

INFORMAL CONSULTATIVE MEETING OF THE FINANCE, RESOURCES, AND CORPORATE COMMITTEE

**MEETING TO BE HELD AT 11.00 AM ON THURSDAY, 6 JANUARY
2022 AS A REMOTE MEETING - TO BE LIVESTREAMED HERE:
[HTTPS://WWW.YOUTUBE.COM/CHANNEL/UCAZJNSGPQZZT41VIBN2
ZK9A/LIVE](https://www.youtube.com/channel/UCAZJNSGPQZZT41VIBN2ZK9A/LIVE) (COPY AND PASTE THE LINK IN YOUR BROWSER)**

A G E N D A

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF PECUNIARY INTERESTS**
- 3. EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE
PRESS AND PUBLIC**
- 4. MINUTES OF THE MEETING HELD ON 1 DECEMBER**
(Pages 1 - 4)
- 5. CAPITAL SPENDING AND PROJECT APPROVALS**
(Pages 5 - 64)
- 6. FINANCIAL REPORTING**
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- 7. OFFICE ACCOMMODATION**
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- 8. BUSINESS PLANNING AND BUDGET 2022/23**
(Pages 75 - 80)

Signed:



**Managing Director
West Yorkshire Combined Authority**



**MINUTES OF THE MEETING OF THE
FINANCE, RESOURCES, AND CORPORATE COMMITTEE
HELD ON WEDNESDAY, 1 DECEMBER 2021 IN COMMITTEE ROOM 1,
CIVIC HALL LEEDS**

Present:

Mayor Tracy Brabin (Chair)	West Yorkshire Combined Authority
Mark Roberts (Substitute)	LEP Board
Councillor James Lewis	Leeds City Council
Councillor Susan Hinchcliffe	Bradford Council
Councillor Matthew Morley (Substitute)	Wakefield Council
Councillor Shabir Pandor	Kirklees Council
Councillor Tim Swift MBE	Calderdale Council

In attendance:

Ben Still	West Yorkshire Combined Authority
Angela Taylor	West Yorkshire Combined Authority
Melanie Corcoran	West Yorkshire Combined Authority
Alan Reiss	West Yorkshire Combined Authority
Jonathan Stephen	West Yorkshire Combined Authority
Ben Kearns	West Yorkshire Combined Authority

17. Apologies for absence

Apologies for absence had been received from Councillor Denise Jeffery and Sir Roger Marsh.

18. Declarations of Disclosable Pecuniary Interests

There were no declarations of pecuniary interests at the meeting.

19. Exempt Items - Possible Exclusions of the Press and Public

There were no items that required the exemption of the press and public.

20. Minutes of the Meeting held on 3 November

Resolved: That the minutes of the meeting held on 3 November be approved.

21. Financial Reporting

The Committee considered a report which provided an update on capital budget monitoring for 2021/22 as at quarter 2 as well as draft capital estimates for 2022/23.

The capital spend as at October 2021 was attached at appendix 1 to the submitted report. Members noted that capital expenditure in quarter 2 represented around 38% of the revised forecast for the year.

The report provided a breakdown of the key issues and risks on Combined Authority programmes. Members noted the update and welcomed the flexibility across the programmes.

Members requested a workshop session to have a conversation around the Combined Authority's approach to borrowing, its spending priorities, and risk appetite.

Resolved: That the financial position be noted.

22. Budget 2022/23

Members considered a report which set out the work underway on the budget for 2022/23 as well as work underway on the approach to the use of gainshare.

Members noted the ongoing work to produce a balanced budget for 2022/23 and that a report would be taken to the Combined Authority on 9 December. The difficulties around future bus funding were noted and it was anticipated that existing funding would not be sufficient. The outcome of the Bus Services Improvement Plan (BSIP) submitted by the Combined Authority was awaited from Government.

Members had the following questions and comments:

- That there was frustration around Government funding not matching the ambitions of the region, especially in terms of the aspirations set out in the Bus Services Improvement Plan.
- Members discussed the delay in publishing the LEP review and the expected shortfall from LEP Funding.
- Members requested that the reserve strategy and risks be brought to a future meeting to manage the high level of uncertainty around the 2022/23 budget.
- That the review of the assurance framework which aimed to simplify the route of projects through the appraisal process was welcome.

The Committee also considered the approach to the use of gainshare to deliver the Combined Authority's investment priorities.

Members had the following questions and comments:

- That it was good to see the focus on business productivity, but this

needed to be twinned with an approach which ensured equal access to all communities and good engagement.

- That the climate change investment priority was essential and that the Combined Authority should do more to articulate the interventions being made.
- That the impacts on carbon, equality, diversity, and inclusion, and inclusive growth would be factored into all investment decisions taken by the Combined Authority.

Resolved: That the information on budget and gainshare be noted.

23. Corporate Planning and Performance

Members considered a report that provided an update on the development of business plans for 2022/23 as well as the work underway to re-shape the overarching corporate priorities.

There had been substantial change to the organisation during 2021 which had led to different areas of focus and new priorities and subsequently, the current corporate priorities required amendment.

The committee welcomed the approach taken to the refresh of the corporate priorities and had the following questions and comments:

- Members discussed whether 'levelling up' should be more prominent in the draft corporate priorities.
- That the health and wellbeing strategic outcome could be re-worded or amended to make clear the Combined Authority's role in addressing the wider determinates of health in the region.
- That it was vital that the strategic outcomes were underpinned by good data, and it would be useful to see some headline aspirations included in the strategic outcomes.
- That improving productivity was a key part of the Combined Authority's work and could be more prominent in the draft corporate priorities.

The revised corporate priorities would be brought back to a future meeting of the committee with a focus on the economy added in and quantitative indicators across the priorities.

Resolved: That the report and the Committee's feedback be noted.

24. Equality, Diversity, and Inclusion

Members considered a report which set out the work underway to embed Equality, Diversity, and Inclusion (EDI) into the work of the Combined Authority.

A review has been undertaken of existing action plans around EDI which aimed to consolidate the work and create appropriate governance and reporting structures to track progress.

The Committee welcomed the work on EDI especially the use of equality impact assessments and the revised equality impact assessment toolkit.

Resolved: That the progress made to embed EDI through the work of the Combined Authority be noted.



Report to: Finance, Resources and Corporate Committee

Date: 06 January 2022

Subject: **Capital Spending and Project Approvals**

Director: Melanie Corcoran, Director of Delivery

Author: Craig Taylor, Head of Portfolio Management and Appraisal

1 Purpose of this report

- 1.1 To report on proposals for the progression of, and funding for, a number of West Yorkshire Combined Authority supported projects that have been considered at stages 1, 2 and 3 of the Combined Authority's assurance process.
- 1.2 The Finance, Resources and Corporate Committee has delegated decision making authority approved by the Combined Authority on 24 June 2021. Where the Finance, Resources and Corporate Committee is asked to make an approval decision this will be highlighted in the summary table and made clear in the recommendations.
- 1.3 The recommendations can be found in Section 13 of this report.

2 Impact of COVID-19

- 2.1 With the impact of COVID-19 on the region and its economy, it is more important than ever to assess the changes to the landscapes of our towns and cities and the impact on current and future planned schemes, particularly, but not exclusively, those relating to transport.
- 2.2 Although it is generally expected that in the medium and long-term behaviours will return to the pre COVID-19 position, the impact of COVID-19 in relation to travel behaviour into and around towns and cities will be assessed as part of scheme appraisal and any assumptions made to address issues identified prior to the pandemic will be re-tested.

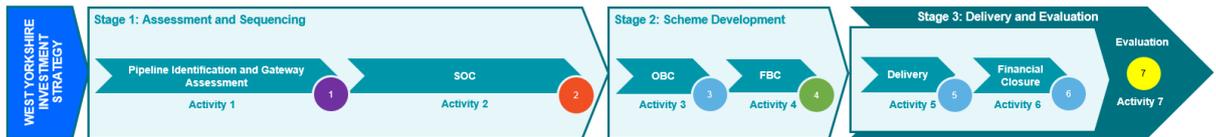
3 Tackling the Climate Emergency Implications

- 3.1 The Combined Authority has taken action to ensure all decisions we make include Climate Emergency considerations. The Combined Authority:

- Has strengthened how clean growth and climate change impacts are considered as part of all schemes that come through the Combined Authority's Assurance Framework.
 - Requires LEP and the Combined Authority reports to include clean growth / tackling the Climate Emergency implications, including qualitative impact assessments.
- 3.2 To fully strengthen decision making across the whole of the Combined Authority's Assurance Framework a robust, quantifiable methodology and tool for assessing all new schemes predicted carbon emissions/wider clean growth impacts is being developed.
- 3.3 Work to refine the toolkit methodology is continuing and is currently finalising the results from assessments of a selection of existing capital schemes progressing through the assurance process. The results of these assessments along with explanatory reporting are currently being prepared for publication. It is anticipated that this will be in March 2022. This represents a delay due to difficulties encountered carrying out carbon impact assessments on an initial subset of schemes. This has allowed the consultants to take these challenges into account in making improvements to the methodology. The tool will be incorporated into the Assurance Framework so that it can be used to assess future proposals as they progress through the assurance process. This part of the commission will involve a training element to ensure carbon assessment is properly embedded in the assurance process.
- 3.4 Clean growth, including climate change, impact assessment / considerations are all now included in all Capital Spending and Project Approvals reports. This ensures that the business cases now reflect the Leeds City Region Climate Emergency priority and evidence that they will reduce carbon emissions (both directly and indirectly).

4 Report

- 4.1 This report presents proposals for the progression of four schemes through the Combined Authority's assurance process in line with the Combined Authority's Assurance Framework. These schemes have a funding value of £68,153,960 when fully approved, of which £62,382,000 will be funded by the Combined Authority. A total expenditure recommendation to the value of £30,077,000 is sought as part of this report for the development and delivery of these schemes. Further details on the schemes summarised below can be found as part of this report.
- 4.2 The assurance process is a three-stage approach with the requirement that all projects subject to minor exceptions as detailed in the Assurance Framework, will as a minimum, need to formally pass decision point 2 (strategic outline case) and 4 (full business case), with the requirement to meet the intervening activities deemed on a project-by-project basis.
- 4.3 For more detail on the Combined Authority's Assurance Framework through which each of the schemes outlined in this report are being approved is provided in **Appendix 1**.



Stage 1: Assessment and Sequencing

- 4.4 Programmes / schemes will start to be developed through an ongoing dialogue with the Region's businesses, third sector and public organisations, in line with the WYIS. Schemes will access funding through either a commissioning process or through open calls. Programmes / schemes will be assessed through a Strategic Assessment (an early-stage gateway check and challenge review) to determine if they are eligible to proceed (Decision Point 1).
- 4.5 If approved the scheme will progress to strategic outline case (SOC), where schemes will be expected to demonstrate a strategic fit in terms of project outcomes and set out their proposed approach to establishing value for money (VfM). At this stage, a long list of options will be considered with a shortlist being presented in the SOC. Consultation at this stage will be limited, but will be a key to the next activity, outline business case (OBC) in Stage 2. At this stage, funding may be sought to enable work to progress on the OBC. Schemes will also be required to submit an Appraisal Specification Report (ASR). It is at the end of this stage where the Combined Authority approve the indicative funding, approval pathway and route and tolerance levels (Decision Point 2).

Stage 2: Scheme Development

- 4.6 If approved the scheme will progress to outline business case (OBC) unless the approval pathway set at decision point 2 does not require this. The OBC should revisit the options identified within the SOC to identify the option which optimises public value, confirm the affordability of the scheme, and put in place the arrangements to ensure successful delivery. The OBC should be prepared in accordance with the Green Book five-case model and should include a draft Monitoring and Evaluation Plan and a Benefit Realisation Plan. The economic case must be developed in consistency with the agreed ASR. Guidance will be provided to scheme promoters around the level of detail to be submitted at this stage with regards to proportionality of the business case. The scheme will be presented for approval by the decision-maker (Decision Point 3) as set out in the approval pathway and route approved at Decision Point 2.
- 4.7 If approved the scheme will progress to full business case (FBC) which will confirm the contractual arrangements for the preferred option. Affordability of the scheme is reiterated, and the scheme puts in place the final arrangements for delivery and monitoring and evaluation of the scheme. A Monitoring and Evaluation Plan and a Benefit Realisation Plan are mandatory products at this stage. The FBC should also be prepared in accordance with the five-case model and any conditions set at OBC should be resolved. The economic case must be developed in consistency with the agreed ASR. The scheme will be

presented for approval by the decision-maker (decision point 4) as set out in the approval pathway and route approved at decision point 2.

- 4.8 The FBC approval will be granted with a condition that the scheme remains within set conditions. Where this condition has been met Approval to Proceed into Delivery (Activity 5) will be granted by the Managing Director (or by an officer under sub-delegated authority from the Managing Director). If the condition(s) is not met, the project will be required to re-submit the FBC.

Stage 3: Delivery and Evaluation

- 4.9 Once a scheme gains FBC approval and the conditions set have been met, the scheme can progress into Activity 5 (Delivery).
- 4.10 Upon scheme completion, a Delivery Closure Report is required that details how the scheme has performed. This includes whether delivery has remained within the timeframes specified within the business case, has achieved the objectives of the scheme and associated outputs, documents what has been delivered and highlights the overall costs. The Delivery Closure Report will be presented for approval by the decision-maker (Decision Point 5) as set out in the approval pathway and route approved at Decision Point 2.
- 4.11 Following completion of Activity 6, the scheme will be required to submit a Financial Closure Report (Activity 6). The Financial Closure Report confirms the final costs for the scheme, ensuring all payments have been completed. The Financial Closure Report will be presented for approval by the decision-maker (Decision Point 6) as set out in the approval pathway and route approved at Decision Point 2.
- 4.12 The purpose of the Delivery and Financial Closure Reports is to assess the success of the scheme, identify best practice for future schemes, resolve all open issues and to capture feedback and lessons learnt to inform the development and delivery of future schemes.
- 4.13 Activity 7 (Evaluation) will be managed by the Combined Authority's Research & Intelligence team. This is a reporting point as opposed to the previous decision points in the process and will be undertaken when the scheme is completed for an evaluation of the benefits, outcomes and economic impact compared to the overall objectives set out in the SOC. Insights and learning intelligence from evaluation will also be fed back into policy and strategy in order to inform the design and development of future schemes. Interim evaluations may also be undertaken as required as set out in the Monitoring and Evaluation Plan.

Value for Money - Benefit Cost Ratios

- 4.14 The Benefit to Cost Ratio (BCR) for some of the schemes in this report potentially represent low value for money, when assessed using the Department for Transport's Transport Appraisal Guidance TAG on the appraisal of transport schemes.

- 4.15 This is because whilst calculating benefits to costs of a transport scheme there are many more journeys made by car than are made by bus, cycling, and walking and as a consequence the monetised benefits arising from improvements to bus, cycling and walking journeys may be outweighed by the monetised dis-benefits to car users.
- 4.16 However, a key strategic objective of investment is to encourage modal switch to more sustainable modes and therefore whilst the 'core' BCR (i.e. following Green Book guidance on total impact on the society as a whole) for some schemes may be low, discounting the dis-benefits to car users from the appraisal will result in a higher BCR and where possible this 'range of BCR' will be presented to support decision making. This is in line with HM Treasury guidance where appraisal should take account of all five cases (strategic, commercial, economic, financial and management) and the economic case be balanced with these.
- 4.17 Her Majesty's Treasury (HMT) have now completed the review of the Green Book. The Green Book is guidance issued by HM Treasury on how to appraise policies, programmes, and projects. This review has endorsed the Combined Authority's approach by clarifying that overall Value for Money judgement should not depend solely on the BCR but be informed by a balanced consideration of all relevant evidence, that is, appraisal should take account of all five cases (strategic, commercial, economic, financial and management) and the economic case be balanced with these.
- 4.18 In particular, HMT have clarified further that in assessing value for money, a stronger emphasis can now be placed on the strategic case and how the strategic objectives and priorities of the Combined Authority will be met through the delivery of a project. This might for example include, but not limited to, a greater focus on regional impacts to help deliver Levelling Up, ensuring transformational projects are given due consideration, supporting the climate change and good growth agenda (the Combined Authority aims to achieve net-zero by 2038), supporting an increase in active mode and public transport use, supporting / accelerating housing development and allowing a greater emphasis on the requirement to carry out equalities analysis as required by the Public Sector Equalities Duty. The specific approach will be determined on a programme-by-programme basis as funding and investment streams come forward.

<p>Bus Franchising Needs Assessment</p> <p>West Yorkshire</p>	<p><u>Scheme description</u></p> <p>This scheme will investigate the options for the proposed bus franchising scheme. This will include a thorough needs assessment, incorporating an assessment of the benefits and impacts of bus franchising, a comparison of these against other bus reform options, an audit of the proposed scheme, and the preparation and launch of public consultation. The outcomes will form the basis for a full business case.</p> <p>This scheme supports the Mayor's pledge to bring buses back into public control. This assessment forms a key part of this pledge and is a statutory process.</p> <p>The scheme will be funding by Combined Authority Gainshare funding.</p> <p><u>Impact</u></p> <p>The key benefit of this scheme is to provide an evidence base upon which the Combined Authority can make a fully informed decision on whether to progress with a bus franchising scheme for West Yorkshire which would bring buses back into public control.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 2 (strategic outline case) and work commences on activity 4 (full business case).</p> <p>Total value of the scheme - £7,000,000</p> <p>Total value of Combined Authority funding - £7,000,000</p> <p>Funding recommendation sought - £1,000,000</p> <p>A decision by the Finance, Resources and Corporate Committee using the delegated authority from the Combined Authority is sought as part of this report</p>
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<p>Scheme</p> <p>York Castle Gateway</p> <p>Location: York</p>	<p><u>Scheme description</u></p> <p>This scheme is part of the wider York Castle Gateway Masterplan, which will be delivered in two phases. Phase 1 will include a new pedestrian cycle bridge, creating new strategic routes into and across the city for pedestrians and cyclists. Phase 2 includes enhancements to public spaces, involving reducing the number of car carrying roads, replacement and upgrading of bus stops and an upgraded pedestrian and cycle crossing.</p> <p>This scheme is funded from the West Yorkshire plus Transport Fund (WY+TF).</p> <p><u>Impact</u></p> <p>The scheme supports the Mayor's pledges of supporting businesses and being a champion for the regional economy and tackling the climate emergency and protecting our environment.</p> <p>The scheme presents a benefit cost ratio (BCR) of 0.81:1. This is categorised as poor value for money, however, it is not uncommon for schemes of this nature to return a low BCR. The scheme has a strong strategic case, which Government advises is of importance in deciding whether a scheme should be progressed.</p> <p>The wider benefits include health benefits through promotion of healthy active travel plus improvements to air quality by reducing motor vehicle use in the city centre. The new public park will enhance the setting of a number of popular visitor attractions.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 3 (outline business case) and work commences on activity 4 (full business case).</p> <p>Total value of the scheme - £5,429,960</p> <p>Total value of Combined Authority funding - £4,600,000</p> <p>Funding recommendation sought - £0</p> <p>A decision by the Finance, Resources and Corporate Committee using the delegated authority from the Combined Authority is sought as part of this report</p>
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<p>Armley Gyratory</p> <p>Leeds</p>	<p><u>Scheme description</u></p> <p>The Armley Gyratory scheme has been identified for delivery through the £78,800,000 Leeds City Centre Package (LCCP) programme funded by the West Yorkshire plus Transport Fund (WY+TF).</p> <p>The scheme will increase highway capacity through increasing lane numbers and widening approach roads. Signal upgrades will improve the operational efficiency of the gyratory and better accommodate re-routed traffic following closure to City Square.</p> <p>It will also replace the existing footbridges over the A58 and A643 with a new 4 metre wide bridge for pedestrians and cycle (compliant with LTN1/20 design standards) and widen the existing footpaths at the gyratory.</p> <p><u>Impact</u></p> <p>Enhancement to the highway capacity is considered necessary to accommodate the additional traffic following the planned closure to City Square. This is forecast to increase carbon emissions by 184,038 tonnes over a 60 year appraisal period (3,067 tonnes per annum). However, early indications suggest that as we expect to see an increasing number of electric vehicles on the road in future years, this should reduce to approximately 111,000 tonnes (1,850 tonnes per annum). Furthermore, it is anticipated that following the implementation of all planned activities within Leeds city centre across the LPTIP, TCF, City Connect, and LCCP funding programmes, that overall local air quality benefits will be realised.</p> <p>The scheme will reduce congestion levels and reduce journey times for motorists, including bus services. Buses, especially core city services will further benefit from the implementation of MOVA adaptive signal control which features virtual bus priority measures.</p> <p>The scheme will also improve walking and cycling connectivity and safety, by replacing the existing footbridges with LTN1/20 compliant shared provision and landscaping treatments, making users more visible to motorists.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 4 (full business case) and work commences on activity 5 (delivery).</p> <p>Total value of the scheme - £41,970,000</p> <p>Total value of Combined Authority funding - £41,970,000</p> <p>Funding recommendation sought - £27,930,000</p> <p>A decision by the Finance, Resources and Corporate Committee using the delegated authority from the Combined Authority is sought as part of this report</p>
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<p>Harrogate Road New Line</p> <p>Bradford</p>	<p><u>Scheme description</u></p> <p>This scheme will improve the existing junction at Greengates and includes the widening of the existing highway on all four arms of the junction, signal upgrades, junction improvements and improvements for pedestrians and cyclists.</p> <p><u>Impact</u></p> <p>This scheme supports the Strategic Economic Plan priority 4 – Infrastructure for Growth with a particular emphasis on transport infrastructure and services.</p> <p>The scheme benefit cost ratio is now 9.83:1 as a result of this change. This is categorised as very high value for money based on the Department for Transport’s criteria.</p> <p>This scheme has encountered unexpected difficulties due to the discovery of previously unmapped water utility infrastructure during construction. This exceptional circumstance has caused unforeseen delay and increase in cost.</p> <p>The project’s wider benefits include improved facilities for pedestrians and cyclists, a reduction in the number and/or severity of accidents and improvements to air quality. Moreover, the scheme enhances quality of life through improved access to hubs such as Bradford city centre and Leeds Bradford Airport.</p> <p><u>Decision sought</u></p> <p>The change request to the Harrogate Road – New Line is approved to increase the total value of Combined Authority funding from the current approval of £7,665,000 to £8,812,000 (increase of £1,147,000) due to exceptional circumstances. Bradford Council match funding has been increased from £2,736,000 to £3,016,000 (increase of £280,000). The total project value is £13,754,000.</p> <p>Bradford Council undertook a value engineering exercise to reduce the cost impact to the value requested in this report.</p> <p>Total value of the scheme - £13,754,000</p> <p>Total value of Combined Authority funding - £8,812,000</p> <p>Funding recommendation sought - £1,147,000</p> <p>A decision by the Finance, Resources and Corporate Committee using the delegated authority from the Combined Authority is sought as part of this report</p>
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5 Information

5.1 The Combined Authority's assurance framework requires that formal approval is given to the following elements of a scheme as part of its development:

- The progression of a scheme through a decision point to the next activity.
- Indicative or full approval to the total value of the scheme funding requested.
- The Combined Authority's entry into a funding agreement with the scheme's promoter.
- The assurance pathway and approval route for future decision points.
- The scheme's approval tolerances.

5.2 This report provides information required to enable the Combined Authority to approve each of the above elements.

Projects in Stage 1: Assessment and Sequencing

Project Title	Bus Franchising Needs Assessment
Stage	1 (eligibility)
Decision Point	2 (strategic outline case)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Background

- 5.3 The Mayor was elected alongside a pledge to bring buses back into public control. The Bus Franchising Needs Assessment (the Assessment) forms a key part of supporting this pledge, through building an evidence base to evaluate bus reform options. The Assessment is a statutory process to be undertaken to introduce a Franchising scheme.
- 5.4 The National Bus Strategy sets out two bus reform options; Enhanced Partnership and Franchising, both of which will secure future bus funding. The Combined Authority wishes to explore both options to deliver the best bus service for customers.
- 5.5 The Assessment will consider and prepare a full business case for the proposed bus franchising scheme. This will incorporate an evaluation of the benefits / impacts of bus franchising and compare these with other bus reform options, an audit of the proposed scheme, and the preparation and launch of public consultation on the documents produced. This process will result in the completion of a full business case.
- 5.6 The key benefit of the Assessment is to provide an evidence base on which the Combined Authority can make a fully informed decision on whether to progress with a bus franchising scheme for West Yorkshire and supporting the mayoral pledge of bringing buses back into public control.
- 5.7 To date, the scheme has:
- Started the recruitment process for the role of Franchising Policy Manager.

- Started the tender process for client-side support, which will provide specialised skills to advise on the framing, scope and structure of the Assessment, the final business case and any associated studies.
- The bus reform assessment, previously the bus reform road map, has been completed in advance of the Bus Franchising Needs Assessment.

5.8 On the 24 June 2021 the Combined Authority approved the following:

- Approval for the publication of the ‘Notice to Prepare An Assessment of the Need for a Franchising Scheme’ and ‘Notice of Intent for the Enhanced Partnership’.
- Endorsement of the vision and objectives for the ‘Bus Service Improvement Plan’.
- Endorsement for the deployment of emergency funding for bus services for the remainder of 2021/22.
- Indicative approval of funding from the Single Investment Fund / Gainshare for £1,000,000 to provide initial resources required to undertake an assessment relating to Bus Franchising.

5.9 A summary of the scheme’s business case is included in **Appendix 2**.

Tackling the Climate Emergency Implications

5.10 The National Bus Strategy seeks to strengthen the role of Local Transport Authorities (LTAs) through devolution of funding with a total national funding pot of £3 billion for buses first announced in February 2020. It also acknowledges the failures in the deregulation of buses which has seen patronage continue to decline. This is especially important when acknowledging the climate emergency, with increased bus use of key importance within the Combined Authority’s decarbonisation plans.

5.11 The Assessment will include the Combined Authority’s corporate objectives around the climate emergency into the evaluation of bus reform options. It will also assess governance mechanisms against their ability to deliver on climate targets.

Outputs, Benefits and Inclusive Growth Implications

5.12 The scheme outputs and benefits include:

- To support the ambition set out in the Mayor’s pledge and Economic Recovery Plan to bring buses back into public ownership.
- To enable the mayor to make a fully informed decision on whether to progress with bus franchising for West Yorkshire by January 2024.
- To secure long term, future bus funding post April 2022.
- To enhance the Combined Authority’s understanding and evidence base for bus reform in order to inform the mayoral decision by January 2024.

- To ensure the sustainability of the bus network in the future.
- To better understand customer views on the current bus service and future aspirations for the service.
- The potential indirect benefit of an increase in access to bus services and ensure continuity post-COVID.

Equality and Diversity Implications

- 5.13 An Equality Impact Assessment (EQIA) has been undertaken for the project and equality and diversity impacts taken account of as part of the development of the project and the business case development. As the Bus Franchise Needs Assessment develops, equality and diversity impacts will be further taken account of.

Risks

- 5.14 The main scheme risk is:
- That a lack of suitably qualified staff could delay the start of the Assessment. This is being mitigated by an early start to the process of recruitment of the right personnel. However the risk remains that the recruitment process may not find suitably qualified or experienced candidates as quickly as hoped.

Costs

- 5.15 The scheme costs are:
- An allocation for this scheme has been made available within the Gainshare funds and £1,000,000 was indicatively approved at the Combined Authority meeting in June 2021.
 - The forecast cost for the work required to undertake the Assessment, including the assessment, audit and consultation, is between £4,000,000 and £7,000,000.
 - The cost of the project is to be 100% funded by Combined Authority gainshare funding.
 - The strategic outline case (SOC) is requesting an additional indicative approval of £6,000,000 to take the full indicative approval for the project to £7,000,000.
 - At this point the scheme is requesting draw down of the already indicatively approved £1,000,000, so that this can be available to progress the initial stages of the Needs Assessment.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
2 (strategic outline case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Finance, Resources and Corporate Committee	06/01/2022
4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	29/04/2022
Approval to Proceed	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	20/05/2022
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	27/01/2023
6 (financial closure)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	28/06/2024
7 (evaluation)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	31/10/2024

Other Key Timescales

Return of 'Provision of Pre-franchising needs assessment Support Services tenders'	12th November 2021
Enter into contract with successful tenderer – Following internal approvals	January 2021
Commence Needs Assessment	May 2022
Conclude initial franchising needs assessment	April 2023

Audit concludes. Combined Authority decide if progress to consultation	July 2023
Public consultation concludes reviewed and decision whether to progress to franchising	January 2024
Decision on final option	February 2024

Assurance Tolerances

Assurance tolerances
Combined Authority costs remain within 0% of those outlined in this report
Closure (DP5) timescales remain within 0 months of those outlined in this report.

Appraisal Summary

- 5.16 There is a clear alignment of this scheme with the mayors pledges as well as local, regional and national policy. The need for the scheme is a key aspect of wider bus reform and is a key requirement of government as set out in the National Bus Policy.
- 5.17 The project to undertake a Needs Assessment has considered a number of options and has concluded that the preferred way forward is to carry out external recruitment for a number of key positions and to procure external consultancy support. This means that the key considerations around the scheme are in procurement and recruitment.
- 5.18 Due to the nature of the scheme, it is not possible to determine quantifiable benefits or to state what the value for money position is. The demand for the scheme is largely determined by the strategic case, however supporting information around the fall in bus passenger numbers is provided.
- 5.19 The forecast cost for the work required to undertake the Assessment, including the assessment, audit and consultation, is between £4,000,000 and £7,000,000. The costs of the project are to be 100% funded by Combined Authority gainshare funding. An allocation for this scheme has been made available within the Gainshare funds and £1,000,000 was indicatively approved at the Combined Authority meeting in June 2021. The strategic outline case (SOC) is requesting an additional indicative approval of £6,000,000 to take the full indicative approval for the project to £7,000,000. At this point the scheme is requesting full approval of the already indicatively approved £1,000,000, so that this can be available to progress the initial stages of the Assessment.

5.20 Delivery is due to commence in May 2022 and be complete by January 2024 . The end date of the project is not supported by a programme, with the date being externally imposed rather than having been developed, therefore it cannot be stated if this is achievable. Delivery may be delayed due to the need to recruit and to procure an external consultancy advisor.

Recommendations

5.21 The Finances, Resources and Corporate Committee approves that:

- (i) The Bus Franchising Needs Assessment project proceeds through decision point 2 (strategic outline case) and work commences on activity 4 (full business case).
- (ii) An indicative approval to the total project value of £7,000,000 is given with full approval to spend being granted once the scheme has progressed through the assurance process to Decision Point 5.
- (iii) Development costs of £1,000,000 are approved in order to progress the scheme to Decision Point 5, taking the total project approval to £1,000,000.
- (iv) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

Projects in Stage 2: Scheme Development

Project Title	York Castle Gateway
Stage	2 (development)
Decision Point	3 (outline business case)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Background

- 5.22 This scheme will be funded from the West Yorkshire plus Transport Fund (WF+TF). This is a £1 billion fund, covering West Yorkshire and York. The objectives of the West Yorkshire plus Transport Fund are to enable key employment and housing development areas and will help to create about 20,000 new jobs over the next 10 years. These strategic transport projects will be delivered to facilitate the growth priorities identified in the Leeds City Region Economic plan.
- 5.23 The scheme is promoted by City of York Council (CYC) and forms part of the overarching Castle Gateway Masterplan. The scheme has two phases.
- Phase 1 covers the Foss Riverside area and involves creation of a new riverside public park. This will include a new pedestrian cycle bridge over the river Foss, creating new routes into and across the city for cyclists and pedestrians.
 - Phase 2 includes Clifford Street and Tower Street and will make improvements to the public space. These will involve carriageway reduction, as well as rationalisation, replacement and upgrading of bus stops and an upgraded pedestrian and cycle crossing.
- 5.24 The scope of the overall scheme has been changed since it was presented at strategic outline case (SOC).
- 5.25 The scope changes are:

- The scheme name has changed, it was formerly York City Centre Access Improvements.
- The scheme now only encompasses 2 phases (formerly 3 phases).
- The proposed public space improvements and open air events space elements (Phase 2) have been removed to tighten the transport focus of the project. These elements remain part of the wider York Castle Gateway masterplan and will be funded from other sources.
- The proposed multi storey car park at St George's Field has been removed from this scheme and will be pursued and funded separately under the overall Castle Gateway Masterplan.
- The super crossing of the Inner Ring Road has been removed from this scheme and will be funded from other sources.

5.26 Reducing the scope of the scheme has also reduced the overall cost to £5,429,960 from the previous indicative estimate of up to £10,125,000. Consequently, the Combined Authority contribution has reduced from the previous £8,100,000 to the now requested £4,600,000.

5.27 A summary of the scheme's business case and location map is included in **Appendix 3**.

Tackling the Climate Emergency Implications

5.28 The scheme provides new strategic walking and cycling routes and makes improvements to the bus network, which will encourage greater use of sustainable travel options. The scheme is expected to remove 6,000 car km from the local traffic network per year.

5.29 The scheme provides new high quality strategic routes on the local cycling and walking network, making these more attractive to users. Achieving an increase in the number of people using these sustainable travel options will reduce the levels of carbon and other emissions from car use.

5.30 The scheme provides better walking and cycling routes between York University and the proposed York Central development which has potential for 6,500 jobs and 2,500 homes. The Castle Gateway is also served by bus routes to York College.

5.31 The scheme also supports the government's ambition for green buildings by encouraging the reuse and investment in empty and underutilised upper floor spaces.

Outputs, Benefits and Inclusive Growth Implications

5.32 The scheme outputs and benefits include:

Outputs

- New pedestrian / cycle bridge across the river Foss, providing links to the walking and cycling network.

- New Local Transport Note (LTN) 1/20 compliant walking and cycling links.

Benefits

- Unlocking a development site which is expected to provide 106 apartments and 1458 sqm of commercial space. Income from the development will part-fund the wider masterplan for the area.
- Supporting the regeneration of an area which is currently less attractive than other parts of the city.
- Promoting the visitor economy through providing better accessibility to attractions and making improvements to their surrounding areas, thereby enhancing their settings and improving York's sense of place.
- Promoting increased use of walking and cycling for journeys within the city by removing barriers to active travel by improving connectivity through providing new LTN1/20 compliant strategic links.
- Enhancing the local bus network

Inclusive Growth Implications

- Providing increased connectivity via low-cost healthy transport options.
- Providing better walking and cycle routes to education and training opportunities at York University and enhancing the bus routes which connect to York College.

Equality and Diversity Implications

- 5.33 An Equality Impact Assessment (EQIA) has been undertaken for the project and equality and diversity impacts taken account of as part of the development for the project and business case development. Positive impacts include consideration of lighting and security for the new pedestrian and cycle bridge. Bus priority measures and safer bus shelters will provide better information and a safer environment for passengers

Risks

- 5.34 The scheme risks include:

- Projects costs risk being higher than the available budget. This is being mitigated by (i) detailed cost analysis of each stage of the design process, (ii) breaking the project down into self-contained work packages (phase 1 indicative costs from contractor are within budget), (iii) seeking and applying for regional and national funding streams (iv) any shortfall in funding could be covered by City of York Council.
- Risk of failure to secure external funding or to deliver against funding conditions. This is being mitigated by (i) research of potential funding streams and checking objectives against those for the project (ii) allowing sufficient time to produce high quality bid submissions.

- Risk of loss of public or political support. This is being mitigated by (i) continuing to progress My Castle Gateway engagement, (ii) continual updates via My Castle Gateway social media accounts (iii) ongoing dialogue with all political party leaderships (iv) attendance at Ward committee and public meetings.

Costs

5.35 The scheme costs are:

- The total forecast cost of the scheme is £5,429,960.
- Reducing the scope of the scheme has also reduced the overall cost to £5,429,960 from the previous indicative estimate of up to £10,125,000. Consequently, the Combined Authority contribution has reduced from the previous £8,100,000 to the now requested £4,600,000.
- The requested Combined Authority contribution is £4,600,000 from West Yorkshire plus Transport Fund. At last approval stage (strategic outline case), this figure was £8,100,000.
- The promoter has applied for £829,000 from City Region Sustainable Transport Settlement (CRSTS) but the outcome of this request is not yet known.
- At previous stages of the assurance process, development funding approval for £355,000 has been given. The promoter states that this will be sufficient to develop the scheme to full business case and no further funding request is made as part of this submission.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	30/06/2022
Approval to Proceed	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	30/07/2022
6 (financial closure)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	01/12/2023
7 (evaluation)	Recommendation: Combined Authority's Programme Appraisal Team	02/12/2024

	Decision: Combined Authority's Director of Delivery	
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Other Key Timescales

5.36 The promoters programme includes the following key milestones:

- Full business case submission Phase 1 June 2022
- Phase 1 start of construction September 2022
- Phase 1 completion December 2023
- Phase 2 start of construction Autumn 2023
- Phase 2 completion September 2024

Assurance Tolerances

Assurance tolerances
Combined Authority costs remain within +10% of those outlined in this report.
Delivery (DP5) timescales remain within 3 months of those outlined in this report.

Appraisal Summary

- 5.37 This submission involves a change of name and change of scope for the project formerly known as York City Centre Access Improvements. The renamed York Castle Gateway scheme forms part of the overarching Castle Gateway Masterplan.
- 5.38 The submission presents an opportunity to breathe new life and vitality into an under-utilised area of York city centre. The scheme achieves this by delivering high quality public space and new strategic walking and cycling routes, as well as reducing the intrusion of motor vehicles into the city centre and improving public transport infrastructure. The scheme also unlocks a mixed commercial and residential development.
- 5.39 The submission sets out a strong and detailed strategic case which presents alignment with policy at local, regional and national level. The scheme supports the Strategic Economic Framework (SEF) priorities and Mayoral pledges:
- 5.40 The project presents a strong commercial case. It is part of the overarching Castle Gateway Masterplan, which has an estimated positive Gross Value Added (GVA) impact of up to £400,000,000.
- 5.41 This scheme will facilitate the delivery of the wider Masterplan. The bridge featured in Phase 1 of this scheme is a planning condition for the adjacent Castle Mills Apartments development (promoted by CYC) to be occupied. The commercial income from the apartments will be used by CYC to fund the Masterplan

- 5.42 The economic case for the scheme is less strong. It presents a benefit Cost Ratio (BCR) of 0.81:1, which is categorised as poor. However, it should be noted that active travel and public realm improvement schemes tend to produce lower BCR's due to the way benefits of transport schemes are monetised using TAG methodologies. Government advice suggests that schemes such as this one, which present a strong strategic case can still be considered for progression even if they produce a less optimal BCR
- 5.43 Further clarity on funding for the scheme will be needed at full business case (FBC) as the promoter is still awaiting the outcome of a request for £829,000 from City Region Sustainable Transport Settlement (CRSTS). If this funding request is not successful, alternative funding will be required.
- 5.44 The management case notes that there are some constraints and interdependencies to resolve which include several planning conditions around the construction of the footbridge.
- 5.45 Phase 2 of the scheme has an interdependency with the Eye of York works (redevelopment of the Castle Car Park as an outdoor events space) and will be delivered alongside them. The programme for this will be clarified in the full business case submission.
- 5.46 Overall the submission is rated as Amber, reflecting the current funding gap, the poor BCR and the constraints and interdependencies. However, the submission gives sufficient confidence to recommend approval to progress to the next assurance stage, by which time the funding position and other issues should be clarified.

Recommendations

- 5.47 The PAT recommends to the Finance Resources and Corporate Committee that:
- (i) The York Castle Gateway scheme proceeds through decision point 3 and work commences on activity 4 (full business case)
 - (ii) An indicative approval to the total value of £4,600,000 is given from the West Yorkshire plus Transport Fund with full approval to spend once the package has progressed through the assurance process to decision point 5.
 - (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

Project Title	Leeds City Centre Package: Armley Gyratory
Stage	2 (development)
Decision Point	4 (full business case)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Background

5.48 The Armley Gyratory scheme has been identified for delivery through the £78,800,000 Leeds City Centre Package (LCCP) programme funded by the West Yorkshire plus Transport Fund (WY+TF). The LCCP aspiration is to transform travel within Leeds city centre through the removal of unnecessary through traffic and to re-prioritise major routes to public transport, pedestrians, cyclists, and public realm.

Strategic Context

5.49 Since the 2008 vision for the future of Leeds city centre, the Council and partners have been progressing and delivering a people, and not car, first approach to its infrastructure delivery.

5.50 Through a range of co-produced and collaborative strategies, the city is making major progress in the delivery of a people centric infrastructure and public spaces across the city centre. Such projects focus on providing high quality spaces in between buildings which meet the needs of people first, to improve connectivity to and from surrounding neighbourhoods (amongst the most deprived in the country), help tackle the climate emergency and to foster enjoyment, community, innovation and collaboration – all whilst ensuring there is sufficient resilience within the highway network and promoting sustainable transport modes.

5.51 Accordingly, this has long been embedded within Planning Policy, which sets out a strategy that:

- Traffic will be encouraged to move around the city centre rather than through it. The Inner Ring Road will have the greatest volume of traffic, while a proposed City Boulevard will accommodate slower moving

vehicles, prioritising pedestrians and cyclists in a pleasant and safe environment.

5.52 In order to achieve this, the vision is predicated upon the removal of through traffic from the city centre and provide additional capacity by improving the M621, Armley Gyratory on an alternative route via the inner ring road. This has been the foundation of bold regeneration momentum in Leeds. The Armley Gyratory proposal will directly support:

- (i) Better connectivity for deprived neighbourhoods – routes to main growth areas for the communities of New Wortley, Holbeck and Hunslet will be vastly improved and road safety will be dramatically improved with fewer roads.
- (ii) The delivery of Aire Park – the largest new city centre greenspace in the UK, which is being delivered in partnership with the Combined Authority through the Getting Building Fund. In addition, the infrastructure changes will substantially enhance pedestrian and public transport access for over 10,000 students using Leeds City College, University Technical College and Leeds College of Building.
- (iii) The delivery of City Square – a core commitment in the co-produced Leeds Station Masterplan, a crucial component in Channel 4's location at the Majestic, and a central focus for Leeds 2023, the delivery of a nationally significant public realm scheme at city square as a major cultural outdoor events space and world class gateway entrance into the city cannot be delivered without the Armley Gyratory works. It will also eliminate the pedestrian pinch point under the Queens hotel and resolve the air quality issues at Neville Street.
- (iv) Housing growth – on the back of the strategy, there is a greater confidence on city centre housing on brownfield sites due the city centre being liveable. 4,000 homes are under construction in Leeds, with a pipeline of over 4,000 more in the South Bank alone.
- (v) Jobs growth – increasingly, businesses are highlighting the need for quality spaces between buildings to attract talent and the proposals benefit the target of 8,000 new jobs across the South Bank, as well as making the West End, the prime office core, along Wellington Street a more attractive proposition and better connected to New Wortley and Holbeck.
- (vi) Mass Transit – through the Leeds Integrated Station Masterplan, there is the proposal for Mass Transit to run through Neville Street to connect the system between North and South Leeds. Removal of through traffic is essential to the effective delivery of Mass Transit in this location and to stop the street being amongst the most polluted in the UK.

5.53 The delivery of Armley Gyratory is a fundamental component of these outputs and those under construction have been delivered on the basis that the Armley Gyratory enhancements will be delivered. Continued progression of

this strategy is considered to be crucial to the city's post-covid recovery as to achieve the ambitions of the economic recovery framework, Inclusive Growth Strategy and Climate Emergency declaration, as we plan for future growth and the delivery of the Leeds Integrated Station Masterplan.

Leeds City Centre Package (including Armley Gyratory)

- 5.54 The LCCP programme complements schemes being delivered through the Combined Authority's Leeds Public Transport Investment Programme (LPTIP), Transforming Cities Fund (TCF), and City Connect, as well as those led by Highways England (National Highways) through their Road Investment Strategy (RIS). The LCCP programme includes:
- Infirmiry Street Gateway and Park Row (already approved and under construction via LPTIP but funded by LCCP)
 - Meadow Lane (part of the Corn Exchange Gateway approved via LPTIP but funded by LCCP)
 - A64 Regent Street flyover (already approved and under construction, part funded by LCCP)
 - Armley Gyratory (this scheme - at full business case)
 - City Square 'Plus' comprising City Square closure, the advanced element of Boar Lane works, East Parade, City Centre Signage Strategy, Westgate Slip Road, and Globe Road Signalisation (at outline business case)
- 5.55 The Armley Gyratory scheme has revised its preferred option from that presented at outline business case, principally to support its affordability. It has done this by removing the central active mode link route, reducing the scheme's effect on third party and contaminated land, and subsequently the infrastructure and risk costs.
- 5.56 The revised preferred option will still accommodate rerouted traffic away from the city centre on to the more appropriate Inner Ring Road and the M621 orbital route following closure to City Square and deliver highway journey time benefits, reducing congestion levels.
- 5.57 Bus services, especially core city services, will realise journey time savings too by the implementation of MOVA adaptive signal control which features virtual bus priority measures.
- 5.58 The scheme will also replace the existing footbridges over the A58 and A643 with new 4 metre wide shared provision (compliant with LTN1/20 design standards) and widen the existing footpaths at the gyratory to address walking pinch points. It will also deliver landscaping treatments to improve pedestrian and cyclist visibility to passing motorists, improving safety.
- 5.59 The scheme will also explore green features such as a green wall for the underpass and will replant trees on a 3:1 ratio, supporting biodiversity and habitat gains.

- 5.60 The scheme comes forward at full business case at a total scheme cost of £41,970,000, to be wholly funded by the WY+TF.
- 5.61 To support its affordability within the LCCP programme, a funding strategy paper has been provided by Leeds City Council. It sets out commitment of £41,970,000 to Armley Gyrotory in addition to the funding already allocated to LCCP schemes. Alternative funding sources have been identified and will be explored to bridge the remaining funding gap concerning the City Square Plus package. More detail on this will be presented through the City Square Plus business case.
- 5.62 It is to be noted that Leeds City Council has taken a decision to phase the scheme, with phase 1 being the completion to the highway works so that the gyrotory is operational by December 2022 ahead of City Square closure, supporting the preparation for the Leeds Year of Culture 2023. The full business case for the structure works (replacement of the footbridges) will be progressed as phase 2 across 2022 with its construction forecast for mid to late 2023.
- 5.63 A summary of the scheme's business case and location map is included in **Appendix 4**.

Tackling the Climate Emergency Implications

- 5.64 Enhancement to the highway capacity is considered necessary to accommodate the additional traffic following the planned closure to City Square. This is forecast to increase carbon emissions by 184,038 tonnes over a 60 year appraisal period (3,067 tonnes per annum). However, early indications suggest that as we expect to see an increasing number of electric vehicles on the road in future years, this should reduce to approximately 111,000 tonnes (1,850 tonnes per annum). Furthermore, it is anticipated that following the implementation of all planned activities within Leeds city centre across the LPTIP, TCF, City Connect, and LCCP funding programmes, that overall local air quality benefits will be realised.
- 5.65 The scheme does include provision for walking and cycling, notably through replacing the existing footbridges with LTN1/20 compliant shared provision, whilst journey time benefits through the signal upgrades will be realised for bus users – encouraging sustainable travel.
- 5.66 In addition to reducing its carbon footprint through construction and use of materials, the scheme is exploring green features such as a green wall for the underpass and will replant trees on a 3:1 ratio, supporting biodiversity and habitat gains.

Outputs, Benefits, and Inclusive Growth Implications

- 5.67 The scheme outputs and benefits include:

Outputs

Highway Works by December 2022:

- Increasing capacity on A643 between railway bridge and the gyratory, increasing from 3 lanes to 5 (1 left turn lane (Wellington Road), 1 left onto gyratory (i.e., circulate for A647 exit) and 3 ahead (A58) lanes)
- Increasing capacity at the revised Canal Street stop line, increasing from 2 to 5 lanes (2 left turn into the city, 2 ahead onto Ingram Distributor, and 1 right to Wellington Road)
- Widen the A647 approach, removing the left free flow turn and providing 5 signal-controlled lanes
- Signalisation of the B6154 Wellington Road approach to improve safety, provide a controlled crossing, and enhance bus priority.
- Introduction of MOVA adaptive signal technology to provide enhancements for general traffic and the introduction of virtual bus priority measures.
- Widening the existing footpaths on the eastern side of the gyratory to safely accommodate both cyclists and pedestrians.
- Landscaping treatments, improving personal security for pedestrians and cyclists through passive surveillance by passing motorists.

Structure Works by late 2023:

- Removing the existing footway pinch-points (less than 2m wide) under the railway on the A58 by setting back redundant bridge abutments and through carriageway realignment.
- Demolition and the replacement of existing footbridges on the A58 (across Wellington Road) and A643 (Gelder Road exit, and Spence Lane entrance) arms of the roundabout with wide shared use footway/cycleways (LTN1/20 compliant) and shallower ramp gradients to provide accessibility improvements.

Benefits

- Reduce congestion and improve journey times for motorised vehicles, including bus services passing through the gyratory, by December 2022.
- Redistribute through traffic away from the city centre by December 2022, enabling public transport, active mode, and public realm plans to be realised in the city centre.
- Improve the connectivity, safety, and accessibility for pedestrians and cyclists, encouraging modal shift from the car, by October 2023.

Inclusive Growth

- 5.68 By replacing the footbridges, including new accessible ramps, and footway widening across the gyratory, it will support residents and users of all characteristic groups to better navigate the gyratory via walking or cycling, improving active mode access to employment, education, housing, and retail

sites within or in proximity of Leeds city centre. It will also encourage a more active and healthier lifestyle.

Value for Money

- 5.69 The value for money assessment reflects a benefit cost ratio (BCR) of 3.28.1, reflecting the scheme as High value for money (VfM) when assessed against the Department for Transport's value for money criteria. The majority of the benefits will be realised through journey time savings for private vehicles and bus services passing through the gyratory.

Equality and Diversity Implications

- 5.70 As a transport infrastructure scheme, it does not have any diversity implications. The new gyratory layout will be accessible to all characteristic groups. However, the modelling and appraisal assessment suggests that it could result in an unequal distribution of benefits with regards air quality, but on reflection, the severity of the potential air quality dis-benefits is likely to be low and attributable to a small section of housing southwest of the gyratory, whilst delivery of improved walking & cycling connectivity should deliver meaningful changes for residents on accessing employment, retail, and education opportunities. The design also includes new accessible ramps.

Risks

- 5.71 The scheme risks include:
- The risk of major statutory diversion delays including at the Spence Lane footbridge ramp which sits over the line of the Extra High Voltage (EHV) main, causing additional costs to the scheme and impacting affordability and deliverability. The modified preferred option (removal of the central link route) has reduced statutory diversion risks considerably, however consultation with statutory undertakers is ongoing with the scheme seeking revised C2 estimates for the modified preferred option. Regarding the Spence Lane footbridge, it is expected that through the detailed design stage, the footbridge design is modified to avoid diversion requirements given the lead time for diversion of c. 12-18 months would take it outside the scope of the programme.
 - Footbridge demolitions – The existing Wellington Road bridge is a retaining structure; therefore, demolition will be subject to Network Rail approval and will require new support to embankment as part of proposals. The risk has been mitigated by drawing down a sum of £500,000 from the risk pot for the additional retaining structure to embankment.
 - Footbridge demolitions – The impact of demolition to road closures and potential delay to the programme during the decommissioning phase. This will be mitigated by undertaking a decommissioning study to determine methodology and implications of temporary road closures.
 - The additional cost and delay to secure Network Rail approvals given the scheme's interface with Network Rail assets, notably obtaining approval

associated with the Network Rail abutments (removal of pinch point on Wellington Road for pedestrians and cyclists). The scheme has held detailed discussions with Network Rail with confidence expressed in the proposal. An Asset Protection Agreement has been signed in principle between Leeds City Council and Network Rail for the detailed design element, whilst Network Rail has granted numerous possessions to enable additional site investigations.

Costs

5.72 The scheme costs are:

- The total scheme cost estimate at full business case is £41,970,000, which is to be wholly funded by the West Yorkshire plus Transport Fund.
- Phase 1 is £27,930,000 plus the previous approval of £3,580,000 for development costs (£31,510,000). Phase 2 is £10,460,000.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
Decision point 4 (full business case) (Highway Works)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Finance & Resource Committee	06/01/2022
Approval to Proceed (Highway Works)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	26/01/2022
Decision point 5 (Highway Works)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Director of Delivery	28/12/2022
Decision point 4 (full business case) (Structure Works)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Managing Director	28/10/2022
Approval to Proceed (Structure Works)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	30/12/2022
Decision point 5 (Structure Works)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Director of Delivery	20/10/2023

Other Key Timescales

5.73 Other key timescales are:

- July 2021 – Planning application submitted
- December 2021 – Planning approval
- Highway Works
- December 2021 – Completion to detailed design and development of a Target Cost
- January 2022 – Approval to Proceed
- January 2022 – Construction commences
- December 2022 – Practical Completion
- Structure Works
- October 2022 – Full business case
- December 2022 – Approval to Proceed
- October 2023 – Practical Completion

Assurance Tolerances

Assurance tolerances
That Combined Authority costs remain within those outlined in this report.
That delivery timescales remain within +3 months of those outlined in this report.

Appraisal Summary

- 5.74 The strategic rationale for the proposal is demonstrated, with enhancement to the highway capacity at Armley Gyratory considered pivotal to the realisation of benefits of the Leeds Connectivity Strategy. This is principally based on the reprioritisation of highway space to walking, cycling, and public transport in Leeds city centre. Central to this is the closure to City Square and schemes of the LCCP programme, but it is also important to note that a significant amount of public sector investment has already been committed to LPTIP, City Connect, and TCF schemes, with many of these already in construction or delivered.
- 5.75 The scheme does forecast journey time benefits for motorists and bus services travelling through the gyratory, supporting a High value for money classification. However, in isolation the scheme presents environmental and social challenges. Firstly, it is forecasting an increase in carbon emissions, and secondly, that the modelling and appraisal assessment suggests that this may result in an unequal distribution of benefits with regards air quality. The severity of the potential air quality disbenefits is likely to be low and attributable to a small section of housing southwest of the gyratory and mitigations will be put in place and the new footbridges will address barriers to connectivity for residents, with improved walking & cycling access to the city centre.

- 5.76 The scheme has now secured planning approval, however approval of funding at Approval to Proceed for phase 1 is conditional on the scheme completing detailed design and securing the necessary land to mobilise and construct the highway works. Similar conditions have been set for phase 2, notably securing the necessary Network Rail approvals.
- 5.77 Scheme risks have been suitably presented. It is evident that they largely relate to phase 2 (constructing the footbridges). More detail on the promoter addressing them will be expected as part of its full business case.

Recommendations

- 5.78 The PAT recommends to the Finance and Resource Committee that, subject to the conditions set by PAT:
- (i) Phase 1 of the Leeds City Centre Package Armley Gyratory scheme proceeds through decision point 4 and work commences on activity 5 (Delivery).
 - (ii) Approval of £27,930,000 for Phase 1 of the Leeds City Centre Package Armley Gyratory scheme is given from the West Yorkshire plus Transport Fund, bringing the total approved to £31,510,000.
 - (iii) Phase 2 of the Leeds City Centre Package Armley Gyratory scheme continues to develop its Final Business Case.
 - (iv) Indicative Approval of £10,460,000 for Phase 2 of the Leeds City Centre Package Armley Gyratory scheme is given from the West Yorkshire plus Transport Fund.
 - (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

Conditions

The following conditions have been set by PAT to gain Approval to Proceed to Delivery for Phase 1:

- (i) Complete detailed design to inform a Target Cost (price) affordable to the scheme.
- (ii) Conclude land acquisition and secure required licenses.
- (iii) Evidence pre-scheme (Autumn 2021) Monitoring & Evaluation data capture.

Projects in Stage 3: Delivery and Evaluation

Project Title	Harrogate Road and New Line
Stage	3 (delivery and evaluation)
Decision Point	5 (delivery)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		
Are there implications for equality and diversity?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Background

5.79 This scheme will be funded from the West Yorkshire plus Transport Fund. This is a £1 billion fund, covering West Yorkshire and York. The objectives of the West Yorkshire plus Transport Fund are to enable key employment and housing development areas and will help to create about 20,000 new jobs over the next 10 years. These strategic transport projects will be delivered to facilitate the growth priorities identified in the Leeds City Region Economic plan.

5.80 The scheme will improve the existing junction at Greengates and includes the widening of the existing highway on all four arms of the junction, signal upgrades, junction improvements and better provision for pedestrians and cyclists. More specifically the scheme includes:

- Improvements to facilities for pedestrians including the provision of pedestrian controlled crossings and central pedestrian islands.
- Improvements to facilities for cyclists including the introduction of cycle lanes and advance stop lines at traffic signals.
- Creation of a new access to the supermarket.
- New and replacement planting and landscaping in multiple locations.
- Road lighting improvements.
- Relocation of five bus stops.

5.81 Work began on site in July 2020. Construction works uncovered uncharted culverts, ground water and dozens of unknown pipes, ducts and cable. Although planning had involved the necessary site investigations and

discussions with utilities companies, these were not able to be identified and were not mapped, and so could not have been identified prior to construction. This has significantly increased the complexity of the scheme, and specialist contractors have needed to be brought in to ensure that the relocation of existing services are carried out whilst maintaining services to residents and businesses.

- 5.82 The Investment Committee at their meeting of 24 June 2021 agreed the following exceptional circumstances for cost escalations on the West Yorkshire plus Transport Fund projects:
- (i) Value Engineering and cost review: All projects must demonstrate value for money. Where costs are increasing value engineering must be evidenced, and other sources of funding explored before further funding will be considered.
 - (ii) Regulatory Change: A project that needs to change due to changed regulations CA policies / strategies, e.g. carbon / climate emergency targets, new cycleway design guidance.
 - (iii) Genuine unforeseen issues, e.g. archaeological, unexploded bombs, unexpected mineshafts, Covid etc. Other than what should be on a risk register.
 - (iv) Dependencies: A project that is dependent upon another major scheme, and in not going ahead affects the delivery of the major scheme.
 - (v) Carbon impact tool – carbon mitigation costs and how these are managed
- 5.83 Extensive design changes have been required to this project to enable works to progress. The work required to deal with the uncharted underground utilities has caused a substantial delay, with estimates of more than 30 weeks resulting in significant increases to cost and delivery timescales. The scheme was further delayed by Covid 19, with staff needing to isolate with symptoms of Covid 19 affecting all parties involved, further contributing to the scheme delays.

5.84 The project therefore meets the exceptional circumstance (iii) above.

Tackling the Climate Emergency Implications

- 5.85 The scheme is forecast to have positive impacts upon the region's clean growth and net carbon zero targets:
- An estimated reduction of CO₂ by up to 25,508 Tonnes over a sixty year period.
 - A 10% reduction in nitrogen dioxide concentration levels in the operational year and achieving legal compliance objective (of 40µg/m³)

Outputs, Benefits and Inclusive Growth Implications

5.86 The forecast outputs, benefits and inclusive growth implications of the scheme are:

- Relieving congestion by reducing the journey times by 20% in the morning peak and 31% in the evening peak respectively by 2026.
- Making it easier for people to walk and cycle through the provision of dedicated facilities at the junction, increasing footfall by 15% in the operational year.
- A 10% reduction in nitrogen dioxide concentration levels in the operational year and achieving legal compliance objective (of 40µg/m³).
- Supports the creation of new housing developments in the area through releasing transport constraints.
- Improved access to Leeds Bradford Airport and the new rail station at Apperley Bridge by increasing junction throughput by 12% and 18% in the morning and evening peak by 2026.
- Improved green infrastructure in line with the Green Infrastructure Task Group.

The scheme has a forecast benefit cost ratio of 9.83:1, placing the scheme in the 'Very High' Value for Money (VfM) category. However it should be noted that due to the lack of availability of a suitable strategic transport model, a limited scope model was used for the appraisal.

Equality and Diversity Implications

5.87 An Equality Impact Assessment (EQIA) was undertaken for the project and equality and diversity impacts taken account of as part of the development of the project and the business case development. There are no Equality & Diversity implications arising as a result this change request.

Risks

5.88 The remaining scheme risks include:

- Further delays caused by a shortage of materials due to ongoing issues with the global supply chain.
- Further delays caused by poor weather, due to additional works taking place over the winter period.
- Changes to Covid restrictions imposed by Government affecting the availability of key resources.
- Further delay and increased costs caused by the discovery of further uncharted culverts, ground water or other utility infrastructure, requiring further redesign and relocation of services.

Costs

5.89 The scheme costs are:

- 5.90 The total cost of the scheme is £13,754,000. The Combined Authority will fund £8,812,000 from the West Yorkshire plus Transport Fund (WY+TF). The remaining costs will be funded by Bradford Council (£3,016,000) and private sector match funding of £1,926,000.
- 5.91 This change request is seeking approval for an additional £1,147,000, in addition to the £7,665,000 already approved, bringing the total Combined Authority contribution to £8,812,000 (+£1,147,000) from the West Yorkshire plus Transport Fund (WY+TF). Bradford Council match funding has been increased from £2,736,000 to £3,016,000 (£280,000).

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
6 (financial closure)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	01/04/2022
7 (evaluation)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	02/01/2023

Other Key Timescales

- 5.92 Text

Assurance Tolerances

Assurance tolerances
Combined Authority costs remain within 0% of those outlined in this report Delivery (DP5) timescales remain within 3 months of those outlined in this report

Appraisal Summary

- 5.93 Unfortunately, the scheme could not have identified the exceptional items raised in terms of the utilities and managing COVID-19 during the construction process. The scheme will still improve the traffic flow and will greatly improve the safety for the non-motorised users at the junction.
- 5.94 Following the increase in costs a further Value for Money exercise was undertaken which resulted a benefit to cost ratio of 9.83:1, classified as being in the Very High category.

Recommendations

5.95 The PAT recommends to the Finance, Resources and Corporate Committee that:

- (i) The change request to the Harrogate Road – New Line is approved to increase the total value of Combined Authority funding from the current approval of £7,665,000 to £8,812,000 (increase of £1,147,000) due to exceptional circumstances. CBMDC match funding has been increased from £2,736,000 to £3,016,000 (increase of £280,000). The total project value is £13,754,000.
- (ii) The Combined Authority enters into an addendum to the existing Funding Agreement with Bradford Council for expenditure of up to £8,812,000 from the West Yorkshire Plus Transport Fund.
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

6 Tackling the Climate Emergency Implications

- 6.1 The Climate Emergency implications have been considered on all projects included in this report as part of their business case development.

7 Inclusive Growth Implications

- 7.1 The inclusive growth implications have been considered on all projects included in this report as part of their business case development.

8 Equality and Diversity Implications

- 8.1 Equality Impact Assessments (EQIA) have been undertaken on all projects included in this report as part of their business case development.

9 Financial Implications

- 9.1 The report seeks endorsement to expenditure from the available Combined Authority funding as set out in this report.

10 Legal implications

- 10.1 The payment of funding to any recipient will be subject to a funding agreement being in place between the Combined Authority and the organisation in question.

11 Staffing implications

- 11.1 A combination of Combined Authority and local Partner Council project, programme and portfolio management resources are or are in the process of being identified and costed for within the schemes in this report.

12 External consultees

- 12.1 Where applicable scheme promoters have been consulted on the content of this report.

13 Recommendations (Summary)

Bus Franchising Needs Assessment

- 13.1 The Finance, Resource and Corporate Committee approves that:
- (i) The Bus Franchising Needs Assessment project proceeds through decision point 2 (strategic outline case) and work commences on activity 4 (full business case).
 - (ii) An indicative approval to the total project value of £7,000,000 is given with full approval to spend being granted once the scheme has progressed through the assurance process to Decision Point 5.

- (iii) Development costs of £1,000,000 are approved in order to progress the scheme to Decision Point 5, taking the total project approval to £1,000,000.
- (iv) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

York Castle Gateway

13.2 The Finance, Resource and Corporate Committee approves that:

- (i) The York Castle Gateway scheme proceeds through decision point 3 and work commences on activity 4 (Full business case)
- (ii) An indicative approval to the total value of £4,600,000 is given from the West Yorkshire plus Transport Fund with full approval to spend once the package has progressed through the assurance process to decision point 5.
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

Leeds City Centre Package: Armley Gyratory

13.3 The Finance, Resource and Corporate Committee approves that, subject to the conditions set by PAT:

- (i) Phase 1 of the Leeds City Centre Package Armley Gyratory scheme proceeds through decision point 4 and work commences on activity 5 (Delivery).
- (ii) Approval of £27,930,000 for Phase 1 of the Leeds City Centre Package Armley Gyratory scheme is given from the West Yorkshire plus Transport Fund, bringing the total approved to £31,510,000.
- (iii) Phase 2 of the Leeds City Centre Package Armley Gyratory scheme continues to develop its Final Business Case.
- (iv) Indicative Approval of £10,460,000 for Phase 2 of the Leeds City Centre Package Armley Gyratory scheme is given from the West Yorkshire plus Transport Fund.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

Conditions

The following conditions have been set by PAT to gain Approval to Proceed to Delivery for Phase 1:

- (i) Complete detailed design to inform a Target Cost (price) affordable to the scheme.
- (ii) Conclude land acquisition and secure required licenses.
- (iii) Evidence pre-scheme (Autumn 2021) Monitoring & Evaluation data capture.

Harrogate Road and New Line

13.4 The Finance, Resource and Corporate Committee approves that:

- (i) The change request to the Harrogate Road – New Line is approved to increase the total value of Combined Authority funding from the current approval of £7,665,000 to £8,812,000 (increase of £1,147,000) due to exceptional circumstances. CBMDC match funding has been increased from £2,736,000 to £3,016,000 (increase of £280,000). The total project value is £13,754,000.
- (ii) The Combined Authority enters into an addendum to the existing Funding Agreement with Bradford Council for expenditure of up to £8,812,000 from the West Yorkshire Plus Transport Fund.
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

14 Background Documents

14.1 None as part of this report.

15 Appendices

Appendix 1 – Background to the Combined Authority’s Assurance Framework

Appendix 2 – Bus Franchising Assessment – Business Case Summary

Appendix 3 – York Castle Gateway – Business Case Summary

Appendix 4 – Leeds City Centre Package: Armley Gyrotory

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Capital Spend and Project Approvals

Appendix 1 - Assurance Framework

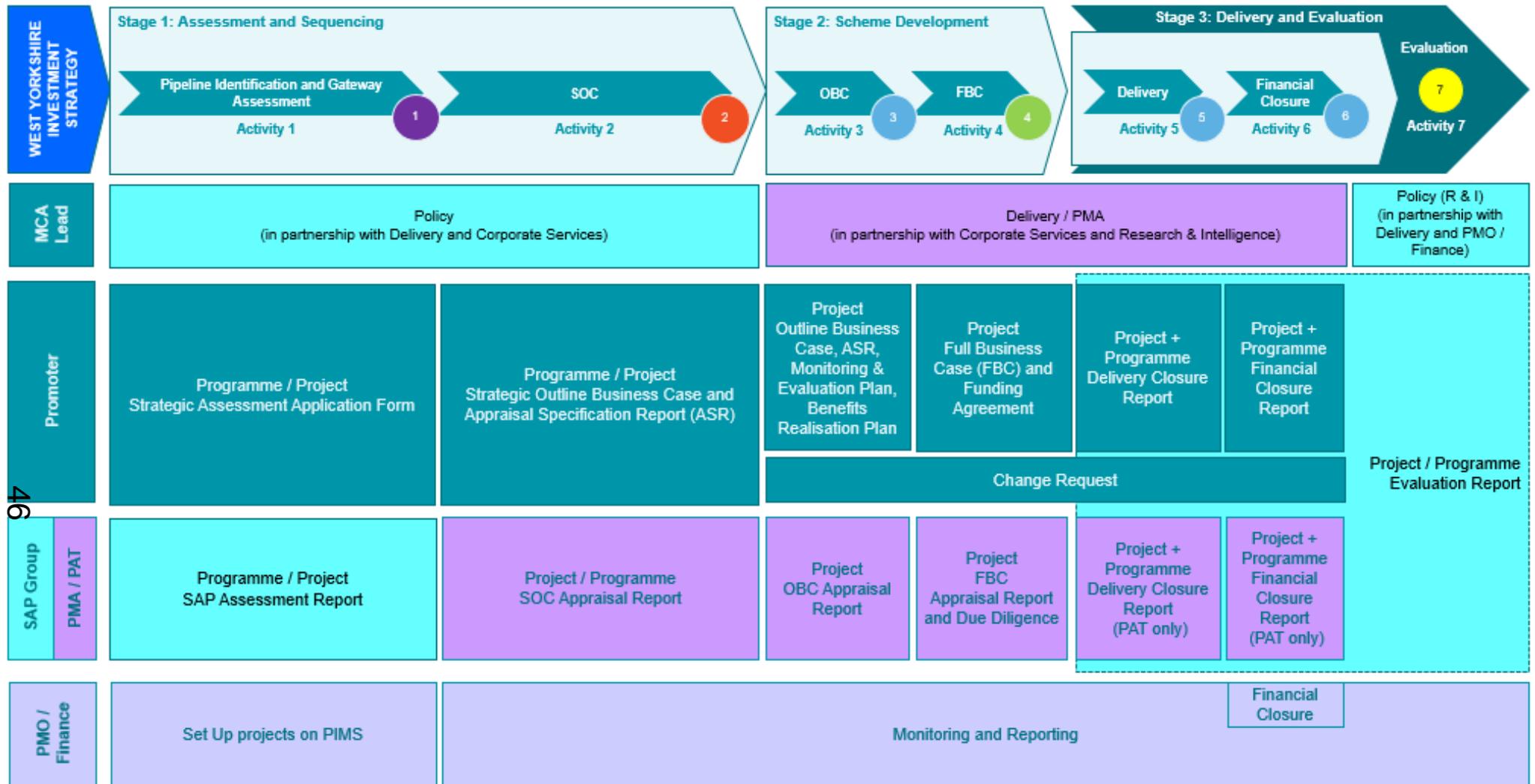
1 Assurance Framework

- 1.1 The Combined Authority's Assurance Framework was developed in 2015 as part of the Growth Deal with Government. Its purpose is to ensure that the necessary systems and processes are in place to manage funding effectively, and to ensure the successful delivery of the Strategic Economic Framework (SEF) ambitions. Its focus is to ensure that necessary practices and standards are implemented to provide the Government, Combined Authority, the Leeds Enterprise Partnership (LEP) and local partners with assurance that decisions over funding (and the means by which these decisions are implemented) are proper, transparent and deliver value for money. It covers all projects and programmes funded from Government or local sources that flow through the LEP and Combined Authority.
- 1.2 The Assurance Framework must be reviewed annually as stipulated by Government, however, due to the West Yorkshire Devolution Deal, the Assurance Framework has been subject to an extensive in-year review for the Mayoral arrangements to be adopted.
- 1.3 This review has now taken place and government approved the updated Assurance Framework, which was implemented on 3 February 2021. Decision making remains the same in the new Assurance Framework, i.e. approval is required at Combined Authority (CA) for all programmes and projects at least once in their lifetime and this is usually at decision point 2 (Strategic Outline Case). The Assurance Pathway and Approval Route is also set at this point.

Assurance Process

- 1.4 The new Assurance Process is set out below:

Assurance Process



KEY: ● Key Decision Point (CA Approval Required) ● Key Decision Point (Thematic Committee/CA Approval may be required) ● Decision Point (Thematic Committee/CA Approval may be required) ● Decision Point ● Reporting Point

- 1.5 The new process includes the West Yorkshire Investment Strategy (WYIS) and removes the Full Business Case with finalised costs (FBC+) stage. There are no other significant changes from the previous process, and there will be little effect on the Combined Authority's existing funding programmes and projects.
- 1.6 The process still retains the same flexibility, in that each project or programme will be set a bespoke approval pathway and approval route to be followed. This may be to delegate decisions to a Committee, Managing Director (MD) etc. or it may be that certain decision point approvals are not required, or that bid documents to other government departments can be utilised. Furthermore, development costs can be funded at decision point 1 and beyond.
- 1.7 Activity 3 (OBC) and Activity 4 (FBC) remain however, the FBC+ (or previous Activity 5) is not now required. Instead, at FBC (Decision Point 4), PAT sets conditions that must be met before full approval of funding is given and the project has Approval to Proceed to Delivery (Activity 5).
- 1.8 In line with the recently revised Green Book, in assessing value for money, a stronger emphasis can now be placed on the strategic case and how the strategic objectives and priorities of the Combined Authority will be met through the delivery of the project. This might for example include, but not limited to, supporting the climate change and good growth agenda (the Combined Authority aims to achieve net-zero by 2038), supporting an increase in active mode and public transport use and / or supporting / accelerating housing development. The specific approach will be determined on a programme by programme basis as funding and investment streams come forward.
- 1.9 At Decision Point 5 a Delivery Closure Report is required, which is substantially the same as the previous draft project closure report.
- 1.10 At Activity 6 a Financial Closure Report is needed. This is the period when defects are made good and final accounts are agreed.
- 1.11 Activity 7 Evaluation will be managed by the Combined Authority's Research & Intelligence team. This is a reporting point not a decision point and takes place when the programme (or project in some circumstances), is completed. It includes an evaluation of the benefits, outcomes and economic impact compared to the overall programme objectives set out in the SOC. Insights and learning from the evaluation will also be fed back into policy and strategy in order to inform the design and development of future programmes and schemes. Interim evaluations may also be undertaken as required as set out in the Monitoring and Evaluation Plan.

2 Future assurance and approval route

- 2.1 The tables for each scheme in the main report outline the proposed assurance process and corresponding approval route for the scheme. The assurance pathway sets out the decision points which the scheme must progress through and will reflect the scale and complexity of the scheme. The approval route

indicates which committees or officers will make both a recommendation and approval of the scheme at each decision point. A delegated decision can only be made by the Managing Director if this has received prior approval from the Combined Authority.

3 Tolerances

- 3.1 In order for the scheme to follow the assurance pathway and approval route that is proposed in this report, it should remain within the tolerances outlined for each scheme. If these tolerances are exceeded the scheme needs to return to a Committee and/or the Combined Authority for further consideration.

4 Transition

- 4.1 There will be a transition period to the new Assurance Framework due to business cases being submitted and appraised prior to the new Assurance Framework being approved by government. Schemes progressing under the previous process will be highlighted in the report.

Section A: Scheme Summary	
Name of Scheme:	Bus Franchising Scheme Needs Assessment
Location of Scheme:	West Yorkshire
PMA Scheme Code:	TBC
Lead Organisation:	West Yorkshire Combined Authority
Applicable Funding Stream(s) – Grant or Loan:	Single Investment Fund (SIF)
Growth Fund Priority Area (if applicable):	N/A
Combined Authority approvals to date:	<p>The Combined Authority approved the following on 24 June 2021:</p> <ul style="list-style-type: none"> • Approval for the publication of the ‘Notice to Prepare An Assessment of the Need for a Franchising Scheme’ and ‘Notice of Intent for the Enhanced Partnership’. • Endorsement of the vision and objectives for the ‘Bus Service Improvement Plan’ as set out in this report. • Endorsement for the deployment of emergency funding for bus services for the remainder of 2021/22. • Approval of funding from the Single Investment Fund for £1m to provide initial resources required to undertake an assessment relating to Bus Franchising and enable the Mayor to bring buses back under public control.
Forecasted Full Approval Date (Decision Point 4):	TBC
Forecasted Completion Date (Decision Point 5):	TBC
Total Scheme Cost for the preferred way forward (£):	£4,000,000- £7,000,000
CA Funding (£):	£4,000,000- £7,000,000
Total other public sector investment (£):	£0
Total other private sector investment (£):	£0

Is this a standalone Project?	Yes
Is this a Programme?	No
Is this Project part of an agreed Programme?	No

A.1	Scheme Description
<p>The Mayor was elected alongside a pledge to bring buses back into public control. The Bus Franchising Needs Assessment (the Assessment) forms a key part of supporting this pledge, through building an evidence base to evaluate bus reform options. The Assessment is a statutory process to be undertaken to introduce a Franchising scheme.</p> <p>The National Bus Strategy sets out two bus reform options; Enhanced Partnership and Franchising, both of which will secure future bus funding. The Combined Authority wishes to explore both options to deliver the best bus service for customers.</p> <p>The Assessment will consider and prepare a full business case for the proposed bus franchising scheme. This will incorporate an evaluation of the benefits / impacts of bus franchising and compare these with other bus reform options, an audit of the proposed scheme, and the preparation and launch of public consultation on the documents produced. This process will result in the completion of a full business case.</p> <p>The key benefit of the Assessment is to provide an evidence base on which the Combined Authority can make a fully informed decision on whether to progress with a bus franchising scheme for West Yorkshire and supporting the mayoral pledge of bringing buses back into public control.</p>	

A.2	Business Case Summary
Strategic Case	
<p>The Mayor was elected alongside a pledge to bring buses back into public control. The Bus Franchising Needs Assessment (the Assessment) forms a key part of supporting this pledge, through building an evidence base to evaluate bus reform options. The Assessment is a statutory process to be undertaken to introduce a Franchising scheme.</p> <p>The National Bus Strategy sets out two bus reform options; Enhanced Partnership and Franchising, both of which will secure future bus funding. The Combined Authority wishes to explore both options to deliver the best bus service for customers.</p> <p>The Assessment will consider and prepare a full business case for the proposed bus franchising scheme. This will incorporate an evaluation of the benefits / impacts of bus franchising and compare these with other bus reform options, an audit of the proposed scheme, and the preparation and launch of public consultation on the documents produced. This process will result in the completion of a full business case.</p> <p>The key benefit of the Assessment is to provide an evidence base on which the Combined Authority can make a fully informed decision on whether to progress with a bus franchising scheme for West Yorkshire and supporting the mayoral pledge of bringing buses back into public control.</p> <p>The current relationship (Voluntary Partnership) has had some successes, but patronage is still falling and more Combined Authority financial support may be required as services struggle to be commercially viable.</p> <p>The scheme fits with current national and local policies of/ improving bus services, demonstrating a strong strategic fit for this scheme to be introduced.</p>	
Economic Case	
<p>West Yorkshire's Mayor has pledged to "<i>bring buses back into public control, introduce simpler fares and contactless ticketing, and greener buses</i>". "<i>Bringing buses back into public control</i>" requires the Combined Authority to utilise its mayoral powers to make a bus franchising scheme and it has served notice of its intention to undertake the first step in this process by making a public commitment to preparing and publishing an assessment of the need for a franchising scheme.</p>	

The National Bus Strategy (2021) is very clear that Local Transport Authorities (LTAs) of which the Combined Authority is one need to implement a Bus Enterprise Partnership or be progressing a franchising assessment in return for a share of £3bn transformational funding.

Recruiting individuals to work alongside the procured consultants is considered a cost-effective way of building the skills and knowledge that the organisation will need as it progresses with bus reform, regardless of whether this is through franchising or another route e.g., Enhanced Partnership.

Commercial Case

The National Bus Strategy (2021) acknowledges that the current model of bus deregulation has pushed people further towards the car because it does not meet the needs of a large proportion of people. The current model has few incentives for operators and local authorities to work together resulting in a network that is not strategically planned and is focussed on profitable routes and times of day. Less attractive routes have typically had to be supported by the taxpayer.

COVID-19 has had a significant impact on bus services across the country meaning that more services need to be supported by the taxpayer. Since April 2020, Government has issued emergency funding to bus operators and LTAs, the Coronavirus Bus Services Support Grant (CBSSG), and continued to pay the Bus Services Operators Grant (BSOG) at pre-pandemic rates. To continue to receive this support the National Bus Strategy requires that a notice of intention to establish an Enhanced Partnership with bus operators or undertake an assessment of the need for a franchising scheme is served. The Combined Authority has serviced notice of both.

Financial Case

It is estimated that between £4,000,000 - £7,000,000 will be required to carry out the Assessment. This is based on advice provided by EY. Costings are based on publicly available data from a similar Assessment undertaken in Greater Manchester and informed by EY's experience on other similar programmes and a series of simple assumptions. This is to be refined as part of OBC / FBC development. £1,000,000 has already been indicatively approved by the Combined Authority.

Management Case

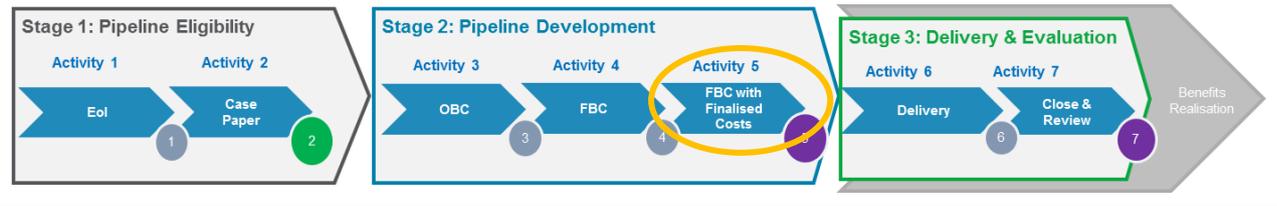
The work will be overseen by the Bus Strategy Board with a clear and accountable Senior Responsible Officer (Director of Policy & Development) to oversee the consultancy work. The Project Executive (Head of Transport Policy) and Policy Manager (Franchising) will manage the consultants that are providing the scheme outputs on a day-to-day basis with support also offered from the bus policy team in administrative assistant when required.

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Section A: Scheme Summary

Name of scheme:	York Castle Gateway
PMO scheme code:	WYTF-PA4-044
Lead organisation:	City of York Council
Applicable funding stream(s) – Grant or Loan:	West Yorkshire plus Transport Fund
Growth Fund Priority Area (if applicable):	Priority 4b - West Yorkshire + Transport Fund
Approvals to date:	DP2 (Activity 2 – Strategic Outline Case) for funding of £8.1m
Forecasted full approval date (decision point 5):	July 2023
Forecasted completion date (decision point 6):	September 2024
Total scheme cost (£):	£5,429,960
Combined Authority funding (£):	£4,600,00
Total other public sector investment (£):	£829,000
Total other private sector investment (£):	nil
Is this a standalone project?	No
Is this a programme?	Yes
Is this project part of an agreed programme?	N/A

Current Assurance Process Activity:



Scheme Description:

The York Castle Gateway (YCG) scheme, supports the redevelopment of Castle Gateway as part of the York Castle Gateway Masterplan in the south-eastern quarter of York City Centre. The YCG scheme (to be funded through WY+TF) and the wider Masterplan are both being progressed by City of York Council (CYC).

The scheme will be developed and delivered in two phases:

Phase One

- **Foss Riverside** – a new public riverside park that includes a new pedestrian/cyclist bridge over the River Foss linking the Castle area with Piccadilly and creating new strategic radial and cross city centre cycling routes and networks.; The wider costs of the riverside park will be met by CYC and other funding sources.

Phase Two

- **Clifford Street and Tower Street Public Realm Enhancements** – Clifford Street carriageway reduction, rationalisation of bus stops and upgraded pedestrian and cycle crossing; and
- **Bus Infrastructure Improvements** – Replacement and upgrade to existing bus infrastructure (bus stops) along Tower Street.
- **Monitoring and Evaluation of the transport interventions**

Business Case Summary:

Strategic Case

The York Castle Gateway (YCG) scheme supports the wider Castle Gateway Masterplan which will bring significant regeneration to this part of York and will help to maximise the opportunity for residents and visitors to move to (and through) this area on foot or cycle. The scheme will enable the strategic long-term ambitions of City of York Council including of working towards achieving net zero carbon by 2030, and the provision of the new LTN 1/20 compliant walking and cycling network which will contribute, add and improve the existing sustainable transport network within the area.

The scheme supports the following Strategic Economic Framework priorities:

- **Delivering 21st Century Transport**, by providing improved active travel infrastructure

	<ul style="list-style-type: none"> - Tackling the Climate Emergency by increasing active travel trips and promoting public transport, thereby reducing carbon emissions - Enabling Inclusive Growth by providing better access to jobs, training and opportunities via healthy, low cost active travel modes - Boosting Productivity helping businesses to grow, increasing customer numbers by improving access to visitor attractions and local businesses <p>The scheme supports the following Mayoral Pledges:</p> <ul style="list-style-type: none"> - Supporting businesses and being a champion for the regional economy – by providing improved access to the city centre and nearby visitor attractions and providing a new riverside park and improved access to the planned outdoor events arena, thus boosting visitor numbers. - Tackling the climate emergency and protecting our environment – by providing new LTN1/20 compliant strategic walking and cycling links, improving access by healthy active travel modes, promoting mode shift from vehicle use, and promoting public transport use by improving bus infrastructure.
<p>Commercial Case</p>	<p>The redevelopment of Castle Car Park (as part of the wider Masterplan implementation) will directly create jobs in the cultural sector because it will facilitate use of the site for plays and other productions. The GVA value of the overall masterplan is estimated to be in the region of £350-£400m during the 10-year construction period.</p> <p>There is currently a high demand for quality routes for walking and cycling, with Government guidance (both local and national) encouraging improved infrastructure. This scheme will help to create access in an area that is currently a barrier to walking and cycling due to the River Foss and the current path network.</p> <p>The contractor for Phase 1 of the scheme has been appointed on a two-stage basis to develop the RIBA 4 design and produce a fixed cost for construction. Provided the fixed cost is within the budget envelope, CYC will be seeking to proceed with the contractor to the construction phase, with an immediate mobilisation, starting on site in August 2022.</p>
<p>Economic Case</p>	<p>The scheme benefits are:</p> <ul style="list-style-type: none"> • Unlocking a development site which is expected to provide 106 apartments and 1458 sqm of commercial space. Income from the development will part-fund the wider masterplan for the area. • Supporting the regeneration of an area which is currently less attractive than other parts of the city. • Promoting the visitor economy through providing better accessibility to attractions and making improvements to their surrounding areas, thereby enhancing their settings and improving York’s sense of place. • Promoting increased use of walking and cycling for journeys within the city by removing barriers to active travel by improving connectivity through providing new LTN1/20 compliant strategic links.

	<ul style="list-style-type: none"> Enhancing the local bus network <p>The Preferred Option (which includes the scheme summarised above) presented in the Economic Case has a BCR of 0.81 which represents an initial “Poor” Value for Money position. However, it should be noted that active travel and public area improvement schemes tend to produce lower BCR’s due to the way benefits of transport schemes are monetised using TAG methodologies.</p>
Financial Case	<p>The total scheme cost estimate at outline business case (OBC) is £5,300,000, of which £4,700,000 is for Phase 1 and £600,000 is for Phase 2.</p> <p>£4,600,000 of the scheme costs are to be funded through the West Yorkshire Plus Transport Fund, and the remaining £830,000 is to be provided by CYC through a combination of other devolved funding sources.</p> <p>The scheme costs include allowances for risk and contingencies and includes £350,000 of development costs (approved by the Combined Authority at DP2).</p>
Management Case	<p>City of York City Council has the project management systems, skills and track record to be able to deliver this project successfully. They will be supported by an assigned Programme Manager from the Combined Authority who will work in partnership with CYC to ensure the allocated funding is available to the project at required milestones to deliver the identified junction improvements. The Council has robust financial monitoring systems and procurement credentials as demonstrated by many years of delivering externally funded projects and including highway/ transport schemes.</p>

Location Map

The following map shows the location of the York Castle Gateway scheme:



Please note, depending on the level of scheme development, the location and scope of the schemes indicated here are indicative only.

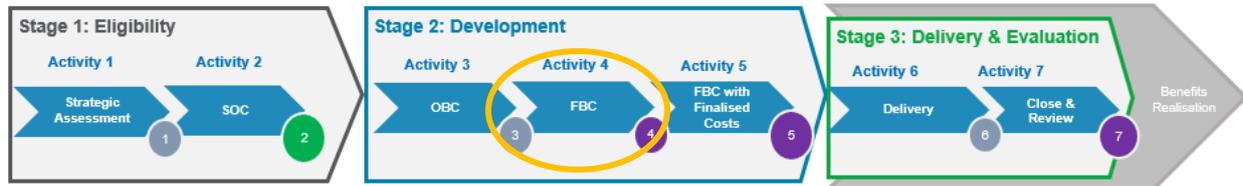
For further information on Combined Authority schemes across the Leeds City Region, please refer to: <https://www.westyorks-ca.gov.uk/growing-theeconomy/leeds-city-region-infrastructure-map>

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Section A: Scheme Summary

Name of scheme:	Leeds City Centre Package: Armley Gyrotory
PMA scheme code:	
Lead organisation:	Leeds City Council
Applicable funding stream(s) – Grant or Loan:	West Yorkshire Plus Transport Fund (WY+TF) - Grant
Growth Fund Priority Area (if applicable):	Priority area 4 'Infrastructure for Growth'
Approvals to date:	<p>Decision Point 3 - Indicative approval to total scheme costs of £40,500,000 to be funded through the WY+TF, with approval to development costs of £5,080,000.</p> <p>Leeds City Centre Package Change Request – Reallocation of £1,500,000 development costs to City Square Plus, resulting in a reduced development cost approval of £3,580,000.</p>
Forecasted Approval to Proceed Date:	January 2022 (phase 1) December 2022 (phase 2)
Forecasted Delivery Date (decision point 5):	December 2022 (phase 1) October 2023 (phase 2)
Total scheme cost (£):	£41,970,000
Combined Authority funding (£):	£41,970,000
Total other public sector investment (£):	£0
Total other private sector investment (£):	£0
Is this a standalone project?	Yes
Is this a programme?	No
Is this project part of an agreed programme?	Yes – WY+TF Leeds City Centre Package

Current Assurance Process Activity:



Scheme Description:

The Armley Gyratory scheme has been identified for delivery through the £78,800,000 Leeds City Centre Package (LCCP) programme funded by the West Yorkshire plus Transport Fund (WY+TF).

The scheme will increase highway capacity through increasing lane numbers and widening approach roads. Signal upgrades will improve the operational efficiency of the gyratory and better accommodate re-routed traffic following closure to City Square.

It will also replace the existing footbridges over the A58 and A643 with a new 4 metre wide bridge for pedestrians and cycle (compliant with LTN1/20 design standards) and widen the existing footpaths at the gyratory.

Delivery of the planned interventions will be phased as per the following:

Phase 1 Highway Works

- Increase capacity on A643 between railway bridge and the gyratory, increasing from 3 lanes to 5.
- Increase capacity at the revised Canal Street stop line, increasing from 2 to 5 lanes.
- Widen the A647 approach, removing the left free flow turn and providing 5 signal-controlled lanes.
- Signalisation of the B6154 Wellington Road approach to improve safety, provide a controlled crossing, and enhance bus priority.
- Introduction of MOVA adaptive signal technology to provide enhancements for general traffic and the introduction of virtual bus priority measures.
- Widen the existing footpaths on the eastern side of the gyratory to safely accommodate both cyclists and pedestrians.
- Landscaping treatments, improving personal security for pedestrians and cyclists through passive surveillance by passing motorists.

Phase 2 Structure Works

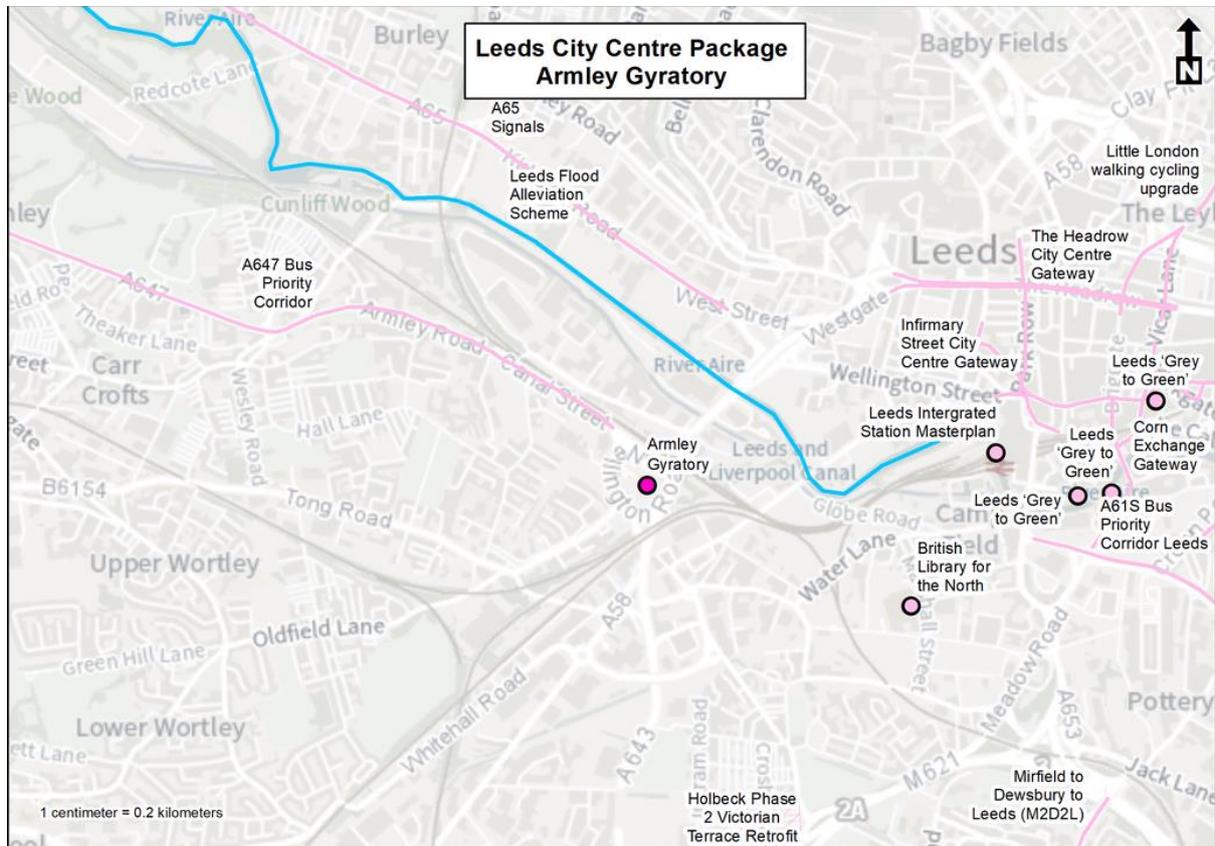
- Remove the narrowing of existing footway (less than 2m wide) under the railway on the A58 by setting back redundant bridge abutments and through carriageway realignment.
- Demolition and the replacement of existing footbridges on the A58 (across Wellington Road) and A643 (Gelder Road exit, and Spence Lane entrance) arms of the roundabout with wide shared use footway/cycleways (LTN1/20 compliant) and shallower ramp gradients to provide accessibility improvements.

Business Case Summary:	
Strategic Case	<p>The LCCP aspiration is to transform travel within Leeds city centre through the removal of unnecessary through traffic (principally by closing City Square) and to re-prioritise major routes to public transport, pedestrians, cyclists, and public spaces.</p> <p>The WY+TF LCCP programme will complement works being delivered through the Leeds Public Transport Investment Programme (LPTIP) and Transforming Cities Fund (TCF), supporting the West Yorkshire Mayor's 'tackling climate emergency' pledge.</p> <p>Increasing the highway capacity (phase 1 highway works) at Armley Gyratory is central to carrying redirected traffic away from the city centre and on to the more appropriate Inner Ring Road and the M621 orbital route.</p> <p>The scheme will also explore green features such as a green wall for the underpass and will replant trees on a 3:1 ratio, supporting biodiversity and habitat gains.</p>
Commercial Case	<p>The scheme has appointed a contractor through the SCAPE framework on a traditional construction contract to deliver the works.</p> <p>Detailed design works and the development of a target cost are nearing completion.</p>
Economic Case	<p>The central case reflects a benefit cost ratio of 3.28:1, judging the scheme as High value for money when assessed against the Department for Transport's value for money criteria.</p> <p>The economic assessment reflects that bulk of the benefits will be realised from journey time savings for motorists passing through the gyratory, as well as noticeable journey time savings for bus services too.</p>
Financial Case	<p>The total scheme cost estimate at full business case is £41,970,000, to be wholly funded by the West Yorkshire Plus Transport Fund (WY+TF) through the £78,800,000 Leeds City Centre Package programme.</p> <p>The scheme secured approval for £5,080,000 development costs at outline business case (decision point 3). Following reducing the scope to support affordability, £1,500,000 was transferred to the City Square Plus package, resulting in a revised approval of £3,580,000. This has funded development costs to date and the remaining balance within this approval will support the progression of phase 1 (highway works) to Approval to Proceed and phase 2 (structure works) to full business case.</p> <p>The total scheme cost includes allowance for land acquisition, risk, contingency, and inflation.</p>
Management Case	<p>Leeds City Council is the project delivery lead.</p> <p>The scheme secured Planning approval on 9 December 2021.</p> <p>The scheme forecasts a construction commence date of January 2022 for phase 1 (highway works) with its Practical Completion by December 2022.</p>

	<p>The scheme forecasts bringing forward the full business case for phase 2 (structure works) by December 2022, with its construction forecast for mid to late 2023.</p> <p>Scheme risks will be managed through a costed Risk Register and Change Management process.</p> <p>A Benefits Realisation Plan setting out the desired outputs, outcomes, and impacts has been developed for the scheme, whilst the Monitoring & Evaluation Plan to monitor benefits post scheme completion is being developed at a programme level.</p>
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Location Map

The following map shows the location of the Leeds City Centre Package: Armley Gytratory scheme



Please note, depending on the level of scheme development, the location and scope of the schemes indicated here are indicative only.

For further information on Combined Authority schemes across the Leeds City Region, please refer to: <https://www.westyorks-ca.gov.uk/growing-theeconomy/leeds-city-region-infrastructure-map>

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Report to: Finance, Resources and Corporate Committee

Date: 6 January 2022

Subject: **Financial Reporting**

Director: Angela Taylor, Director, Corporate and Commercial Services

Author: Celia Yang, Finance Manager

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this report

- 1.1 To provide an update on the 2021/22 revenue budget financial position as at 31/10/2021.

2. Information

- 2.1 A summary of the 2021/22 current revenue spend to original budget as at October 2021 is attached at **Appendix 1**. A brief narrative and RAG rating is included to help identify those budget lines that are emerging as a concern.
- 2.2 Overall, there are few variances to cause concern at this stage of the year and any variances noted have been taken into account in reforecasting the year end position as part of the budget work. Concessionary travel payments are expected to be lower than budget and as part of the budget work it is proposed that any savings made will be ringfenced to mitigate the expected pressures on bus services next year.
- 2.3 There are a few ‘amber’ variances to highlight on the Supplies & Services and Operational Income lines. These relate to timing issues around the invoicing for election costs and incomes within Economic Services where the profiles do not generally follow a straight-line basis. There are also ‘ambers’ on Financing

Charges and EZ Receipts, again which are timing issues rather than genuine variances. Tendered services spend is slightly ahead of the profiled budget, which is expected due to additional costs around Covid-19.

- 2.4 The overall forecast – as reported in September – was at £2.5m savings. This position will continue to be monitored throughout the year. The savings are mainly accruing in salary budgets and bus operator payments and are therefore not expected to recur in future years.
- 2.5 Regular forecasts continue to be undertaken and key matters brought to future meetings. At present the key risk remains the impact of the pandemic, and in particular the way in which this impacts on bus recovery. It is still unclear what government funding is available to support this into the new year and how any funding will be distributed as well as how the bus industry will respond to the changing situation.
- 2.6 An update on the 2021/22 capital expenditure budgets will be provided to a future meeting, as quarter three claims from partners are still being processed at the time of writing.

3. Tackling the Climate Emergency Implications

- 3.1 There are no climate emergency implications directly arising from this report.

4. Inclusive Growth Implications

- 4.1 There are no inclusive growth implications directly arising from this report.

5. Equality and Diversity Implications

- 5.1 There are no equality and diversity implications directly arising from this report.

6. Financial Implications

- 6.1 These are contained in the main body of the report.

7. Legal Implications

- 7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

- 8.1 There are no staffing implications directly arising from this report.

9. External Consultees

- 9.1 No external consultations have been undertaken.

10. Recommendations

10.1 That the Committee notes the financial position as reported.

11. Background Documents

11.1 There are no background documents referenced in this report.

12. Appendices

Appendix 1 – 2021/22 Revenue Budget as at October 2021

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West Yorkshire Combined Authority Revenue Budget 2021/22	Revised Budget	YTD Actuals (October 2021)	Utilised	Notes / Commentary	RAG Rating	FY Forecast Q2
	£	£	%			£
Employee Costs	31,182,879	16,226,427	52.0%	High staffing vacancies		27,816,732
Indirect Employee Costs	1,704,439	632,376	37.1%	Spend to date - as expected due to timing of pension invoice.		1,754,721
Premises Costs	6,665,597	3,112,708	46.7%	Spend to date - as expected due to premises invoices paid in arrears		6,665,597
Supplies and Services	5,157,856	1,513,836	29.4%	Spend to date - lower than expected due to Covid 19 and invoices in arrears		5,429,981
ICT Related Costs	2,989,034	1,948,445	65.2%	Spend to date - as expected due to certain ICT costs paid in advance		3,547,219
Travel, Subsistence & Transport Costs	475,349	254,704	53.6%	Spend as expected		589,634
Tendered Services	25,866,000	18,113,154	70.0%	Spend in line with Government requirements during lockdown, additional costs due to Covid-19. Forecast slight overspend.		26,117,000
Concessions	53,750,000	31,605,817	58.8%	Spend in line with Government requirements during lockdown		51,726,569
Prepaid Tickets Costs	13,500,000	6,960,710	51.6%	Mcard payment reduced with Covid-19 - offset by Mcard sales ##		13,500,000
Grants and Agency costs	55,567,737	22,607,011	40.7%	Spend as expected - variance mainly related to Adult Education budget that commenced in August 2021		54,399,894
Consultancy and Professional Services	7,669,114	4,017,556	52.4%	Spend as expected		6,710,367
Financing Charges	6,964,657	142,248	2.0%	Spend as expected - is accrued / calculated at the Year End		6,964,657
Total Expenditure	211,492,662	107,134,992	50.7%			205,222,372
Income - Transport	(11,310,082)	(4,571,395)	40.4%	Covid19 - Impact on bus station & bus services income, departure fees in arrears		(10,750,604)
Funding - Grants	(71,775,594)	(33,581,743)	46.8%	Grants received to date as expected, with further receipts during the year such as Adult Education Budget monies.		(69,687,638)
Enterprise Zone Receipts	(3,202,886)	(99,828)	3.1%	EZ receipts expected to be received in arrears		(3,015,702)
Interest Received	(818,000)	(251,972)	30.8%	Investment Interest in arrears - however Covid19 impacting on returns		(818,000)
Income - Operational	(3,213,372)	(901,218)	28.0%	As expected - revenue project claims in arrears		(3,595,536)
Capitalisation / Internal Recharges	(15,474,728)	(7,130,552)	46.1%	Income as expected to date.		(14,173,296)
Pre Paid Ticket Income	(13,500,000)	(6,960,710)	51.6%	Mcard sales reduced with Covid-19 - offsets by payments ##		(13,500,000)
Transport Levy	(92,198,000)	(53,782,167)	58.3%	Transport Levy receipts as expected		(92,198,000)
Total Income	(211,492,662)	(107,279,585)	50.7%			(207,738,775)
Net Expenditure Total	(0)	(144,593)				(2,516,403)

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Report to: Finance, Resources and Corporate Committee

Date: 6 January 2022

Subject: **Office accommodation**

Director: Angela Taylor, Director, Corporate and Commercial Services

Author: Angela Taylor

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this report

1.1 To provide an update on the office accommodation provision for the Combined Authority.

2. Information

2.1 The Combined Authority currently operates out of three offices, in addition to its bus stations across the region:

2.2 **Wellington House** – this has for many years been the main ‘head office’ for the Combined Authority and its predecessor organisations. Situated in Leeds, it is owned by the Combined Authority and is coming to the end of a refurbishment programme aimed at providing modern and flexible office and meeting facilities for the organisation and its partners.

2.3 **City Exchange** – the Combined Authority has leased office space for a number of years within the Trinity Centre in Leeds and will be giving notice on these premises in early 2022 as the Wellington House refurbishment concludes.

- 2.4 **Ploughland House** – the former Office of the Police and Crime Commissioner leased an office in Wakefield which transferred to the Combined Authority following the Mayoral election in May. The premises do not meet the ongoing requirements of the Deputy Mayor for Policing and police and crime team and the intention is not to renew the lease when it comes to an end in September 2022 and seek alternative accommodation in Wakefield. As well as providing an office base for the policing and crime team it could also provide touchdown space for other Combined Authority employees.
- 2.5 A consultation on updating the terms and conditions of the Combined Authority employees is expected to conclude early in the new year. One of the elements of this is intended to capture new ways of working that have proved successful during the pandemic and in particular hybrid working and the opportunity to work from home as well as the office. Adopting these models of working will enable all Combined Authority employees to be able to be based out of the new Wellington House alongside the capacity of the premises secured for the policing and crime team.
- 2.6 The refurbishment work on Wellington House is substantially complete, with final fitting out, snagging and commissioning taking place during January 2022. It will have capacity for 620 people, with a mix of hotdesks, collaboration spaces and meeting rooms. The actual return to the building will be dependent on government covid restrictions. At present almost all office based staff are working from home with only a small number of people required to be in the office for essential work. The refurbished building provides fully accessible facilities, with a suite of committee and meeting rooms, collaboration space and hot desks.
- 3. Tackling the Climate Emergency Implications**
- 3.1 The refurbished Wellington House includes improved and more efficient comfort cooling, energy efficient lighting, improved insulation, improved and expanded cycle facilities and a solar array on the roof contributing to an improved carbon footprint.
- 4. Inclusive Growth Implications**
- 4.1 Social value was secured in making the award to the main contractor.
- 5. Equality and Diversity Implications**
- 5.1 The design of the building includes a number of measures to support equality and diversity including non gender toilets and a contemplation room and the building is fully accessible. Colleagues from the employee diversity groups have been involved in these designs.
- 6. Financial Implications**
- 6.1 There will be savings from the termination of the lease of City Exchange alongside reduced running costs for Wellington House. Alternative

accommodation for the police and crime team will be subject to a business case demonstrating value for money.

7. Legal Implications

7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

8.1 There are no staffing implications directly arising from this report.

9. External Consultees

9.1 No external consultations have been undertaken.

10. Recommendations

10.1 That the Committee notes the position on office accommodation.

11. Background Documents

11.1 There are no background documents referenced in this report.

12. Appendices

None.

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Report to: Finance, Resources and Corporate Committee

Date: 6 January 2022

Subject: **Business planning and budget 2022/23**

Director: Angela Taylor, Director, Corporate and Commercial Services

Author: Angela Taylor

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this report

- 1.1 To provide an update on the 2022/23 business planning process and budget work for 2022/23.

2. Information

- 2.1 The Committee has been receiving regular updates on the progress of business planning and budget work. At its last meeting the Committee considered ways in which the vision and priorities of the organisation could be more simply presented and a further iteration of this will be brought to the next meeting. Feedback was also received on the key points of the business plans on a page and further work continues to finalise these to be brought to the next meeting of this Committee and to accompany the budget on 3 February.
- 2.2 The Combined Authority meeting of 9 December considered a number of aspects of the budget, including recommendations put forward by this Committee and this is enabling work to progress with a number of assumptions now agreed as a starting point. These were focussed largely on transport and the transport levy, recognising the importance of public transport and the challenging current and future funding environment for this. Since April 2020, Government has issued emergency funding to bus operators and

Local Transport Authorities, the COVID Bus Subsidy Grant (CBSSG), and continued to pay Bus Services Operators Grant (BSOG) at pre pandemic rates. It requested that Local Transport Authorities (LTAs) continue to make concessionary fare and tendered service payments to operators at pre pandemic rates.

- 2.3 The Combined Authority has complied with the Government request to make concessionary fare and tendered service payments to operators at pre pandemic rates. Specific conditions were attached to these payments ensuring bus operators work collaboratively with the Combined Authority and financial and patronage data is shared. These conditions have been amended at each stage in the pandemic with this arrangement continuing until March 2022.
- 2.4 The Combined Authority has faced additional costs in the provision of tendered bus services during the pandemic. Initially this arose from lost revenue due to reduced patronage and was offset by the Government CBSSG award. However, in 2021 operating costs have increased and some operators have reduced service levels resulting in the Combined Authority funding the continuation of socially necessary services including service 205 (Dewsbury-Morley- Pudsey).
- 2.5 At the time of writing, bus patronage and revenues were around 75% of what could normally be expected in December. Whilst patronage rose steadily between July to October following the easing of COVID restrictions the growth levelled out in November and it is unlikely to return to 2019 levels during 2022. In addition, a national shortage of drivers has impacted on service delivery locally with a consequential impact on service delivery which has been considered by the Transport Committee.
- 2.6 Bus Recovery Grant is in place until end March 2022. Unless patronage and revenue recover to 2019 levels a potential funding gap will emerge for bus operators and the Combined Authority in April. This is leading to operators considering service reductions to reduce costs to meet the reduced revenue. Government is considering continuation of BRG beyond March but this is unknown at this stage. The Mayor has written to Baroness Vere, Buses Minister, urging her to confirm adequate funding to maintain a stable network.
- 2.7 The Combined Authority meeting in December therefore identified a need to maintain the Transport Levy at the current rate to ensure a level of continuity in the Authority's expenditure on buses in 2022/23 given the ongoing financial uncertainty. The transport levy funds both transport services and provides the funding for the borrowing costs to meet the local contribution for the West Yorkshire plus Transport Fund. A commitment to keeping it at the existing level is a strong statement that recognises the importance of improving the public transport provision in West Yorkshire.
- 2.8 This is then to be further supported by retaining in an earmarked reserve any short term savings achieved against concessionary reimbursement or bus tendered services. The outcome of the bid for the Bus Services Improvement Plan is expected in the new year. The original 'pot' announced by

Government of £3 billion nationally was reduced to £1.2 billion in the October Comprehensive Spending Review. It is anticipated that the award will fall short of expectations and is unlikely in itself to provide the scale of funding needed to meet the ambition for the region.

- 2.9 Appendix 1 sets out the latest draft of the proposed budget for 2022/23, for any further comments from the Committee.
- 2.10 Work is continuing collaboratively across the West Yorkshire authorities to consider how best to utilise gainshare to deliver the agreed outcomes and benefits identified through the Investment Priorities. A verbal update will be provided to the meeting.
- 2.11 At the last meeting of the Committee members questioned how the reserves strategy would be calculated and how this would take into account any auditor requirements and how it compared to the approaches taken by the other local authorities. Best practice suggests that general reserves of around 5% of expenditure is prudent, although this should be adjusted on a risk based approach. A paper is being prepared for the Governance and Audit Committee to consider, in line with the approach taken in previous years and this will also be shared with this Committee.

3. Tackling the Climate Emergency Implications

- 3.1 The proposed budget will be clear how it supports the climate emergency.

4. Inclusive Growth Implications

- 4.1 The proposed budget will be clear how it supports inclusive growth.

5. Equality and Diversity Implications

- 5.1 An equality impact assessment of the budget proposals will be undertaken.

6. Financial Implications

- 6.1 These are contained in the main body of the report.

7. Legal Implications

- 7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

- 8.1 There are no staffing implications directly arising from this report; the final budget will include staffing proposals based on existing establishment.

9. External Consultees

- 9.1 No external consultations have been undertaken.

10. Recommendations

- 10.1 That the Committee notes the work underway on business planning and budget and provides further input to the work.

11. Background Documents

- 11.1 There are no background documents referenced in this report.

12. Appendices

Appendix 1 – Draft proposed budget 2022/23 – summary

Agenda Item 8

Appendix 1

Revenue Budget	FY Budget 22/23						FY Budget 22/23	FY Budget 23/24	FY Budget 24/25
	£								
	Corporate	Corporate Services	Delivery	Economic Services	Policy, Strategy & Comms	Transport & Property Services			
Employee Costs	198,359	6,238,773	6,604,244	4,652,213	7,840,220	6,645,193	32,179,003	30,649,229	30,440,555
Indirect Employee Costs	808,300	593,033	450	7,100	-	15,820	1,424,703	1,431,385	1,447,042
Premises Costs	-	-	-	-	-	6,542,217	6,542,217	6,535,598	6,688,624
Supplies and Services	432,100	100,636	500	2,626,114	712,336	779,770	4,651,455	5,166,842	3,986,543
ICT Related Costs	0	2,083,395	0	0	0	1,291,501	3,374,896	3,560,421	4,070,650
Travel, Subsistence & Transport Costs	10,000	312,447	12,106	72,150	18,000	32,990	457,693	419,378	418,780
Tendered Services	-	-	-	-	-	25,466,000	25,466,000	25,866,000	25,866,000
Concessions	-	-	-	-	-	53,750,000	53,750,000	53,750,000	53,750,000
Prepaid Tickets Costs	-	-	-	-	-	15,000,000	15,000,000	20,000,000	25,000,000
Grants and Agency costs	367,327	29,742	0	74,194,728	37,281	123,278	74,752,357	63,476,399	62,296,996
Consultancy and Professional Services	68,900	200,250	250,000	1,908,174	411,000	256,500	3,094,824	1,584,040	1,584,713
Financing Charges	7,063,000	-	-	-	-	158,657	7,221,657	7,109,657	6,928,660
Other (indicative approval and saving targets)	3,882,951	-	-	-	-	(412,269)	3,470,683	2,562,033	1,537,731
Total Expenditure	12,830,938	9,558,275	6,867,300	83,460,479	9,018,837	109,649,657	231,385,487	222,110,983	224,016,293
Capitalisation / Internal Recharges	(2,700,000)	(1,786,233)	(6,610,488)	(88,703)	(1,644,168)	(1,972,711)	(14,802,304)	(14,122,284)	(14,324,533)
Income (concession, departure, rent ect.)	-	-	-	-	-	(26,384,186)	(26,384,186)	(31,434,023)	(36,484,176)
Grant BSOG	-	-	-	-	-	(2,063,000)	(2,063,000)	(2,063,000)	(2,063,000)
Grant SRG	(447,500)	-	-	-	-	-	(447,500)	-	-
Grant LEP Specific Grants	(552,606)	-	-	-	-	-	(552,606)	(552,606)	(552,606)
Transport Levy	(92,198,000)	-	-	-	-	-	(92,198,000)	(92,198,000)	(92,198,000)
Other Grants - Revenue (Gainshare Projects)	(3,776,500)	-	-	(11,001,660)	(219,755)	-	(14,997,915)	(5,693,823)	(3,045,251)
Other Grants - Revenue (Capacity Gainshare)	-	-	-	-	-	-	-	(1,700,000)	(1,300,000)
Other Grants - Revenue (Mayoral Capacity Funding)	(500,000)	-	-	-	-	-	(500,000)	(500,000)	(500,000)
Other Grants - AEB	-	-	-	(64,154,905)	-	-	(64,154,905)	(62,999,141)	(62,999,060)
Other Grants - Projects	-	-	-	(5,847,526)	(114,189)	-	(5,961,715)	(897,200)	(206,185)
Income Enterprise Zone Receipts	(3,465,045)	-	-	-	-	-	(3,465,045)	(3,728,098)	(3,728,098)
Income Interest Received	(1,242,323)	-	-	-	-	-	(1,242,323)	(926,965)	(345,900)
Income Other	(333,000)	-	(256,812)	(1,118,684)	(513,624)	(545,613)	(2,767,733)	(2,300,686)	(2,239,695)
Total Income	(105,214,975)	(1,786,233)	(6,867,300)	(82,211,478)	(2,491,737)	(30,965,510)	(229,537,233)	(219,115,827)	(219,986,505)
Net Expenditure Total	(92,384,037)	7,772,042	-	1,249,001	6,527,101	78,684,147	1,848,254	2,995,156	4,029,788

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