appraisal team(s) involving a range of city region partner authorities. Delegation of authority to enter into all contracts necessary to effect the scheme should be sought from the WYCA to ensure it can be delivered without having to refer further to the Authority unless there are material changes to the proposals in the meantime.

5. Staffing Implications

5.1. The Contracts Manager will be appointed as a Combined Authority employee linked to the timescales of the Framework Contract. The post will report to the City Region Head of Infrastructure and Investment, who will continue as the Project Director for the Scheme.

- 5.2. Lawyers from the WYCA are engaged in the contract negotiations, although Leeds City Council lawyers are continuing to lead those negotiations for practical and continuity purposes; and similarly Human Resources team of the WYCA are supporting the recruitment and appointment of the Contracts Manager.
- 5.3. Once the contract is in place, it is not envisaged that there will be any further significant staffing implications for the Combined Authority in providing the strategic coordination for the Scheme.

6. Consultees

- 6.1 Merran McRae, City Region Chief Executive Lead for Infrastructure, which includes the responsibility for the LCR Green Deal Scheme, is supportive of the Scheme and the proposal for the WYCA to enter into the Framework Contract and her comments have been incorporated.
- 6.2 The Combined Authority Investment Committee considered the LCR Green Deal and Eco Scheme proposals at their meeting on 16 July 2014, and recommended that the WYCA enters into the Framework Contract on behalf of the City Region Enterprise Partnership. They also considered that it was important that the Scheme ensures that it is not just the 'easy wins' that are targeted, so that those in greatest need of warmer homes, particularly those in fuel poverty, benefit from the Scheme as soon as possible.

7. Recommendations

- 7.1 Note the economic benefits to the Authority's area of the Leeds City Region Green Deal & Eco Scheme proposals;
- 7.2 The Combined Authority Investment Committee recommends that the WYCA enters into arrangements with the City Region Authorities and with Leeds City Council in particular, as to the appraisal of the bidders' tenders and the operation of the framework, once awarded; and
- 7.3 The Combined Authority Investment Committee recommends that the WYCA contracts with the successful bidder as the Framework Manager.

REPORT FRONT SHEET

AGENDA ITEM: 12

Combined Authority: 24 July 2014

Report Title: West Yorkshire+ Transport Fund - Gateway Approvals

Report Summary

The West Yorkshire and York Local Transport Body (LTB) Interim Assurance Framework sets out the following Gateway process for major projects (including Transport Fund projects):

- Gateway 1 - Development Approval
- Gateway 2 - Procurement Approval
- Gateway 3 - Implementation Approval

The decision as to whether a project is ready to pass through each gateway is made by the Combined Authority advised by the Transport Committee and Investment Committee.

Due to the timing of meetings of the advisory groups, following this process is likely to have a significant impact on the delivery of Wakefield Eastern Relief Road (WERR) an 'early win' scheme within the WY+TF with a high GVA / £ ratio. The project has a critical date of Christmas 2015, when rail possessions are booked to deliver a new rail bridge. Delays to the Gateway 2 approval would impact on procurement timescales and would create a real possibility of missing that possession period, with a potential delay of up to 2 years.

To mitigate this risk, approval to a 'by exception' approach to the Gateway 2 approval is sought. The report proposes that the role of advising the Combined Authority on Gateway 2 approvals is delegated to the relevant Director or the Head of Economic Strategy in consultation with the chairs of the Investment and Transport Committees and the Director of Resources. For schemes greater than £10m the WYCA Head of Paid Services would also be consulted. Every effort will be made to avoid the need to use this procedure; it will be used only where the timing of meetings would result in a critical delay to a project.

The final approval to pass through the Gateway would continue to be made by WYCA.

Possible Questions

1. Does the Combined Authority agree with the proposed process to delegate (by exception) the role of advising the Combined Authority on Gateway 2 approvals to ensure that the project delivery timescales are met?

Note: The above questions may arise during the debate, but do not preclude other items for discussion and debate.

Originator: Nick Winney,
Secretary and Solicitor



ITEM 12

Report to: Combined Authority

Date: 24 July 2014

Subject: West Yorkshire + Transport Fund - Gateway Approvals

1. Purpose

- 1.1. To seek approval for an approach to be used 'by exception' and to apply it to Gateway 2 Approvals for Wakefield Eastern Relief Road.

2. Information

Background

- 2.1. The West Yorkshire and York Local Transport Body (LTB) Interim Assurance Framework sets out the appropriate safeguards and processes to be put in place to ensure the proper use of public funds and that value for money is secured when developing and delivering major transport schemes. The ITA Executive Board was previously responsible for approving progression through Gateways, in line with the agreed framework. The responsibility for approving gateways now rests with the West Yorkshire Combined Authority.
- 2.2. The framework, which was agreed with DfT, identifies the following Gateways for scheme development:
- **Development Approval (Gateway 1)** - scheme sponsors undertake modelling, appropriate feasibility work and the preparation of a high level business case;
 - **Procurement Approval (Gateway 2)** - scheme sponsors continue to develop more robust cost estimates, undertake high level appraisal appropriate to the nature and complexity of the scheme, progress detailed design work, refine risk levels, and updates the business case in readiness to seek a price from the market to implement the scheme;

- **Implementation Approval (Gateway 3)** – the LTB needs to be satisfied that the final cost estimates are robust, risk exposure is acceptable, and that forecast outcomes remain comparable with those agreed in earlier gateways.
- 2.3. The decision as to whether a project is ready to pass through a particular gateway is made by the Combined Authority advised by the Transport Committee and Investment Committees. Under normal circumstances the groups would provide their advice through one of their scheduled meetings that take place throughout the year.
- 2.4. It is recognised however that the timing of meetings for these groups do not necessarily align well to ensure the advice can be provided in a timely manner in advance of the Combined Authority meeting. There are occasions where it could take two months from the first advisory group meeting and the meeting of the Combined Authority to make a decision on a project Gateway. This would be in addition to the technical appraisal work that would need to be undertaken by officers in advance of submitting reports to the political meetings.
- 2.5. It is recognised that there is a need to ensure that the Gateway process needs to support the progression of schemes without imposing excessive delay.

Wakefield Eastern Relief Road

- 2.6. The Wakefield Eastern Relief Road (WERR) is an ‘early win’ scheme within the WY+TF with a high GVA / £ ratio. It is one of the most developed projects and is programmed to commence on site during 2015/16.
- 2.7. The Combined Authority approved Gateway 1 for the WERR at their meeting on 29 May 2014 which has allowed detailed design to be progressed.
- 2.8. Wakefield Council is in a position to submit for Gateway 2 approval imminently. The project has a critical date of Christmas 2015, when rail possessions are booked to deliver a new rail bridge. Delaying the commencement of procurement would create a real possibility of missing that possession period, with a potential delay of up to 2 years. In order to remain on programme to meet this milestone, Wakefield Council needs to obtain Gateway 2 approval from the Combined Authority on 11 September 2014 so they can commence the procurement process.
- 2.9. The current dates for meetings of the Investment Committee and Transport Committee means that it would not be possible to take a report to each of these groups in advance of the September meeting of the Combined Authority.
- 2.10. In order to ensure that the Combined Authority can receive a report on 11 September 2104 seeking approval for WERR to pass Gateway 2 and has received appropriate input from the advisory groups, a ‘by exception’ approach to the approval is sought. This is set out in table 1 overleaf.

Table 1: ‘By Exception’ approach to Gateway 2 Approval

Standard Approach	By Exception	
	Scheme value less than £10m	Scheme value £10m or greater
Report to Investment Committee	Delegated to the relevant Director or the Head of Economic Strategy in consultation with the Chairs of the Transport and Investment Committees and the Director of Resources	Delegated to the Relevant Director or the Head of Economic Strategy in consultation with the Chairs of the Transport and Investment Committees and the Head of Paid Service.
Report To Transport Committee		
Report to Combined Authority		
	Report to Combined Authority	Report to Combined Authority

- 2.11. Every effort will be made to avoid the need for this exception procedure; it is proposed that it will be used for schemes where the scheduling of meetings would lead to critical delays on progressing projects.

3. Financial Implications

- 3.1. The final commitment to fund the cost of delivering the Transport Fund schemes is made at Gateway 3.
- 3.2. Whilst Gateway 2 approval would only trigger the release of a relatively small amount of funding to progress the procurement for the scheme, more significantly it demonstrates a commitment by the WY+TF to fund the delivery of the scheme if the tenders returned demonstrate the scheme is affordable and can deliver the required benefits.

4. Legal Implications

- 4.1. The Scheme of Delegation would require to be revised to reflect the proposals. The Authority itself must resolve to approve changes to the Scheme of Delegation. Appropriate amendments may also be required for the Procedure Standing Orders and Financial Regulations of the Authority in relation to the capital ceiling.
- 4.2. The Secretary and Solicitor is authorised to make changes to the Scheme of Delegation and the Standing Orders of the Authority to reflect the resolution of the Authority. Changes to the Financial Regulations should be made in consultation with the Director of Resources as the s73 Officer.

5. Staffing Implications

- 5.1. None as a direct result of this report.

6. Consultees

- 6.1. Adrian Lythgo (Head of Paid Service and Chief Executive with lead responsibility for transport); John Henkel (WYCA Acting Director of Transport) and Nick Winney (Secretary and Solicitor) have provided advice in the preparation of this report.

7. Recommendations

- 7.1. That the 'by exception' approach set out in Table 1 is endorsed:
- 'Advice' to the CA is delegated to the relevant Director or the Head of Economic Strategy in liaison with the Chairs of the Transport and Investment Committees and the Director of Resources.
 - For schemes above the value of £10m the Head of Paid Service is to be consulted.
- 7.2. That the 'by exception' approach is applied to the Gateway 2 approval for Wakefield Eastern Relief Road on the grounds that the standard approach would lead to a critical milestone being missed delaying the delivery of the overall project by up to 2 years.
- 7.3. That the Secretary and Solicitor make appropriate amendments to the Scheme of Delegation and the Standing Orders of the Authority to reflect the resolutions, in consultation with the Director of Resources.

8. Background Documents

- West Yorkshire Plus Transport Fund, Combined Authority, 29 May 2014, Item 9