

## **WEST YORKSHIRE AND YORK INVESTMENT COMMITTEE**

**MEETING TO BE HELD AT 11.00 AM ON WEDNESDAY, 7 NOVEMBER  
2018 IN COMMITTEE ROOM A, WELLINGTON HOUSE, 40-50  
WELLINGTON STREET, LEEDS**

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### **A G E N D A**

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
- 3. EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC**
  1. To highlight Appendix 2 to Agenda Item 6, Appendix 1 to Agenda Item 8 and Appendix 1 to Agenda Item 9 which officers have identified as containing exempt information within the meaning of Schedule 12A to the Local Government Act 1972, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.
  2. To consider whether or not to accept the officers' recommendation in respect of the above information as set out in paragraph 2.10 of Agenda Item 6, paragraph 4.1 of Agenda Item 8 and paragraph 5.1 of Agenda Item 9.
  3. If the recommendation is accepted, to formally pass the following resolution:-

**RESOLVED** – That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendix 2 to Agenda Item 6, Appendix 1 to Agenda Item 8 and Appendix 1 to Agenda Item 9 on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the report that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the

information.

4. **MINUTES OF THE MEETING OF THE WEST YORKSHIRE AND YORK INVESTMENT COMMITTEE HELD ON 5 SEPTEMBER 2018**  
(Pages 1 - 10)
5. **CAPITAL PROGRAMME UPDATE**  
(Pages 11 - 20)
6. **CAPITAL SPENDING & PROJECT APPROVALS**  
Please note – additional information added on 1 November 2018 to paragraph 2.152 in respect of Rail Park & Ride Programme.  
(Pages 21 - 156)
7. **FUTURE OF GROWING PLACES FUND**  
(Pages 157 - 164)
8. **LEEDS CITY COLLEGE**  
(Pages 165 - 168)
9. **EUROPEAN STRUCTURAL INVESTMENT FUND - SUSTAINABLE URBAN DEVELOPMENT**  
(Pages 169 - 172)

**For Information**

10. **MINUTES OF THE BUSINESS INVESTMENT PANEL HELD ON 31 AUGUST 2018**  
(Pages 173 - 176)
11. **DRAFT MINUTES OF THE BUSINESS INVESTMENT PANEL HELD ON 5 OCTOBER 2018**  
(Pages 177 - 180)

Signed:



**Managing Director  
West Yorkshire Combined Authority**

**MINUTES OF THE MEETING OF THE  
WEST YORKSHIRE AND YORK INVESTMENT COMMITTEE  
HELD ON WEDNESDAY, 5 SEPTEMBER 2018 AT COMMITTEE ROOM  
A, WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

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**Present:**

Councillor Peter Box CBE (Chair)	Wakefield Council
Roger Marsh OBE (Deputy Chair)	Leeds City Region Enterprise Partnership
Councillor Barry Collins	Calderdale Council
Councillor Ian Gillies	City of York Council
Councillor Denise Jeffery	Wakefield Council
Councillor Richard Lewis	Leeds City Council
Councillor Peter McBride	Kirklees Council
Councillor Alex Ross-Shaw	Bradford Council

**In attendance:**

Councillor Eric Firth	Deputy Chair, Transport Committee (to minute 18)
Peggy Haywood	Ministry of Housing, Communities and Local Government (minute 18 only)
Melanie Corcoran	West Yorkshire Combined Authority (to minute 18)
Angela Taylor	West Yorkshire Combined Authority
Kate Thompson	West Yorkshire Combined Authority (to minute 17)
Jacqui Boulton	West Yorkshire Combined Authority (to minute 17)
Patrick Bowes	West Yorkshire Combined Authority (minute 18 only)
James Brass	West Yorkshire Combined Authority (to minute 17)
Emma Longbottom	West Yorkshire Combined Authority (to minute 17)
Andrew Norman	West Yorkshire Combined Authority (to minute 17)
Heather Waddington	West Yorkshire Combined Authority (minute 18 only)
Jacqui Warren	West Yorkshire Combined Authority (minute 18 only)
Ruth Chaplin	West Yorkshire Combined Authority

**11. Apologies for Absence**

There were no apologies for absence.

**12. Declarations of Disclosable Pecuniary Interests**

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

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

**Resolved:** That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendices 1 and 2 to Agenda Item 8 and Appendices 1 to 9 to Agenda Item 9 on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the report that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

### **14. Minutes of the Meeting of the West Yorkshire and York Investment Committee held on 4 July 2018**

**Resolved:** That the minutes of the West Yorkshire & York Investment Committee held on 4 July 2018 be approved and signed by the Chair.

### **15. Governance Arrangements**

The Committee considered a report and an addendum which sought changes to the governance arrangements in respect of the Business Investment Panel.

**Resolved:**

- (i) That Simon Wright be appointed as Deputy Chair of the Business Investment Panel.
- (ii) That it be noted that Roger Marsh has stepped down from the Business Investment Panel.
- (iii) That in order to secure the appointment of local authority (including Combined Authority) and private sector representatives in equal numbers to the Business Investment Panel, the Committee agrees that:
  - (a) No nominations for an appointment to the Panel are now required from Calderdale Council, Kirklees Council or Leeds City Council (reducing the total number of local authority members to six).
  - (b) An additional private sector member be appointed to the Panel (increasing the total number of private sector representatives to six), and that the appointment of this additional member be delegated to the Head of Legal and Governance Services in consultation with the Chair of the Business Investment Panel and the Combined Authority's LEP Member.
  - (c) The quorum for the Business Investment Panel be changed to 4 voting members to include 2 members of the Combined Authority or other local authority and 2 private sector representatives.



## **16. Capital Programme Update**

The Committee considered a report on progress made on the implementation of the West Yorkshire Combined Authority's capital programme.

A summary of the capital programme 2018/19 including the outturn forecast was provided in Table 1 and details of expenditure on the Growth Deal programme in quarter 1 of 2018/19 in Table 2. The Growth Deal dashboards were attached at Appendices 1 and 2.

It was reported that as part of the Growth Deal agreement, each Local Enterprise Partnership had to agree 'impact sites' where the Growth Deal investment would be assessed through modelling and evaluation. Members considered a draft discussion paper which was attached at Appendix 3. This set out a proposal for identification of impact sites and how impacts can be captured and it was noted that this had been submitted to the Cities and Local Growth Unit (CLOG) and a response was awaited. It was requested that the draft paper be circulated to the Leaders of the partner councils.

In respect of programme level risk, it was noted that failure to achieve the agreed Growth Deal expenditure target could result in the introduction of key performance indicators and possibly a loss of grant to the programme. The Committee discussed the risks currently identified which could impact on the achievement of the target and considered a number of contingencies which could be implemented to mitigate against realisation of the risks. Members asked that they be kept informed of progress.

### **Resolved:**

- (i) That the progress made in implementing the Combined Authority Capital Programme be noted.
- (ii) That the current risk in relation to underspend on the Growth Deal programme and the proposed measures to mitigate against this be noted.
- (iii) That the proposals on Impact Sites detailed in Appendix 3 of the submitted report be noted and circulated to the Leaders of the partner councils.

## **17. Capital Spending and Project Approvals**

The Committee considered a report on proposals for the progression of, and funding for, a number of West Yorkshire Combined Authority supported projects, including West Yorkshire plus Transport Fund (Transport Fund) and Growth Fund at stages 1, 2 and 3 of the Combined Authority's assurance process.

Members discussed the proposals for the progress of the following seven schemes which were detailed in the submitted report:

- Warm Homes Fund round 2a
- Calderdale multi-modal transport model
- Superfast Broadband West Yorkshire and York – Contract 3
- Corridor Improvement Programme Phase 1 – A62 Smart Corridor
- Glasshoughton southern link road
- Leeds New Station Street improvements
- Skills [re-boot] project

In respect of Warm Homes Fund round 2a, members asked for information to be provided on fuel poverty across the region.

The Committee discussed the Superfast Broadband West Yorkshire and York – Contract 3 scheme. It was reported that there were some areas on the outskirts of York where the scheme had still not been delivered. Members stressed that superfast broadband should be available in all areas including those hard to reach and this would be brought to the attention of the Programme Board. The provision of free wifi in town and city centres was also discussed and a report would be prepared for a future meeting.

In addition, the progression of the following schemes was noted:

- The Combined Authority's Managing Director had approved decision point 5 for the intranet and digital workplace project to enter into activity 6 (delivery).
- The head office accommodation project had been approved by the Combined Authority on 28 June 2018 to proceed through decision point 3 and work commence on activity 4.
- The Leeds City Region Employment Hub scheme was approved by the Combined Authority on 2 August 2018 to commence work on activity 5 with full approval to spend granted if the scheme is successful in securing European Social Fund funding, through delegation to the Combined Authority's Managing Director.

The Committee was also provided with decisions made through delegation to the Combined Authority's Managing Director since the last meeting in respect of:

- Rail Park & Ride Programme phase1 – Hebden Bridge – change request
- New integrated Combined Authority website ('Web3' transformation project)
- Door to door transport digital hub
- Energy Accelerator scheme

Summaries of the schemes' business cases were attached as Appendices 2 – 11 of the submitted report.

**Resolved:**

- (i) In respect of Warm Homes Fund round 2a, subject to a successful Warm Homes Fund bid, the Investment Committee recommends to the

Combined Authority:

- (a) That the Warm Homes Fund phase 2a proceeds through decision point 2 and work commences on activity 5 (full business case with finalised costs).
  - (b) That an indicative approval is given to the total project value of £4.688 million and the Combined Authority funding contribution of £3.451 million with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs). The remainder will be funded by local authority partners, social housing providers and match with private sector match funding on a case by case basis.
  - (c) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.
- (ii) In respect of Calderdale multi-modal transport model, the Investment Committee recommends to the Combined Authority:
- (a) That the Calderdale multi-modal model project proceeds through decision point 2 (case paper) and work commences on activity 5 (full business case with finalised costs.).
  - (b) That an indicative approval is given to the West Yorkshire Combined Authority's contribution of £389,000 (which will be funded through £64,000 from the West Yorkshire plus Transport Fund and £325,000 from the other Transport Fund projects which are already approved) is given with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs). The total project value is £629,000.
  - (c) That future approvals are made in accordance with the approval pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to West Yorkshire Combined Authority's Managing Director following a recommendation by West Yorkshire Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.
- (iii) In respect of Superfast Broadband West Yorkshire and York – Contract 3, the Investment Committee recommends to the Combined Authority:
- (a) That the superfast broadband contract 3 project proceeds through decision point 2 (case paper) and work commences on

- activity 5 (full business case with finalised costs).
- (b) That an indicative approval is given to the total project value of £16.428 million from the funding sources outlined in this report for which the Combined Authority is the accountable body is given, with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
  - (c) That approval is given to reallocate all or part of the BET Refund funding from Contract 2 to Contract 3 as actioned at decision point 5 full business case with costs.
  - (d) That development costs of £120,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs).
- (iv) In respect of the Corridor Improvement Programme – A62 Smart corridor, the Investment Committee recommends to the Combined Authority:
- (a) That the A62 Smart Corridor Phase 1 project proceeds through decision point 3 and work commences on activity 4 (full business case).
  - (b) That an indicative approval is given to the total project value of £8.756 million and the Combined Authority contribution (from the West Yorkshire plus Transport Fund) of £7.906 million (£406,000 increase from approved expression of interest scheme total) with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs). The remainder will be funded by £850,000 of ESIF funding yet to be confirmed.
  - (c) That development costs of £605,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs), and that the Combined Authority issue an addendum to the existing funding agreement with Kirklees Council for expenditure of up to £605,000 from the West Yorkshire plus Transport Fund taking the total approval to £855,000.
  - (d) That future approvals are made in accordance with the approval pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.
- (v) In respect of Glasshoughton southern link road, the Investment Committee recommends to the Combined Authority:

- (a) That the Glasshoughton southern link road project proceeds through decision point 4 and work commences on activity 5 (full business case with finalised costs).
  - (b) That an indicative approval to the total project value of £7.320 million is given from the West Yorkshire plus Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
  - (c) That development costs of £245,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs), taking the total project approval to £978,000.
  - (d) That the Combined Authority enters into an addendum to the existing funding agreement with Wakefield Council for additional expenditure of up to £245,000 from the West Yorkshire plus Transport Fund. This takes the total funding agreement amount to £978,000.
  - (e) That future approvals are made in accordance with the approval pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal.
- (vi) In respect of Leeds New Station Street improvements the Investment Committee recommends to the Combined Authority's Managing Director:
- (a) That the Leeds Station Gateway - New Station Street improvements proceeds through decision point 4 and work commences on activity 5 (full business case with finalised costs).
  - (b) That an indicative approval to the total project value of £2.120 million is given to be funded from the West Yorkshire plus Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
  - (c) That development costs of £563,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs) from the West Yorkshire plus Transport Fund taking the total approval to £729,000.
  - (d) That the Combined Authority enters into a fixed price implementation agreement with Network Rail for future expenditure up to £1.596 million which will release funds of £563,000 to progress to decision point 5, with a break clause which enables the agreement to be terminated if required.
  - (e) That future approvals are made in accordance with the approval

pathway and approval route set out in the submitted report, to include at decision point 5 through a delegation to the Combined Authority's Managing Director. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

- (vii) In respect of the skills and employment [re-boot] project, the Investment Committee recommends to the Combined Authority's Managing Director, subject to an award of European Social Fund:
- (a) That the [re]boot project proceeds through decision point 5 and work commences on activity 6 (delivery).
  - (b) That an approval to the total project value of £3.145 million is given (of this, the Combined Authority's contribution will be £2.870 million which will be funded from an anticipated ESF grant of £1.573 and £1.297 million from Section 31 reserves). The remainder will be funded by the private sector and Leeds Trinity University.
  - (c) That future approvals are made in accordance with the approval pathway and approval route outlined in the submitted report including at decision point 6 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Investment Committee. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

## **18. Leeds City College Quarry Hill Project update**

The Committee considered a report which provided an update on the Leeds City College, Quarry Hill project.

Members noted the current status of the project and considered the following, subject to the conditions outlined in the exempt Appendix 1:

- The proposal to release the remaining grant balance (less retention).
- The approval for the College to drawdown against the previously approved loan facility for a loan of up to £6.5 million.
- The lifting of the Combined Authority's restriction on the Technology Campus.

An update on the project and the financial implications was provided in exempt Appendices 1 and 2. The indicative drawdown and repayment schedule for the £6.5 million loan facility was outlined in Appendix 2.

### **Resolved:**

- (i) That the update on the current status of the Leeds City College Quarry Hill skills capital project be noted.
- (ii) The Investment Committee recommends delegation to the Combined Authority's Managing Director:

- (a) That the remaining grant balance (less retention) is released, subject to the conditions outlined in paragraph 8 of exempt Appendix 1.
- (b) That approval be given for the College to drawdown against the previously approved loan facility for a loan of up to £6.5 million, subject to the conditions outlined in paragraph 10 of exempt Appendix 1.
- (c) That the Combined Authority's restriction on the Technology Campus be lifted, subject to the conditions outlined in paragraph 8 of exempt Appendix 1.

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

The Committee considered a report on the outline applications for Sustainable Urban Development (SUD), part of the European Structural and Investment Funds (ESIF) Programme and to provide advice to the Combined Authority, in its role as the Intermediate Body (IB).

Members considered the advice contained within each of the eight assessments for the outline applications which had been received following the Call and discussed the suggested prioritised project list. The Committee agreed the advice and the respective conditions together with the recommended list for selection by the Combined Authority, as Intermediate Body, which would be considered at its next meeting to be held on 11 October 2018.

**Resolved:** That the Investment Committee recommend to the Combined Authority the advice contained with the outline assessments and the prioritised project list for SUD, part of the ESIF Programme, as set out in the exempt Appendix 1.

**20. Minutes of the Business Investment Panel held on 12 June 2018**

**Resolved:** That the minutes of the Business Investment Panel held on 12 June 2018 be noted.

**21. Draft Minutes of the Business Investment Panel held on 9 August 2018**

**Resolved:** That the draft minutes of the Business Investment Panel held on 9 August 2018 be noted.

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**Report to:** West Yorkshire & York Investment Committee

**Date:** 7 November 2018

**Subject:** Capital Programme Update

**Director(s):** Melanie Corcoran, Director of Delivery

**Author(s):** Lynn Cooper

## 1. Purpose of this report

- 1.1 To update the Committee on progress made on the implementation of the West Yorkshire Combined Authority's capital programme.
- 1.2 The report also:
- Provides a more detailed update on the Growth Deal programme and the progress of the Corporate Projects;
  - Seeks agreement for two existing projects to come forward for additional funding through over-programming of the Growth Deal.

## 2. Information

- 2.1 Table 1 below summarises the capital programme for 2018/19 including the budget approved by the Combined Authority at its meeting on 01 February 2018, expenditure up to the end of quarter 2 2018/19 and the current outturn forecast 2018/19.

Table 1

Capital Funding Programme	Budget Expenditure 2018/19	Expenditure Quarter 2 2018/19	%	Outturn Forecast 2018/19
Growth Deal (including West Yorkshire + Transport Fund)	£102,080,000	£25,237,483	24.7%	£91,484,875
Call for Projects	£14,282,000	£0	0.0%	£0
Leeds Public Transport Investment Fund (supporting Connecting Leeds)	£15,000,000	£2,685,238	17.9%	£10,042,988
Local Transport Plan Integrated Transport Block and National Productivity Investment Fund (NPIF)	£13,104,000	£3,618,076	27.6%	£15,250,260
Highways Maintenance Block / Incentive Fund	£28,403,000	£13,915,000	49.0%	£28,442,000
Pothole Action Fund	£2,231,000	£2,095,000	93.9%	£4,647,000
DfT Cycle City Ambition Grant (CCAG)	£4,094,000	£1,740,000	42.5%	£3,700,000
WY Cycling and Walking Fund	£1,121,000	£271,118	24.2%	£1,304,022
DfT Cycle Safety Fund Grant	£0	£0	0.0%	£1,470,000
Ultra Low Emission Vehicles	£1,027,000	£14,978	1.5%	£215,000
DfT Clean Vehicle Technology	£0	£73,930	0.0%	£73,930
WY Broadband Programme	£3,646,000	£2,084,817	57.2%	£3,262,205
Growing Places Fund	£4,550,000	£1,000,000	22.0%	£1,350,000
WYCA Corporate Projects	£5,300,000	£70,531	1.3%	£1,735,000
Warm Homes	£0	£172,070	0.0%	£1,369,000
<b>Total</b>	<b>£194,838,000</b>	<b>£52,978,241</b>	<b>27.2%</b>	<b>£164,346,280</b>

Note: Three programmes: Pothole Fund, Local Transport Plan and the Cycling and Walking Fund are forecast to spend more in 2018/19 than originally forecast, this is because the Pothole Fund received an additional allocation from the Department for Transport and the other two programmes are spending unspent funding from 2017/18. Warm Homes, Dft Cycle Safety Fund and DfT Clean Vehicle Technology are new programmes for which approval was received after the Combined Authority in February 2018.

- 2.2 The Portfolio Information Management System (PIMS) is now live, quarter 2 claims, monitoring and progress for the Growth Deal have been processed and reported through the system.
- 2.3 The Leeds Public Transport Investment Programme and City Connect will be the next programmes to be added to the system to allow claims and monitoring to be undertaken from quarter 3.

## Growth Deal

### Expenditure

- 2.4 Table 2 below details expenditure on the Growth Deal programme in quarter 2 2018/19.

Table 2

	Target spend 2018/19	Spend to end of quarter 2 2018/19	% of 2018/19 target	Total actual & forecast spend
Priority 1 - Business	£6,678,461	£2,426,529	36.3%	£6,307,353
Priority 2 - Skills Capital	£15,619,301	£8,815,158	56.4%	£15,619,301
Priority 3 - Environmental Infrastructure	£2,182,145	£749,709	34.3%	£6,182,145
Priority 4a - Housing and Regeneration	£6,326,179	£1,199	0.0%	£3,044,378
Priority 4b - West Yorkshire plus Transport Fund	£61,197,162	£13,244,888	21.1%	£51,656,458
Priority 4c - Flood Resilience	£2,618,348	£0	0.0%	£1,975,240
Priority 4d - Enterprise Zones	£5,400,000	£0	0.0%	£4,700,000
Combined Authority Delivery Costs	£2,000,000	£0	0.0%	£2,000,000
<b>Total</b>	<b>£102,021,596</b>	<b>£25,237,483</b>	<b>24.4%</b>	<b>£91,484,875</b>

- 2.5 The dashboard, produced through PIMS, summarising expenditure for the Growth Deal projects including the West Yorkshire plus Transport Fund is attached as **Appendix 1**. A further dashboard which details performance on projects is currently being reviewed with partner councils and will be reported from quarter 3. The deadline for turnaround of claims received to reporting of the Investment Committee has been very tight consequently the full range of report options available through PIMS has not fully been investigated. Further report options will be reviewed and submitted for consideration by the Investment Committee following quarter 3 monitoring.

### Performance

- 2.6 Outputs, benefits and progress are now reported through PIMS. A full update on performance will be provided at quarter 3. The current achievement of the programme are as follows:

<b>Output</b>	<b>Target (includes Growth Deals 1, 2 and 3)</b>	<b>Achieved as at September 2018</b>	<b>%</b>
New jobs	19,595	5,633	28.75%
Jobs safeguarded (flood resilience programme)	11,100	22,000	198.20%
Houses	2,300	254	11.04%
Public / private investment (match funding)	£1,031,000,000	£397,449,776	38.55%

### **Programme Expenditure Risk and Mitigation**

2.7 Various risks relating to possible underspend has been identified and was reported to the Investment Committee on 5 September 2018. The risks related to:

- Projects where approval is awaited before spend can be recorded totalled £15.38 million in the September update, this has now reduced to £13.91 million. Whilst some of the approval dates for individual projects have been put back projects continue to progress through the assurance process and the majority are expected to be approved before year end.
- The amount of additional spend required to achieve the target identified as pipeline spend was report to the last in September as £21.71 million has now reduced to £13.85 million.

The total risk has reduced and is anticipated to drop further as programme activity progresses.

2.8 The Investment Committee agreed actions to mitigate against this risk which have been implemented where possible. The following provides an update of progress:

- Acceleration of delivery where contracts have been let. Currently options on a number of projects are being explored totalling between £8 million and £13 million, this would address the current identified gap in achievement of programme target spend (£102.08 million).
- Inclusion of call for projects in Growth Deal. All projects are being included within the Growth Deal as they progress through the assurance process, however it currently appears unlikely that there will be significant expenditure on these projects in 2018/19. Three projects: the Institute for High Speed Rail (full business case), Leeds Inland Port (outline business case) and Wakefield City Centre South East Gateway (full business case) are currently progressing through the assurance process. The business cases for the remaining projects within the call for projects are currently being developed.
- Transport Fund stretch targets. Consultation has been undertaken with each partner council on the

possibility of accelerating expenditure against approved Transport Fund spend. Current forecasts suggest that this could accelerate spending by up to £3 million.

### **Over-programming**

2.9 At the Investment Committee workshop on 5 June 2018 members considered a report on over-programming. It was agreed that a recommendation would be made to the Combined Authority to borrow, if required, up to £90 million to allow over-programming of the Growth Deal (above currently agreed borrowing on the Transport Fund) to fund projects identified in the call for projects undertaken in 2017 (this was approved by the Combined Authority at its meeting on 28 June 2018). The workshop also considered that some existing projects may have the capacity to deliver increased outputs if an increased spend allocation was provided by 2020/21. It agreed that it would be appropriate to consider that where projects can prove ongoing demand and increased realisation of benefits to over-programme on a case by case basis. An evaluation will be need to be undertaken of each project to establish viability to over-programme taking into consideration the creation of additional new jobs and homes built.

2.10 Two existing projects have so far identified the ability to deliver increased outputs if an increased allocation of funding can be agreed, these are:

- **Business Growth Programme**

The Business Growth Programme (BGP) provides grants of £10,000 to £250,000 to SME's in the Leeds City Region for capital development leading to creation of jobs or productivity improvements. This project has a total approval of £27 million through the Growth Deal, the majority of this has now been committed.

This BGP is seeking a further £7 million which will allow the project to continue to commit grants to SMEs for at least a further year to September 2020. The project will then need to close to applications but grants will be able to be claimed and paid out until the closure of the Growth Deal in March 2021. Up to quarter 2 2018/19 the project achieved 4,859 jobs created, 65 apprenticeships supported, 589 businesses assisted and £280.25 million of match funding. **The additional funding will provide an additional 600 jobs created, £30 million of private sector match and 150 to 200 additional businesses assisted.**

- **Resource Efficiency Fund**

The REF is a key initiative under Priority 3 of the Strategic Economic Plan. The existing scheme provides free resource efficiency assessments and potential capital grant funding for resource efficiency work for SME's in the Leeds City Region. The current project, which is funded through £1.14 million of European Regional Development Funding (ERDF) match funded with £720,000 from the Growth Deal, is due to end in October 2019 at which point there will be no further

support available through the Combined Authority for resource efficiency related activity.

It is proposed that this project should be extended through a further application for ERDF of £2 million allowing the project to continue until 2022. The project is seeking an additional £753,085 of Growth Deal funding to match fund the application for ERDF. **The new project will provide support to a further 300 businesses and help to safeguard jobs through improving business efficiency.** The project will also provide ERDF and private match funding towards the Growth Deal match funding targets. The current programme has provided carbon emissions savings 1,835 tonnes of CO2 per year, saving businesses 6 million kwh or energy and a cash saving on £464,126 per year.

- 2.11 The Investment Committee is requested to recommend to the Combined Authority that these two projects should come forward for additional Growth Deal monies to be funded through over-programming, subject to approval through the assurance process. The main purpose of allowing over-programming on these two projects is not to over-spend against the programme but to compensate for other areas of the programme that are likely to underspend. However there is a risk of overspend that has previously been considered, the Combined Authority agreed that borrowing of up to £90 million would be available to address this. The funding for these two projects will be managed within this figure.

### **Corporate Projects**

- 2.12 Whilst the progress of the Growth Deal programme is reported at each Investment Committee updates on the implementation of other funding programmes are reported on a rotating basis or where specific issues arise. The following provides an update on the progress made in implementing the Corporate Projects.
- 2.13 Work is continuing on the Wellington House office accommodation project following approval by the Combined Authority in June 2018 for the project to proceed through decision point 3 and commence development of the full business case.
- 2.14 The project is seeking to address a number of fundamental building condition issues, enhance accessibility and improve the overall standard of the office accommodation. A key objective of the project is to provide a working environment which facilitates flexible working practices, to reflect the changing culture of the organisation and support partnership working.
- 2.15 The planning application for the physical refurbishment works to Wellington House was submitted in early October and a planning decision is expected by 7 December. It is currently anticipated that the procurement process for a contractor to undertake the physical refurbishment works will commence in November 2018, with a successful tenderer appointed in February/March 2019 subject to approval of the final business case for the project. The physical refurbishment works are then scheduled to commence from April 2019.

- 2.16 Work is also continuing on the development of the Combined Authority's Corporate Technology Programme which is seeking to modernise current ICT systems and enable the organisation to become 'digital first.'
- 2.17 The programme includes a range of critical ICT projects including the improvement of ICT infrastructure, provision of updated operating systems, hardware to enable more flexible working practices and projects to deliver digital transformation of internal and external services.
- 2.18 A Lead Delivery Partner (Bramble Hub) was appointed in September 2018 to work in partnership with the Combined Authority in delivering the Corporate Technology Programme. The Partner will be responsible for coordinating the delivery of key elements of the programme and brings significant expertise, both in terms of the latest ICT technology and business change processes.

### **3. Financial Implications**

- 3.1 Financial implications are set out within the report.

### **4. Legal Implications**

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

### **5. Staffing Implications**

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

### **6. External Consultees**

- 6.1 No external consultations have been undertaken.

### **7. Recommendations**

- 7.1 It is recommended that the Investment Committee:
- Notes the progress made in implementing the Combined Authority Capital Programme;
  - Recommends to the Combined Authority the approval in principle of additional funding from over-programming for the Business Growth Programme and the Resource Efficiency Fund subject to the appraisal of the additional funding requirements through the assurance process.

### **8. Background Documents**

- 8.1 None.

### **9. Appendices**

Appendix 1 – Growth Deal Financial Dashboard

Growth Deal financial dashboard

Figures accurate up to: September 2018

2018/19 Target	£102,021,595	Actual	£25,237,483
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SEP Priority	Project Name	Indicative Funding	Full Funding Approval	Actual Spend 2015/16	Actual Spend 2016/17	Actual Spend 2017/18	Agreed Annual Forecast 2018/19	Actual Spend 2018/19	Forecast Spend 2018/19	Actual & Forecast Total Spend 2018/19	2019/20 Forecast	2020/21 Forecast	Total to 2020/21	
	Growth Deal Programme Delivery Costs			£314,131	£750,465	£2,079,080	£2,000,000	£0	£2,000,000	£2,000,000	£2,000,000	£0	£7,143,675	
	<b>Growth Deal Programme Delivery Costs Total</b>	<b>£0</b>	<b>£0</b>	<b>£314,131</b>	<b>£750,465</b>	<b>£2,079,080</b>	<b>£2,000,000</b>	<b>£0</b>	<b>£2,000,000</b>	<b>£2,000,000</b>	<b>£2,000,000</b>	<b>£0</b>	<b>£7,143,675</b>	
Priority 1 - Growing Business	Access to Capital Grants Programme	£15,700,000	£15,700,000	£0	£1,513,095	£4,964,840	£3,036,191	£1,925,659	£1,331,233	£3,256,892	£3,092,897	£2,872,276	£15,700,000	
	Business Expansion Fund - Digital Inward Investment Fund	£1,000,000	£1,000,000	£0	£0	£16,831	£159,532	£78	£150,000	£150,078	£411,756	£421,335	£1,000,000	
	Business Expansion Fund - Strategic Inward Investment Fund	£12,450,000	£12,450,000	£0	£0	£758,457	£944,876	£2,341	£777,191	£779,532	£5,360,260	£5,551,752	£12,450,000	
	Business Growth Programme	£27,000,000	£27,000,000	£6,660,742	£8,327,992	£3,913,816	£2,537,861	£498,451	£1,622,400	£2,120,851	£2,773,801	£3,202,799	£27,000,000	
	Huddersfield Incubation and Innovation Programme	£2,922,000	£2,922,000	£0	£0	£2,922,000	£0	£0	£0	£0	£0	£0	£2,922,000	
	Leeds University Innovation Centre	£3,000,000	£3,000,000	£0	£2,416,585	£583,415	£0	£0	£0	£0	£0	£0	£3,000,000	
	<b>Priority 1 - Growing Business Total</b>	<b>£62,072,000</b>	<b>£62,072,000</b>	<b>£6,660,742</b>	<b>£12,257,672</b>	<b>£13,159,358</b>	<b>£6,678,460</b>	<b>£2,426,529</b>	<b>£3,880,824</b>	<b>£6,307,353</b>	<b>£11,638,714</b>	<b>£12,048,161</b>	<b>£62,072,000</b>	
Priority 2 - Skilled People and Better Jobs	Bradford College	£250,000	£250,000	£0	£250,000	£0	£0	£0	£0	£0	£0	£0	£250,000	
	Calderdale College	£4,977,000	£4,977,000	£2,000,000	£2,977,000	£0	£0	£0	£0	£0	£0	£0	£4,977,000	
	Kirklees College, Dewsbury Learning Quarter	£11,121,218	£15,121,218	£0	£3,367,457	£6,429,128	£0	£0	£0	£0	£657,524	£667,110	£11,121,218	
	Kirklees College, Process Manufacturing Centre	£3,100,996	£3,100,996	£3,000,996	£100,001	£0	£0	£0	£0	£0	£0	£0	£3,100,997	
	Leeds City College, Printworks	£8,998,358	£8,998,358	£933,800	£7,794,608	£269,950	£0	£0	£0	£0	£0	£0	£8,998,358	
	Leeds City College, Quarry Hill	£33,400,000	£33,400,000	£0	£10,045,152	£15,585,878	£7,768,970	£3,785,979	£3,982,991	£7,768,970	£0	£0	£33,400,000	
	Leeds College of Building	£11,900,000	£14,000,000	£0	£1,263,639	£2,786,030	£7,850,331	£5,029,179	£2,821,152	£7,850,331	£0	£0	£11,900,000	
	Selby College	£693,748	£693,748	£0	£693,748	£0	£0	£0	£0	£0	£0	£0	£693,748	
	ShIPLEY College, Mill	£119,000	£119,000	£119,000	£0	£0	£0	£0	£0	£0	£0	£0	£119,000	
	ShIPLEY College, Salt Building	£300,000	£300,000	£0	£300,000	£0	£0	£0	£0	£0	£0	£0	£300,000	
	Wakefield College	£3,327,133	£3,327,133	£0	£3,327,133	£0	£0	£0	£0	£0	£0	£0	£3,327,133	
	<b>Priority 2 - Skilled People and Better Jobs Total</b>	<b>£78,187,453</b>	<b>£84,287,453</b>	<b>£6,053,796</b>	<b>£30,118,737</b>	<b>£25,070,985</b>	<b>£15,619,301</b>	<b>£8,815,158</b>	<b>£6,804,143</b>	<b>£15,619,301</b>	<b>£657,524</b>	<b>£667,110</b>	<b>£78,187,454</b>	
Priority 3 - Clean Energy and Economic Resilience	Energy Accelerator	£820,000	£820,000	£165,992	£0	£0	£261,603	£0	£261,603	£261,603	£196,202	£196,203	£820,000	
	Leeds District Heat Network	£4,000,000	£4,000,000	£0	£0	£0	£0	£0	£4,000,000	£4,000,000	£0	£0	£4,000,000	
	Resource Efficiency Fund	£720,000	£720,000	£0	£0	£293,355	£322,742	£229,432	£93,310	£322,742	£103,903	£0	£720,000	
	Tackling Fuel Poverty	£6,000,000	£6,000,000	£0	£781,414	£2,857,882	£1,597,800	£520,277	£1,077,523	£1,597,800	£762,903	£0	£6,000,000	
	<b>Priority 3 - Clean Energy and Economic Resilience Total</b>	<b>£11,540,000</b>	<b>£11,540,000</b>	<b>£165,992</b>	<b>£781,414</b>	<b>£3,151,237</b>	<b>£2,182,145</b>	<b>£749,709</b>	<b>£5,432,436</b>	<b>£6,182,145</b>	<b>£1,063,009</b>	<b>£196,203</b>	<b>£11,540,000</b>	
Priority 4a - Housing and Regeneration	Barnsley Town Centre	£1,757,000	£1,757,000	£1,757,000	£0	£0	£0	£0	£0	£0	£0	£0	£1,757,000	
	Bradford Odeon	£325,000	£325,000	£0	£0	£0	£325,000	£0	£325,000	£325,000	£0	£0	£325,000	
	Bradford, One City Park	£5,200,000	£5,200,000	£400,000	£0	£0	£0	£0	£0	£0	£500,000	£4,300,000	£5,200,000	
	Dewsbury Riverside	£4,600,000	£0	£0	£0	£0	£0	£0	£0	£0	£1,773,000	£2,747,000	£4,520,000	
	East Leeds Housing Growth - Brownfield Sites	£1,100,000	£1,100,000	£0	£1,100,000	£0	£0	£0	£0	£0	£0	£0	£1,100,000	
	East Leeds Housing Growth - Red Hall	£4,000,000	£4,000,000	£2,000,000	£2,000,000	£0	£0	£0	£0	£0	£0	£0	£4,000,000	
	Halifax Town Centre (Northgate House)	£3,000,000	£300,000	£300,000	£0	£0	£1,000,000	£0	£1,000,000	£1,000,000	£1,700,000	£0	£3,000,000	
	Halifax, Beech Hill	£2,197,000	£1,400,000	£0	£0	£0	£619,179	£0	£619,179	£619,179	£1,577,821	£0	£2,197,000	
	Kirklees Housing Sites	£1,000,000	£1,000,000	£200,000	£205,000	£104,000	£191,000	£0	£100,000	£100,000	£100,000	£291,000	£1,000,000	
	Kirklees, Forge Lane	£0	£4,620,000	£0	£0	£0	£720,000	£0	£0	£0	£0	£0	£0	
	Leeds, Bath Road	£575,000	£575,000	£575,000	£0	£0	£0	£0	£0	£0	£0	£0	£575,000	
	New Bolton Woods	£3,600,000	£3,600,000	£0	£0	£3,000,000	£0	£0	£600,000	£600,000	£0	£0	£3,600,000	
	Wakefield Civic Quarter	£1,100,000	£1,100,000	£0	£0	£1,054,488	£5,000	£1,199	£0	£1,199	£5,050	£0	£1,060,737	
	York Central	£2,550,000	£2,550,000	£0	£1,421,500	£1,128,500	£0	£0	£0	£0	£0	£0	£2,550,000	
	York Guildhall	£2,347,500	£2,347,500	£0	£791,500	£603,000	£250,000	£0	£0	£0	£953,000	£0	£2,347,500	
	Priority 4a - Balance of Funding			£0	£0	£0	£3,216,000	£0	£399,000	£399,000	£399,000	£2,024,000	£873,135	£3,296,135
		<b>Priority 4a - Housing and Regeneration Total</b>	<b>£33,351,500</b>	<b>£29,874,500</b>	<b>£5,232,000</b>	<b>£5,518,000</b>	<b>£5,889,988</b>	<b>£6,326,179</b>	<b>£1,199</b>	<b>£3,043,179</b>	<b>£3,044,378</b>	<b>£8,632,870</b>	<b>£8,211,135</b>	<b>£36,528,372</b>
Priority 4b - Transport	A6110 Leeds Outer Ring Road	£17,800,000	£268,000	£0	£0	£4,271	£99,000	£9	£98,991	£99,000	£0	£17,696,729	£17,800,000	
	A62 and A644 Corridors Incorporating Cooper Bridge	£69,270,000	£750,000	£110,000	£15,000	£31,735	£600,000	£117,226	£189,192	£306,418	£5,600,000	£18,000,000	£24,063,153	
	A62 and A644 Corridors Incorporating Cooper Bridge (Combined Authority)	£0	£0	£-110,000	£-15,000	£500,000	£0	£0	£0	£0	£0	£0	£375,000	
	A629 (Phase 1A) - Jubilee Road to Free School Lane	£8,354,954	£8,354,954	£163,469	£1,442,043	£4,267,252	£1,492,010	£1,217,664	£837,991	£2,055,655	£0	£0	£7,928,419	
	A629 (Phase 1A) - Jubilee Road to Free School Lane (Combined Authority)	£0	£0	£0	£0	£256,000	£0	£0	£0	£0	£0	£0	£256,000	
	A629 (Phase 1B) - Elland Wood Bottom to Jubilee Road	£18,900,000	£5,670,394	£0	£215,969	£609,740	£1,643,233	£892,435	£841,630	£1,734,065	£2,000,000	£10,000,000	£14,559,774	
	A629 (Phase 2) - Eastern Gateway and Station Access Improvements	£40,930,000	£2,615,000	£0	£334,553	£1,208,078	£1,541,388	£472,039	£1,145,894	£1,617,933	£3,500,000	£16,040,436	£22,701,000	
	A629 (Phase 2) - Eastern Gateway and Station Access Improvements (Combined Authority)	£0	£0	£0	£0	£24,136	£0	£4,000	£0	£4,000	£0	£0	£28,136	
	A629 (Phase 4) - Ainley Top	£30,000,000	£645,000	£0	£51,736	£62,724	£388,839	£193,494	£204,646	£398,140	£500,000	£750,000	£1,762,600	
	A629 (Phase 5) - Ainley Top into Huddersfield	£12,090,000	£4,418,000	£52,000	£48,000	£250,762	£800,000	£562,312	£730,925	£1,293,237	£3,167,093	£5,372,349	£10,183,441	
	A629 (Phase 5) - Ainley Top into Huddersfield (Combined Authority)	£0	£0	£0	£0	£2,605	£0	£0	£0	£0	£0	£0	£2,605	
	A641 Bradford - Huddersfield Corridor	£52,400,000	£730,000	£0	£60,829	£68,572	£322,813	£44,781	£251,618	£296,399	£450,000	£500,000	£1,375,800	
	A65 - Leeds Bradford International Airport Link Road	£35,700,000	£1,785,000	£8,688	£266,812	£365,849	£667,000	£155,184	£244,816	£400,000	£1,330,477	£950,000	£3,321,826	
	A650 Hard Ings Road (Phase 1) - Hard Ings Road Only	£10,250,000	£1,142,000	£124,000	£304,308	£437,533	£1,937,343	£140,582	£2,580,184	£2,720,766	£4,440,256	£1,949,362	£9,976,225	
	A650 Hard Ings Road (Phase 1) - Hard Ings Road Only (Combined Authority)	£0	£0	£-124,000	£-304,308	£568,308	£0	£0	£0	£0	£0	£0	£0	
	A650 Tong Street	£12,500,000	£185,000	£0	£40,620	£83,783	£388,365	£27,505	£51,134	£78,639	£616,064	£1,020,461	£1,839,567	
	A653 Leeds to Dewsbury Corridor	£12,510,000	£210,000	£0	£59,261	£30,614	£140,000	£22,624	£51,999	£74,623	£1,000,000	£10,500,000	£11,664,498	
	A653 Leeds to Dewsbury Corridor (Combined Authority)	£0	£0	£0	£0	£9,588	£0	£0	£0	£12,908	£0	£0	£22,496	
	Aire Valley, Leeds Integrated Transport Package (Phase 1) - Aire Valley Park and Ride	£9,597,000	£9,597,000	£236,672	£5,950,650	£1,980,169	£175,000	£49,970	£100,030	£150,000	£25,000	£0	£8,342,491	
	Aire Valley, Leeds Integrated Transport Package (Phase 1) - Aire Valley Park and Ride (Combined Authority)	£0	£0	£-40,492	£0	£644,065	£0	£0	£0	£0	£0	£0	£603,573	
	Bradford Forster Square Station Gateway	£17,311,000	£3,671,314	£0	£125,484	£98,022	£830,360	£14,705	£443,920	£458,625	£800,000	£15,713,869	£17,196,000	
	Bradford Forster Square Station Gateway (Combined Authority)	£0	£0	£0	£0	£25,019	£0	£0	£0	£0	£0	£0	£25,019	
	Bradford Interchange Station Gateway (Phase 1)	£5,650,000	£180,000	£25,000	£20,838	£117,558	£124,360	£16,604	£102,431	£119,035	£200,000	£309,965	£792,396	
	Bradford Interchange Station Gateway (Phase 2)	£512,000	£512,000	£0	£0	£6,279	£360,210	£7,431	£338,852	£346,283	£159,438	£0	£512,000	
	Bradford to Shipley Corridor	£47,900,000	£1,597,000	£30,000	£5,011	£524,541	£653,285	£276,646	£456,607					



SEP Priority	Project Name	Indicative Funding	Full Funding Approval	Actual Spend 2015/16	Actual Spend 2016/17	Actual Spend 2017/18	Agreed Annual Forecast 2018/19	Actual Spend 2018/19	Forecast Spend 2018/19	Actual & Forecast Total Spend 2018/19	2019/20 Forecast	2020/21 Forecast	Total to 2020/21	
Priority 4b - West Yorkshire + Transport Fund	Corridor Improvement Programme - Bradford, A6177 Thornton Road - Toller Lane (10) (Combined Authority)	£0	£0	£0	£0	£0	£0	£37,196	£0	£37,196	£0	£0	£37,196	
	Corridor Improvement Programme - Calderdale, A58 - A672 Corridor	£6,024,000	£941,665	£0	£0	£90,865	£99,501	£33,450	£313,685	£347,135	£1,553,000	£4,033,000	£6,024,000	
	Corridor Improvement Programme - Calderdale, A58 - A672 Corridor (Combined Authority)	£0	£0	£0	£0	£7,227	£0	£0	£0	£0	£0	£0	£7,227	
	Corridor Improvement Programme - Calderdale, A646 - A6033 Corridor	£5,092,000	£789,581	£0	£0	£76,325	£84,555	£29,960	£266,215	£296,175	£2,409,500	£2,310,000	£5,092,000	
	Corridor Improvement Programme - Calderdale, A646 - A6033 Corridor (Combined Authority)	£0	£0	£0	£0	£7,227	£0	£0	£0	£0	£0	£0	£7,227	
	Corridor Improvement Programme - Kirklees, A62 Smart Corridor	£7,906,000	£250,000	£0	£0	£125,232	£430,000	£110,365	£156,280	£266,645	£7,514,123	£0	£0	£7,906,000
	Corridor Improvement Programme - Kirklees, A62 Smart Corridor (Combined Authority)	£0	£0	£0	£0	£6,232	£0	£0	£0	£0	£0	£0	£0	£6,232
	Corridor Improvement Programme - Kirklees, Holmfirth Town Centre	£4,900,000	£250,000	£0	£0	£99,358	£161,500	£21,133	£212,500	£233,633	£718,000	£3,849,009	£4,900,000	
	Corridor Improvement Programme - Kirklees, Huddersfield Southern Gateways	£8,200,000	£300,000	£0	£0	£167,206	£225,000	£37,223	£115,000	£152,223	£1,192,000	£5,700,000	£7,211,429	
	Corridor Improvement Programme - Leeds, Dawsons Corner	£15,000,000	£1,008,000	£0	£0	£243,698	£710,000	£236,524	£163,476	£400,000	£6,598,302	£5,876,000	£13,118,000	
	Corridor Improvement Programme - Leeds, Dyneley Arms	£8,000,000	£402,000	£0	£0	£127,438	£550,000	£109,869	£140,131	£250,000	£1,525,400	£6,000,000	£7,902,838	
	Corridor Improvement Programme - Leeds, Fink Hill	£950,000	£115,000	£0	£0	£105,529	£215,000	£9,471	£90,529	£100,000	£744,471	£0	£0	£950,000
	Corridor Improvement Programme - Wakefield, A650 Newton Bar	£4,230,000	£75,000	£0	£0	£39,259	£161,160	£28,935	£123,846	£152,780	£2,331,600	£1,702,361	£4,226,000	
	Corridor Improvement Programme - Wakefield, A650 Newton Bar (Combined Authority)	£0	£0	£0	£0	£0	£0	£15,973	£0	£15,973	£0	£0	£0	£15,973
	Corridor Improvement Programme - Wakefield, Owl Lane	£2,561,000	£75,000	£0	£0	£5,516	£173,120	£16,756	£52,728	£69,484	£135,620	£1,920,557	£2,131,177	
	Corridor Improvement Programme (Phase 1)	£0	£408,000	£0	£0	£8,200	£100,000	£0	£100,000	£100,000	£100,000	£316,000	£524,200	
	Glasshoughton Southern Link Road	£6,388,000	£733,000	£80,000	£0	£441,104	£505,000	£126,025	£251,100	£377,126	£4,652,618	£1,769,116	£7,319,963	
	Halifax Station Gateway	£10,600,000	£1,108,000	£156,738	£44,171	£63,055	£470,784	£185,346	£268,892	£454,238	£500,000	£750,000	£1,968,202	
	Harrogate Road - New Line (Combined Authority)	£0	£0	£-52,000	£0	£221,717	£0	£0	£0	£0	£0	£0	£0	£169,717
	Harrogate Road - New Line	£6,765,000	£1,885,000	£146,399	£15,601	£991,436	£412,440	£432,283	£65,499	£497,782	£2,439,000	£2,489,732	£6,579,950	
	Huddersfield Station Gateway	£5,000,000	£165,000	£0	£22,385	£0	£100,000	£2,937	£105,000	£107,937	£700,000	£4,322,308	£5,152,630	
	Huddersfield Station Gateway (Combined Authority)	£0	£0	£27,615	£0	£2,630	£0	£0	£0	£0	£0	£0	£0	£30,245
	Leeds City Centre Network and Interchange Package	£66,800,000	£3,774,000	£31,337	£278,000	£468,289	£643,000	£244,603	£355,397	£600,000	£1,396,258	£6,492,964	£9,266,848	
	Leeds ELOR and North Leeds Outer Ring Road	£82,980,000	£25,856,000	£929,199	£1,554,106	£8,297,375	£5,700,000	£2,932,524	£3,465,326	£6,397,850	£20,000,000	£31,103,710	£68,282,240	
	Leeds ELOR and North Leeds Outer Ring Road (Combined Authority)	£0	£0	£-140,000	£0	£1,169,320	£0	£0	£0	£0	£0	£0	£0	£1,029,320
	Leeds Station Gateway - Leeds Integrated Station Masterplan	£400,000	£400,000	£0	£54,468	£117,583	£203,860	£0	£200,000	£200,000	£27,949	£0	£0	£400,000
	Leeds Station Gateway - New Station Street	£2,120,000	£729,000	£0	£41,036	£103,144	£1,446,820	£0	£581,222	£581,222	£1,394,598	£0	£0	£2,120,000
	M62 Junction 24A	£18,510,000	£70,000	£0	£12,976	£31,370	£15,500	£0	£15,500	£15,500	£0	£0	£0	£59,846
	Rail Parking Package - Apperley Bridge	£1,200,000	£113,100	£0	£0	£0	£113,000	£0	£40,000	£40,000	£423,100	£736,900	£1,200,000	
	Rail Parking Package - Ben Rhydding	£2,100,537	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	Rail Parking Package - Fitzwilliam	£701,204	£701,204	£0	£28,210	£416,863	£108,461	£47,425	£0	£47,425	£208,706	£0	£0	£701,204
	Rail Parking Package - Fitzwilliam (Combined Authority)	£0	£0	£0	£-12,672	£0	£0	£0	£0	£0	£0	£0	£0	£-12,672
	Rail Parking Package - Garforth	£825,000	£45,000	£0	£0	£0	£440,000	£0	£45,000	£45,000	£780,000	£0	£0	£825,000
	Rail Parking Package - Guiseley	£7,000,000	£143,000	£0	£0	£0	£143,000	£0	£20,000	£20,000	£623,000	£6,357,000	£7,000,000	
	Rail Parking Package - Hebden Bridge	£754,445	£754,445	£0	£0	£14,000	£631,000	£0	£214,000	£214,000	£526,445	£0	£0	£754,445
	Rail Parking Package - Knottingley	£0	£0	£0	£0	£0	£1,474,000	£0	£0	£0	£0	£0	£0	£0
	Rail Parking Package - Mirfield A	£308,863	£308,863	£0	£0	£0	£298,863	£170,000	£138,863	£308,863	£0	£0	£0	£308,863
	Rail Parking Package - Mirfield B	£1,300,000	£0	£0	£0	£0	£100,000	£0	£0	£0	£0	£0	£0	£0
	Rail Parking Package - Moorthorpe	£1,100,000	£110,500	£0	£0	£0	£110,500	£0	£110,500	£110,500	£989,500	£0	£0	£1,100,000
	Rail Parking Package - Morley	£2,600,000	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	Rail Parking Package - Mytholmroyd	£3,640,000	£0	£0	£0	£0	£1,040,000	£0	£50,000	£50,000	£3,590,000	£0	£0	£3,640,000
	Rail Parking Package - Normanton	£1,440,000	£0	£0	£0	£0	£340,000	£0	£0	£0	£0	£1,440,000	£0	£1,440,000
	Rail Parking Package - Outwood	£1,100,000	£110,500	£0	£0	£0	£110,500	£8,895	£10,000	£18,895	£391,605	£689,500	£1,100,000	
	Rail Parking Package - Shipley	£2,550,000	£0	£0	£0	£0	£0	£0	£0	£0	£0	£2,550,000	£0	£2,550,000
	Rail Parking Package - South Elmsall	£670,000	£670,000	£0	£120,000	£484,604	£5,000	£0	£25,396	£25,396	£0	£0	£0	£630,000
	Rail Parking Package - Steeton and Silsden	£2,530,000	£897,000	£0	£0	£0	£0	£0	£100,000	£100,000	£2,430,000	£0	£0	£2,530,000
	Rail Parking Package (Phase 1)	£0	£1,161,306	£108,336	£409,181	£395,796	£160,000	£26,240	£162,846	£189,085	£0	£0	£0	£1,102,398
	Rail Parking Package (Phase 2)	£0	£138,000	£0	£137,997	£0	£0	£0	£0	£0	£0	£0	£0	£137,997
	South East Bradford Access Road	£46,310,000	£91,000	£0	£0	£25,259	£623,640	£30,350	£233,298	£263,648	£1,665,000	£1,000,000	£2,953,907	
	South East Bradford Access Road (Combined Authority)	£0	£0	£0	£0	£30,782	£0	£21,841	£0	£21,841	£0	£0	£0	£52,623
	Thorpe Park Station	£10,060,000	£500,000	£0	£3,382	£184,675	£156,998	£99,105	£38,614	£137,719	£174,224	£5,000,000	£5,500,000	
	Transformational - LCR Inclusive Growth Corridor Plans	£7,000,000	£2,395,000	£0	£0	£0	£0	£174,017	£0	£174,017	£0	£0	£0	£174,017
	Transformational - NE Calderdale Transformational Programme Study	£400,000	£400,000	£0	£0	£0	£0	£60,464	£145,000	£205,464	£194,536	£0	£0	£400,000
	Transformational - North Kirklees Orbital Route Feasibility Study	£248,000	£248,000	£0	£0	£0	£223,000	£39,647	£162,853	£202,500	£45,500	£0	£0	£248,000
	Transformational - North Kirklees Orbital Route Feasibility Study (Combined Authority)	£250,000	£248,000	£0	£0	£9,588	£0	£0	£0	£0	£0	£0	£0	£9,588
	Transformational - South Featherstone Link Road Feasibility Study	£284,000	£284,000	£0	£0	£40,689	£165,380	£30,763	£212,548	£243,311	£0	£0	£0	£284,000
	Transformational - South Featherstone Link Road Feasibility Study (Combined Authority)	£0	£0	£0	£0	£31,781	£0	£0	£52,985	£52,985	£0	£0	£0	£84,766
	Transformational - York Northern Outer Ring Road Dualling Feasibility Study	£295,000	£295,000	£0	£0	£10,000	£285,000	£54,783	£230,217	£285,000	£0	£0	£0	£295,000
	Wakefield City Centre Package (Phase 1) - Kirkgate	£5,556,000	£5,556,000	£0	£76,972	£3,746,336	£1,282,000	£1,544,569	£188,123	£1,732,692	£0	£0	£0	£5,556,000
	Wakefield City Centre Package (Phase 1) - Kirkgate (Combined Authority)	£0	£0	£-16,000	£0	£42,000	£0	£0	£0	£0	£0	£0	£0	£26,000
	Wakefield City Centre Package (Phase 2) - Ings Road	£3,452,000	£270,000	£0	£0	£27,437	£277,000	£9,026	£45,150	£54,176	£287,000	£2,443,567	£2,812,181	
	Wakefield City Centre Package (Phase 2) - Ings Road (Combined Authority)	£0	£0	£0	£0	£2,942	£0	£0	£0	£0	£0	£0	£0	£2,942
	Wakefield Eastern Relief Road	£37,593,000	£37,593,000	£15,284,765	£14,435,236	£3,239,685	£538,960	£517,302	£0	£517,302	£1,817,012	£0	£0	£35,294,000
	Wakefield Eastern Relief Road (Combined Authority)	£0	£0	£0	£0	£2,299,000	£0	£0	£0	£0	£0	£0	£0	£2,299,000
	West Yorkshire Integrated UTM	£7,490,000	£450,000	£0	£29,011	£78,817	£1,460,000	£81,224	£400,000	£481,224	£3,900,000	£2,900,000	£7,389,052	
	West Yorkshire Integrated UTM (Combined Authority)	£0	£0	£0	£-19,970	£70,231	£0	£2,884	£0	£2,884	£0	£0	£0	£53,145
	York Central Access Road and Station Access Improvements	£37,320,000	£2,100,000	£0	£0	£413,137	£1,524,000	£768,612	£1,220,376	£1,988,988	£15,740,000	£17,016,812	£35,158,937	
York Northern Outer Ring Road	£2,450,000	£2,450,000	£0	£0	£824,892	£4,232,000	£456,097	£819,680	£1,275,777	£227,556	£66,867	£2,395,092		
York Northern Outer Ring Road - Phase 1 (Wetherby Road)	£3,599,264	£3,599,264	£0	£0	£3,000,000	£0	£0	£553,764	£553,764	£45,500	£0	£0	£3,599,264	
York Northern Outer Ring Road - Phase 2 (Monks Cross)	£3,018,000	£0	£0	£0	£0	£0	£0	£1,175,058	£1,175,058	£1,842,942	£0	£0	£3,018,000	
York Northern Outer Ring Road - Phase 3	£29,212,736	£0	£0	£0	£0	£0	£0	£36,360	£36,360	£7,064,769	£12,410,788	£19,511,917		
West Yorkshire Plus Transport Fund Delivery			£1,654,577	£1,652,280	£-870,902	£0	£0	£1,377,675	£1,377					



SEP Priority	Project Name	Indicative Funding	Full Funding Approval	Actual Spend 2015/16	Actual Spend 2016/17	Actual Spend 2017/18	Agreed Annual Forecast 2018/19	Actual Spend 2018/19	Forecast Spend 2018/19	Actual & Forecast Total Spend 2018/19	2019/20 Forecast	2020/21 Forecast	Total to 2020/21
	Natural Flood Alleviation - Wyke Beck	£2,600,000	£975,000	£0	£0	£317,652	£2,282,348	£0	£1,821,905	£1,821,905	£460,443	£0	£2,600,000
	Priority 4c - Balance of Funding			£0	£0	£0	£0	£0	£0	£0	£2,949,019	£4,942,498	£7,891,518
	<b>Priority 4c - Economic Resilience Programme Total</b>	<b>£12,086,981</b>	<b>£9,206,981</b>	<b>£0</b>	<b>£7,786,981</b>	<b>£317,652</b>	<b>£2,618,348</b>	<b>£0</b>	<b>£1,975,240</b>	<b>£1,975,240</b>	<b>£4,460,589</b>	<b>£5,438,037</b>	<b>£19,978,499</b>
Priority 4d - Enterprise Zone Development	Aire Valley Enterprise Zone	£4,400,000	£0	£0	£0	£0	£4,400,000	£0	£4,400,000	£4,400,000	£0	£0	£4,400,000
	M62 Enterprise Zone	£15,600,000	£1,818,000	£0	£0	£0	£1,000,000	£0	£300,000	£300,000	£4,700,000	£10,600,000	£15,600,000
	<b>Priority 4d - Enterprise Zone Development Total</b>	<b>£20,000,000</b>	<b>£1,818,000</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£5,400,000</b>	<b>£0</b>	<b>£4,700,000</b>	<b>£4,700,000</b>	<b>£4,700,000</b>	<b>£10,600,000</b>	<b>£20,000,000</b>
	<b>Grand Total</b>	<b>£1,147,442,685</b>	<b>£343,780,772</b>	<b>£38,082,983</b>	<b>£84,745,759</b>	<b>£90,531,192</b>	<b>£102,021,595</b>	<b>£25,237,483</b>	<b>£66,247,392</b>	<b>£91,484,875</b>	<b>£114,453,408</b>	<b>£97,051,783</b>	<b>£516,350,000</b>

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**Report to:** West Yorkshire and York Investment Committee

**Date:** 7 November 2018

**Subject:** **Capital Spending and Project Approvals**

**Director:** Melanie Corcoran, Director of Delivery

**Author(s):** Craig Taylor / Cath Pinn

## 1 Purpose of this report

- 1.1 To put forward proposals for the progression of, and funding for, a number of West Yorkshire Combined Authority supported projects, including West Yorkshire plus Transport Fund (Transport Fund) and Growth Fund, for consideration by the Investment Committee at stages 1, 2 and 3 of the Combined Authority's assurance process.
- 1.2 This report presents proposals for the progression of 8 schemes through the Combined Authority's assurance process in line with the Leeds City Region Assurance Framework. These schemes have a total combined funding value of £114.411 million when fully approved, of which £79.565 million will be funded by the Combined Authority. A total expenditure recommendation to the value of £3.518 million 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.

Scheme	Scheme description	Decision sought
Project Lapwing Leeds	To bring forward an investment in the Leeds City Region, safeguarding 450 jobs and creating forecasted additional 400 new, skilled jobs at city region level. The project addresses Leeds City Region Strategic Economic Plan priorities including priority 2: skilled people, better jobs and priority 1: growing business.  The project's wider benefits include working with schools and/or colleges on tailored	Approval to proceed through decision point 2 and that work commences on activity 5 (full business case with finalised costs).  Total scheme value - £20-25 million.  Total value of the Combined Authority funding - £1 million.  Funding recommendation sought - £0.

	<p>training; providing career progression support to lower paid staff and work opportunities offered to local people with disabilities or health issues; green travel options offered to employees.</p>	
<p>A61S Bus Priority Corridor Leeds</p>	<p>Part of the Bus Priority Corridors package within the Leeds Public Transport Investment Programme (LPTIP) to address connectivity challenges the City Region faces, which is constraining growth associated with new housing and employment sites. The scheme supports delivery of Priority 4 'Infrastructure for Growth' of the Leeds City Region Strategic Economic Plan.</p> <p>To deliver a series of improvements along the A61 and A639 in South Leeds which will include extensive bus lane provision, bus priority, measures and junction improvements whilst also delivering improvements for those cycling and walking.</p> <p>The scheme's benefits to cost ratio (which has been adjusted to take into account the wider economic impacts of the scheme) is 1.5:1</p> <p>The scheme's wider social benefits include improved public health and quality of life through enhanced connectivity, reduced carbon emissions and facilities which make walking and cycling safer.</p>	<p>Approval to proceed through decision point 3 and work commences on activity 5 Full Business Case with Finalised Costs.</p> <p>Total value-£14.15 million</p> <p>Total value of Combined Authority funding- £14.15 million</p> <p>Funding recommendation sought - £0.</p>
<p>Stourton Park and Ride Leeds</p>	<p>Part of the Bus Park and Ride package within the Leeds Public Transport Investment Programme (LPTIP) to address connectivity challenges the City Region faces, which is constraining growth associated with new housing and employment sites. Up to 1,200 car parking places are</p>	<p>Approval to proceed through decision point 3 and work commences on activity 5 full business case with finalised costs.</p> <p>Total value - £30.1 million</p>

	<p>planned at this stage. The scheme supports delivery of Priority 4 'Infrastructure for growth' of the Leeds City Region Strategic Economic Plan.</p> <p>The benefit cost ratio is 1.8:1.</p> <p>The schemes wider social benefits include improved public health and quality of life through delivering better connectivity, reducing journey times, and reducing carbon emissions.</p>	<p>Total value of Combined Authority funding - £27.3 million</p> <p>Funding recommendation sought - £635,000.</p>
<p>Elland Road Park and Ride Phase 3 Leeds</p>	<p>Part of the Bus Park and Ride package within the Leeds Public Transport Investment Programme (LPTIP) to address connectivity challenges the City Region faces, which is constraining growth associated with new housing and employment sites. Up to 550 additional car parking places are planned at this stage. The scheme supports delivery of priority 4: infrastructure for growth of the Leeds City Region Strategic Economic Plan.</p> <p>The benefit cost ratio (is 2.6 (high value for money).</p> <p>The scheme's wider social benefits include improved public health and quality of life through delivering better connectivity, reducing journey times, and reducing car journeys and carbon emissions.</p>	<p>Approval to proceed through decision point 3 and work commences on Activity 5 (full business case with finalised costs).</p> <p>Total value - £5.75 million</p> <p>Total value of Combined Authority funding - £5.75 million</p> <p>Funding recommendation sought - £165,000.</p>
<p>Institute of High Speed Railways and System Integration – Phase 1 Leeds</p>	<p>A three phase scheme with the ambition of helping to unlock the full potential of high speed rail, nationally and globally. Phase 1 will create two initial world-leading test facilities for the new institute in Leeds. The scheme will contribute to the Strategic Economic Plan most specifically to priority 2: skilled people, better jobs.</p> <p>Phase 1 will be funded through the Combined</p>	<p>Approval for Phase 1 of the scheme to proceed beyond decision point 3 (outline business case) and work commence on activity 5 (full business case with finalised costs).</p> <p>Total value - £26.093 million</p> <p>Total value of Combined Authority funding - £13.047 million</p>

	<p>Authority's Local Growth Fund and University of Leeds match funding.</p> <p>The strategic case includes a high level value for money assessment which indicates that the project will offer good value for money. The benefits include leveraging in investment in the region contributing to job and gross value added increases and establishing an international reputation for Leeds City Region in the sector.</p>	Funding recommendation sought - £0
<p>Leeds Enterprise Zone Power Solution Leeds</p>	<p>Part of the wider Leeds City Region Enterprise Zone Programme, this scheme enables Northern Powergrid (the local energy supplier) to carry out upgrading and expansion of the existing infrastructure to provide an improved energy supply to the Leeds Enterprise Zone to allow the Zone to fully expand without the constraint of limited power supply. The Leeds City Region Strategic Economic Plan (SEP) 2016-2036 identifies the Leeds Enterprise Zone as a priority for growth and investment.</p> <p>The scheme will be fully funded by Local Growth Fund, however, scheme costs will be recouped in part from the developers.</p> <p>The high level cost benefit ratio calculation is 9:1, and the scheme (coupled with the wider development and subsequent occupation of the Enterprise Zone site) potentially provides £44.805 million in business rates income. The scheme represents good value for money at this stage.</p>	<p>Approval to proceed through decision point 4 (full business case) and work commences on activity 5 (full business case with finalised costs) subject to a full quote being received by Northern Power grid.</p> <p>Total indicative value - £5 million</p> <p>Total indicative value of Combined Authority Funding - £5 million</p> <p>Funding approval sought - £0</p>
<p>A650 Bradford to Keighley Corridor (Hard Ings) Bradford</p>	<p>Located at Hard Ings Road (A650), Keighley, the scheme will relieve traffic congestion through making on street improvements including road widening. The scheme will contribute to the</p>	<p>Approval to proceed through decision point 4 and work commences on activity 5 (full business case with finalised costs).</p> <p>Total value- £10.3 million</p>

	<p>Strategic Economic Plan priority 4: infrastructure for growth.</p> <p>The project has a benefit to cost ratio of 6:1 which is very high value for money at this stage.</p> <p>The wider social benefits include improved air quality and reduced journey times.</p>	<p>Total value of Combined Authority funding- £10.3 million</p> <p>Funding recommendation sought - £2.718 million</p>
<p>York Outer Ring Road Phase 2 (Monks Cross)</p> <p>York</p>	<p>Part of the York outer ring road improvement programme, phase 2 will deliver improvements to the roundabout at the junction of A1237, Monks Cross, and North Lane. The scheme will contribute to the Strategic Economic Plan priority 4: infrastructure for growth.</p> <p>To contribute to reduced congestion and journey times and provide wider benefits in the form of reducing accidents and improving local air quality.</p> <p>The scheme is funded by the West Yorkshire plus Transport Fund.</p> <p>Benefits are being measured at a programme level, however there will be localised benefits realised at this junction once improvement works are delivered.</p> <p>The wider social benefits include improved air quality and reduced journey times.</p>	<p>Approval to proceed through decision point 4 and work commences on activity 5 (full business case with finalised costs).</p> <p>Total value- £3.018 million (total programme £38.926 million)</p> <p>Total value of Combined Authority funding- £3.018 million (total programme £38.276 million)</p> <p>Funding Recommendation sought - £0</p>

1.3 This report also presents recommendations for the following schemes that have had change request reports assessed in line with the Combined Authority's assurance process. These schemes have a total funding of value of £47.740 million when fully approved, £47.740 million of which will be funded by the Combined Authority. A total expenditure recommendation to the value of £179,400 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.

Scheme	Scheme description	Decision sought
Rail Park and Ride Programme Phase 1	To extend free rail car parking and enhance	Activity 3 (outline business case) change request to the

West Yorkshire	<p>employment accessibility through the provision of additional car parking spaces; improve overall journey times through better access to the rail network and alleviate local streets from on-street parking by rail users.</p> <p>The scheme will contribute to the Strategic Economic Plan priority 4: infrastructure for growth.</p>	<p>programme proposing to re-programme site delivery as result of the feasibility work undertaken, re-baseline the programme tolerances and request further development funding.</p> <p>Total value- £30.5 million</p> <p>Total value of Combined Authority funding- £30.5 million</p> <p>Funding Recommendation sought - £150,000</p>
<p>Outwood Station Park and Ride</p> <p>Wakefield</p>	<p>A scheme within the Rail Park &amp; Ride Phase 1 programme to extend the existing car park and deliver over 100 additional spaces. The scheme will contribute to the Strategic Economic Plan priority 4: infrastructure for growth.</p> <p>The scheme is funded by the West Yorkshire plus Transport Fund.</p> <p>The scheme will improve connectivity with the main urban centres.</p>	<p>The change request is to extend the scope at Outwood Rail Station and include the provision of an access road. This includes an increase in development costs from £110,600 to £140,000 and an increase in construction costs of £400,000 from the original estimate of £1 million. As a result of these changes the scheme has now exceeded its defined tolerances.</p> <p>Total value- £1.54 million</p> <p>Total value of Combined Authority funding- £1.54 million</p> <p>Funding Recommendation sought - £29,400</p>
<p>Access to Capital Grants</p> <p>Leeds City Region</p>	<p>To provide capital grants to growing businesses to assist them with the purchase of new equipment and machinery, and to assist with the cost of fitting-out or refurbishing business premises.</p> <p>The scheme will contribute to the Strategic Economic Plan priority 1: growing businesses.</p>	<p>Activity 6 (delivery) change request to assign £1.75 million of the Local Growth Fund as match funding for the proposed extension of both Ad:Venture and Digital Enterprise schemes for, and authorise a bid for European Regional Development Funding by lead partner Leeds City Council and authorise Leeds City Council to manage both Ad:Venture and Digital Enterprise schemes, on behalf of the Combined Authority and for the benefit of the Leeds City Region.</p> <p>Total value: £15.7 million</p>



		<p>Total value of Combined Authority Funding - £15.7 million</p> <p>Funding recommendation sought - £0</p> <p>Change request – Approve assigning £1.75 million of the Local Growth Fund as match funding for an European Regional Development Fund (ERDF) bid for extension funding and authorise local partner council delivery</p>
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1.4 Since the Investment Committee’s meeting on 5th September, the following change requests and decision points have been assessed in line with the Combined Authority’s assurance process and approved through the agreed delegation to the Combined Authority’s Managing Director. Under the delegation a total expenditure of £9.978 million has been approved.

<b>Scheme</b>	<b>Scheme description</b>	<b>Decision</b>
Clean Bus Technology Fund scheme	The project will fund cleaner emission technology on approximately 30% of the existing bus fleet across West Yorkshire from the Department for Environment, Food and Rural Affairs (DEFRA) Clean Bus Technology Fund (CBTF) and the Leeds Public Transport Investment Programme (LPTIP).	Decision point 5 (full business case with finalised costs) for expenditure of total project value £6.088 million funded from the Department for Food and Rural Affairs Clean Bus Technology Fund, the Leeds Public Transport Investment Programme (LPTIP) and bus operator match funding and work commence on activity 6 (delivery).
West Yorkshire Urban Traffic Management Control project	The West Yorkshire Urban Traffic Management Control (UTMC) project aims to reduce the effects of congestion and the resulting costs to the local economy. The scheme aims to achieve this through securing efficiencies from and improvements to the various systems and technologies used across the region.	Decision point 4 (full business case) approval for indicative total project value of £7.490 million from the West Yorkshire plus Transport Fund and work starting on activity 5 (full business case with finalised costs).
ULEV Taxi scheme	The ULEV taxi scheme, funded by the Office for Low Emissions (OLEV) and Local Transport Fund (LTP), will install a minimum of 88 taxi only electric rapid charge point sites which will deliver	Decision point 5 (full business case with finalised costs) approval for expenditure of £3.18 million; authority to enter into a framework agreement with the preferred Electric

	reductions and nitrogen oxide emissions from taxis and associated improved local air quality across West Yorkshire.	Vehicle Charge Point supplier and funding agreements with West Yorkshire Partner Councils and work commence on activity 6 (delivery).
Natural Flood Management – Calder and Colne	The purpose of this scheme is to develop an “integrated flood risk reduction programme” to address the urgent need for greater resilience against flooding to protect and retain businesses and employment, and to maintain the transport network.	This change request is for, higher levels of match funding secured by the project required to be approved as the total project value tolerance of 10% at outline business case and 0% at full business case were exceeded
A629 Phase 1a & Monitoring/Evaluation	The A629 Halifax to Huddersfield corridor improvement scheme will enable Calderdale as the primary beneficiary to fulfil its growth ambition. Phase 1a concentrates on the A629 north of the Calder and Hebble junction, a junction which is widely acknowledged as Calderdale’s most significant congestion point.	This change request is for an additional £343,344 delivery costs and to re-allocate £39,812 of costs from the A629 Phase 1a post construction evaluation into the programme monitoring allocation.  This change request is within the tolerances defined for the programme
A629 Phase 2 (Halifax bus station)	This project also relates to the A629 Halifax to Huddersfield corridor improvement scheme. The delivery of a new bus station in Halifax is critical to the successful delivery of the A629 Phase 2 Halifax Town Centre highway infrastructure improvements to be realised through the programme.	This change request is for further development funding of £366,415, taking the total development costs to £2.981 million.  This is as a result of Calderdale Council now identifying their preferred bus station option  This change request is within the tolerances defined for the programme
Kirklees College Process Manufacturing Centre	A new build and fit out of 975 m2 (gross internal area) of space to create a new learning facility providing specialist training in process manufacturing and process control.  The scheme objective was to develop a world-class learning facility (National College) for the Leeds City Region in the Advanced	Approval of the project closure report for the scheme to proceed through Decision Point 7 and for work to continue on Benefits Realisation.  The project has met the key deliverables of a new build and fit out of 975 m2 (gross internal area) of space to create a new learning facility providing specialist training in process manufacturing

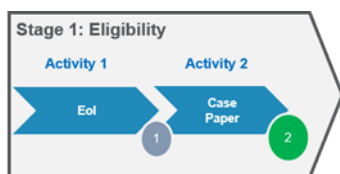
	(Process) Manufacturing sector	<p>and process control, within the budget of £5,140,721 set.</p> <p>However, the project is not forecasted to meet all of the key outputs in accordance with the funding agreement. Unfortunately, due to the current climate in further education, current forecasts indicate that the student numbers will be 78% of the original forecast (1163 to 907). Therefore, the outputs in the funding will be amended to reflect these forecasted learner numbers.</p>
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## 2 Information

- 2.1 The background information 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. In addition, this appendix also provides a description of the approach for the future assurance approval pathway and the assurance tolerances for each scheme.

## Programmes and projects for consideration

### Projects in stage 1: Eligibility



- 2.2 Projects at the eligibility stage are seeking entry into the portfolio and should demonstrate a strategic fit in terms of project outcomes, with further project definition including costs and detailed timescales to be developed as the project progresses through the assurance process. At this stage funding may be sought to enable this work to progress.

<b>Project Title</b>	<b>Project Lapwing</b>
<b>Stage</b>	1 (Eligibility)
<b>Decision Point</b>	2 (Case paper)

### **Background**

- 2.3 This project is of a commercially sensitive nature and the applicant business has requested to keep their company name confidential.
- 2.4 This project is a grant application to the Strategic Inward Investment Fund for £1 million to bring forward an investment in Leeds City Region, safeguarding 450 jobs and creating an additional forecasted 400 new jobs at city region level.
- 2.5 The applicant business is an international financial services firm with an international presence. The business has a multi-site portfolio in the UK and is currently undertaking a review of how best to consolidate these sites to allow better efficiencies and improve service. This will involve centralising functions into a larger “Hub”. The company currently has operations in two locations in our region which will be consolidated into a single footprint alongside another office in the South. 400 net new roles will also be created at a regional level, through transition from the south.
- 2.6 The company have worked with the UK Department for International Trade to undertake a site selection exercise and shortlist potential locations for this project. This has led to Leeds City Region being selected as the preferred location.
- 2.7 However, the financial modelling of the Leeds City Region option relative to two other options demonstrates a higher cost and risk profile for the project.

Other options in consideration are consolidating roles in the South or consolidating all the roles into a Northern Hub in another city.

- 2.8 The grant funding will enable the company to absorb the additional costs associated with the Leeds City Region option, relative to the neutral cost option of consolidating roles within an existing site, or the lower cost of locating in an alternative region in the north.
- 2.9 The Leeds City Region option provides further benefits in terms of business culture and downstream business opportunities and the company regards the financial technology expertise in the region an attractive feature.

### **Legal Implications**

- 2.10 This project is commercially sensitive and confidentiality has been requested by the client.
- 2.11 Therefore, the information contained in Appendix 2 is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the content of the appendix as exempt outweighs the public interest in disclosing the information as publication could prejudice current and future decision making.
- 2.12 State Aid advice has been sought in relation to the grant application and has determined that the grant application is compliant with the regulations.
- 2.13 The scheme is managed by the Combined Authority Inward Investment Team and has a clear fit with the Strategic Economic Plan. The project meets the Combined Authority's strategic objectives to grow the region's economy and create high quality, inclusive jobs. The project is in a priority sector and will generate a significant economic impact (circa £147.5 million net GVA increase by 2028). The project addresses Strategic Economic Plan (SEP) priorities including the 'more jobs, better jobs' programme and the SEP initiative to boost business growth and investment, attracting a major international investor.
- 2.14 The scheme was considered by the Business Investment Panel (BIP) on the 6 November 2018.
- 2.15 The grant application has been made to the Strategic Inward Investment Fund. The appraisal undertaken has confirmed that that the application meets the criteria of, and is affordable from the fund.
- 2.16 A summary of the scheme's business case is included in **Appendix 2**.

### **Outputs, benefits and inclusive growth implications**

- 2.17 The forecast outputs, benefits and inclusive growth implications are:

### Scheme outputs

- Occupy up to 71,000 sq ft of office space in the region
  - Safeguard 450 jobs in Leeds City Region in 2018/2019
  - Create an additional 400 jobs by 2021
- 2.18 Leverage private sector investment of £20-25 million by 2028, with an initial investment of £5 million in 2019.
- 2.19 The potential return for investment is high, creating 400 new jobs and safeguarding 450 existing jobs at a cost of £2,500 per new job or £1,176 per safeguarded and new job. These are skilled roles and the combined salary costs for these staff will be significant which will have significant multiplier on effects in the local economy.
- 2.20 The wider benefits of the scheme, including inclusive growth benefits of the scheme:
- Work with schools and/or colleges
  - Training and development offered to low paid staff to help them progress
  - Work opportunities offered to local people with disabilities or health issues
  - Green travel options offered to employees
  - Wider diversity and inclusive growth policies and initiatives
  - Opportunity for provision of apprenticeships (this will be finalised as part of the full business case appraisal)

### **Risks**

- 2.21 Key risks to the applicant business are as follows:
- Identified property options are not available.
  - Inability to realise plans at the pace or scale desired.
  - Challenges recruiting large volume of staff. The prospect of recruiting 400 roles in addition to an existing 450 is a significant undertaking.
- 2.22 These risks are being managed by the applicant business.
- 2.23 The key risk for the Combined Authority is as follows:
- Applicant business opts to either do nothing, or reduce Leeds City Region presence (whether as a result of an unsatisfactory grant offer or no grant offer) and therefore a risk of existing jobs being lost entirely at a regional level.

## Costs

- 2.24 The current total forecast cost of the scheme is between £20-25 million.
- 2.25 The Combined Authority contribution to the total forecast cost of the scheme is £1million, which will be funded by the Combined Authority from the Strategic Inward Investment Fund (SIIF).
- 2.26 The remainder of the costs will be funded by the applicant business.

## Timescales

- The scheme will be considered by the Business Investment Panel on 6 November 2018.
- Company Board will make the decision if they want to proceed with the project in November 2018.
- Forecast decision point 5 approval (full business case with finalised costs) - January 2019.
- Fit out of the premises – Q2 2019 (start).
- Forecast decision point 6 (delivery) – end of September 2019.
- Premises occupation starts (subject to the preferred building being available) – Q4 2019.

## Assurance pathway and approval route

Assurance pathway	Approval route
Decision point 2	Recommendation: Investment Committee Decision: Combined Authority
Decision point 5	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director

## Assurance Tolerances

Project tolerances
That the Combined Authority contribution should remain within the amount set out in this report.
That scheme timescales should remain within 6 month of the timescales set out in this report.
That the cost per job safeguarded or created remains within £10,000.

## Project responsibilities

<b>Senior Responsible Officer</b>	David Shepherd
<b>Project Manager</b>	Jennie Holdstock
<b>Combined Authority case officer</b>	Julia Radianec

## Appraisal summary

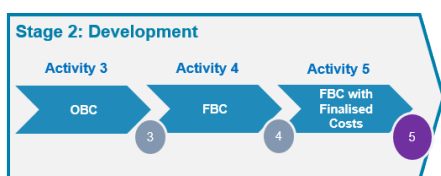
- 2.27 The project has a clear strategic fit and there is clear evidence of the need for the project. The project has good potential of delivering against headline indicators and falls within an identified funding stream.
- 2.28 If Leeds City Region is selected as the location for this project, there will be 400 net new roles created at a regional level, through transition from the south. The grant funding will enable the company to absorb the additional costs associated with the Leeds City Region option, relative to the neutral cost option of consolidating roles within an existing southern site.
- 2.29 This is a very large business with significant financial resources, therefore it is possible that this project could be affordable without grant support. The additionality argument in this case, however, is about bringing forward a project that would otherwise not happen in Leeds City Region due to the cost and risk profile relative to other locations.
- 2.30 Some information about the scheme is still outstanding. It is expected that this information will be provided prior to the scheme going to decision point 5 (full business case with finalised costs).

## Recommendations

- 2.31 That Investment Committee recommends to the Combined Authority that:
- (i) The Lapwing project proceeds through decision point 2 and work commences on activity 5 (full business case with finalised costs).
  - (ii) An indicative approval to the Combined Authority's contribution of £1million (which will be funded through the Local Growth Fund's Strategic Inward Investment Fund) is given with full approval to spend being granted, once the scheme has progressed through the Assurance Process to decision point 5 (full business case with finalised costs).
  - (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.



## **Projects in Stage 2: Development**



2.32 Projects at this development stage should demonstrate that they have tested the feasibility of a solution through their business case. This business case should then be developed in order to confirm and detail the preferred solution including finalising its cost.

### **Leeds Public Transport Investment Programme**

2.33 The following three schemes presented for decision point 3 approval (outline business case) form part of the Leeds Public Transport Investment Programme (LPTIP). The programme received decision point 2 approval from the Combined Authority on 29 June 2017, following recommendation by Investment Committee on 16 June 2018.

2.34 The programme is comprised of the following packages:

- Bus Priority Corridors
- Bus Park and Ride
- City Centre Gateways
- Rail
- Bus Transformation
- Mass Transit

2.35 As part of the approval at decision point 2, the proposed schemes to be delivered under each package were identified. The schemes identified continue to be progressed to outline business case and as a result the cost and output forecasts are being refined. It is intended that any cost variations should be absorbed within the allocations for the overall packages whilst still ensuring the overall outputs and outcomes remain consistent.

<b>Project Title</b>	<b>A61S Bus Priority Corridor, Leeds</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	3 (Outline business case)

### **Background**

2.36 The A61 South scheme forms one of the five prioritised bus corridors and consists of a series of improvements along the A639 and A61 between M621 Junction 7 and the junction of A61 Great Wilson Street / Meadow Lane. The

scheme will primarily support traffic from the south in to the city centre, including improving bus journey times from the proposed Stourton Park & Ride site (a scheme which is also presented as part of this report).

- 2.37 The improvements include the new provision of extensive bus lanes on the corridor (in both directions), a range of bus priority measures at signals and local geometric changes, improvements to the Thwaite Gate junction, dedicated walking and cycling facilities, and improvements to urban realm and green infrastructure.
- 2.38 The scheme will support reducing bus journey times and improving bus reliability, especially significant as it will serve fully electric bus services from the proposed Stourton park and ride site.
- 2.39 The scheme supports delivery of Priority 4 'Infrastructure for Growth' of the Leeds City Region Strategic Economic Plan, but will also deliver consequential benefits to Priority 1 Growing Businesses, Priority 2 Skilled People and Better Jobs, and Priority 3 Clean Energy and Environmental Resilience.
- 2.40 The meeting of the Combined Authority on 29 June 2017 approved that the Leeds Public Transport Investment Programme (LPTIP) should proceed through decision point 2 with an indicative total Combined Authority funding approval of £183.266 million, and that £15.310 million be approved to fund project development costs. It also agreed that the schemes would now progress on an individual project or package basis to outline business case.
- 2.41 Within the aforementioned approval, the Bus Priority Corridor package, comprising of five schemes, was given an indicative allocation of £48.9 million towards scheme costs, with £2.012 million development cost funding approved in order to progress the A61 South scheme to decision point 3 (outline business case).
- 2.42 A summary of the scheme's business case and location map is included in **Appendix 3**.

### **Outputs, benefits and inclusive growth implications**

- 2.43 The forecast outputs, benefits and inclusive growth implications are:

#### Outputs and Benefits

- Increase overall bus patronage, linked to the ambition to double bus patronage by 2026.
- Improve bus journey times and reliability along the A61(S) corridor, especially significant as it will serve fully electric bus services from the proposed Stourton park and ride site. - 15% reduction in end to end journey times (including dwell times) for limited stop services, 20% reduction for stopping services at opening year. 33% reduction in standard deviation of journey times in opening year.

- Improve the quality of the bus passenger experience with satisfaction levels exceeding Local Transport Plan 3 target levels by 2026.
- Improve the experience of all street users, particularly more vulnerable groups, those walking/cycling, and in terms of the urban realm. Increase the percentage share of non-car modes to 70% three years after opening.
- Improve air quality and health outcomes. Proportion of fleet at EURO VI (or better) to 100% after three years after opening.
- Increase accessibility to jobs, training and services, thus also supporting the Strategic Economic Plan's economic growth housing, inclusion and regeneration plans.
- An adjusted benefit cost ratio of 1.5:1 taking into account wider economic impacts, which gives an overall Value for Money category for the preferred option of 'Medium'.

### Inclusive Growth

- Improved health outcomes by improving air quality and noise by encouraging modal shift to bus and cycling, and in the process support the City Region Clean Air Zone proposals.
- Improving accessibility to jobs, services, retail and leisure, for those most dependent on the bus.
- Improved quality of life with better connectivity and reduced journey times.

### **Risks**

2.44 The key risks to the project and the related mitigations are:

- Discovery of unexpected utilities during construction could impact on costs and deliverability. Detailed surveys / C3 quotes will be undertaken, with probable higher costs reflected within cost forecast.
- Scope change could occur following local residents / third party consultation. Detailed, localised engagement will be carried out with detailed design information and justification presented as to the preferred option. In the event of a scope change which could affect scheme costs, the delivery programme, and the benefits / outputs, submission of a change request as per Combined Authority's assurance framework will be sought.

### **Costs**

2.45 The project costs can be summarised as:

- The current total cost forecast for the scheme at decision point 3 is £14.15 million, which the Combined Authority will fund from the devolved Department for Transport Leeds Public Transport Investment Programme Fund.

- Detailed costs for the other four schemes within the Bus Priority Corridor package are not known yet, therefore at this stage the promoter is unable to confirm that all schemes will ultimately be affordable from the £48.9 million package allocation. However, the programme board will monitor costs with the aim of bringing the Bus Priority Corridor package within the allocation.
- The scheme does not seek further project development funding at decision point 3, confirming the £2.012 million approved at decision point 2 is satisfactory to progress the scheme to full business case with finalised costs (decision point 5). This represents 14% of total scheme costs.

### Timescales

- Outline Business Case (decision point 3) - December 2018
- Leeds City Council Highways Board approval - February 2019
- Full business case with finalised costs (decision point 5) - February 2019
- Construction commence - April 2019
- Construction complete (decision point 6) - June 2020

### Assurance pathway and approval route

Assurance pathway	Approval route
Decision point 3 (Outline business case)	Recommendation: Investment Committee Approval: Combined Authority
Decision point 5 (Full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Approval: Managing Director

### Assurance Tolerances

Project tolerances
That the Combined Authority's contribution from the devolved Department for Transport Leeds Public Transport Investment Programme Fund should remain within 10% of the value set in this report.  The delivery programme timescales should remain within 3 months of the timescales set out in this report.

### Project responsibilities

Senior Responsible Officer	Gary Bartlett, Leeds City Council
Project Manager	Sabby Khaira, Leeds City Council
Combined Authority case officer	Asif Abed

## Appraisal summary

- 2.46 The strategic case for the A61 South scheme has a clear fit with the Leeds City Region Strategic Economic Plan, specifically in delivery against Priority 4 Infrastructure for Growth - through increasing connectivity, reducing congestion, and reducing carbon emissions. The schemes strategic case is especially significant due it's synergy with the proposed Stourton Park and Ride site, with the corridor to serve fully electric bus services from the park and ride site in to the city centre, with stops along the corridor comprising of employment and educational locations. This will improve journey times from the park and ride to the city centre contributing to the attractiveness of park and ride as a commuting option. The corridor also has a key social inclusion function for communities in South Leeds, and is important to the City Region as a key corridor for cross-boundary buses to/from Oulton, Rothwell and Wakefield, which will also benefit from the proposals.
- 2.47 The scheme will also deliver consequential benefits to Priority 1 Growing Businesses, Priority 2 Skilled People and Better Jobs, and Priority 3 Clean Energy and Environmental Resilience.
- 2.48 The promoter seeks to commence construction in April 2019. Although this is ambitious Leeds City Council are actively managing the risk and looking for opportunities to advance works ahead of programme such as utility diversions.
- 2.49 The scheme has an adjusted benefit cost ratio of 1.5, which takes into account wider economic impacts and represents a medium value for money assessment.
- 2.50 Two options for the corridor improvement have been assessed. The preferred option has a lower BCR but achieves more with regards bus reliability and journey time improvements, and therefore better supports the core objectives of the scheme and the Leeds Public Transport Infrastructure Programme. This is especially significant given the A61 (South) corridor will be a key bus route for fully electric bus services from the proposed Stourton Park & Ride site and bus journey times are a key factor in attracting park and ride users and existing buses serving Belle Isle and Middleton, Rothwell, Oulton, the Carlton Villages, and North Wakefield. It should also be noted that other Leeds Public transport Investment programme schemes have not been included in the modelling forecasts used to generate these BCR's but will be included as part of the economic appraisal at decision point 4 (full business case). This is expected to reduce the highway disbenefits associated with the scheme, due to lower flows than currently forecast as a result of car users opting to use the park and ride and therefore positively impact on the BCR for the scheme at decision point 4.
- 2.51 Leeds City Council will be the delivery lead with WSP as development partner, and BAM and Mott MacDonald appointed as delivery partners.
- 2.52 The scheme will continue reporting to the Leeds Public Transport Investment Programme Board.

## **Recommendations**

2.53 That Investment Committee recommends to the Combined Authority that:

- (i) The A61 South project proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).
- (ii) An indicative approval to the total project value of £14.15 million is given from the Leeds Public Transport Investment Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

2.54 The following two schemes form part of the Leeds Public Transport Investment Programme’s Bus Park and Ride Package. At decision point 2 (case paper) for the programme two new sites plus an extension to an existing site were identified to be delivered from the package. This is in addition to the already successful Elland Road and Temple Green sites. Significant levels of demand forecasting work have been undertaken as part of the package development. This has determined that there will be sufficient demand to justify this scale of provision of park and facility serving Leeds city centre.

<b>Project Title</b>	<b>Stourton Park and Ride</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	3 (Outline business case)

**Background**

- 2.55 The Stourton Park and Ride scheme is located on land adjacent to the M621 Junction 7 roundabout, owned by Leeds City Council. The new park and ride facility will accommodate a maximum of 1,200 car parking spaces, and will provide a very high quality, all-electric, 10-minute frequency service along the A61/A639 corridor to and from Leeds City Centre - serving important employment and educational stops, namely the Wakefield Road / Thwaite Gate junction and at the Education Quarter near Leeds City College Printworks Campus, Leeds College of Art, and the Leeds College of Building.
- 2.56 The scheme includes provision of solar panels which will generate electricity to power both the park and ride site and the electric bus services.
- 2.57 In addition to parking provision, the new site will have a number of supporting amenities including electric vehicle charging points, family and disabled parking bays, waiting facilities, cycle stands, cycle lockers, and mobility scooter lockers.
- 2.58 The park and ride site will also deliver a number of important ancillary works, most notably the provision of inbound bus lanes from Leeds Valley Park to the M621 J7 approach - improving bus journey times and reliability of existing buses using the corridor, namely the 110 Wakefield-Leeds, 444 and 446 services, as well as park and ride services entering and exiting the facility. These works will have dual benefit, in access to and from the site itself, but also in significantly improving bus access in to Leeds from two important growth corridors, namely from Wakefield city centre & North Wakefield through to Leeds via Oulton, Rothwell and Carlton.
- 2.59 The park and ride scheme design also implements a number of localised highway improvements on the network around the site, most notably full signal control of M621 J7 and at A61/A639 merge points, expanding the number of lanes at each point. This is forecast to reduce delays to existing highway users

and will complement the Highways England works of widening the current highway layout to three lanes at the north-eastern portion of the Junction 7 roundabout.

- 2.60 The scheme is also implementing additional, dedicated walking and cycling facilities. The intention is to provide enhanced cycle connectivity to/from the south of Leeds, via the park and ride site and the Leeds Cycle network, avoiding the need to circumvent the motorway junction, especially for more vulnerable users.
- 2.61 The scheme supports delivery of Priority 4 'Infrastructure for Growth' of the Leeds City Region Strategic Economic Plan, but will also deliver consequential benefits to Priority 1 Growing Businesses, Priority 2 Skilled People and Better Jobs, and Priority 3 Clean Energy and Environmental Resilience.
- 2.62 The meeting of the Combined Authority on 29 June 2017 approved that the Leeds Public Transport Investment Programme (LPTIP) should proceed through decision point 2 with an indicative total Combined Authority funding approval of £183.266 million, and that £15.310 million be approved to fund project development costs. It also agreed that the schemes would now progress on an individual project or package basis to outline business case.
- 2.63 Within the aforementioned programme approval, the Stourton Park and Ride scheme received an indicative allocation of £23 million towards scheme costs, with an approval of £2.305 million towards project development costs to progress the scheme to outline business case.
- 2.64 The scheme cost has increased from £23 million to £30.1 million (£7.1 million increase). The cost increase is a result of including the cost of solar panels and electric bus infrastructure, additional earthwork costs, and significant enhancement of landscaping provision in response to consultation feedback. Provision of solar panels will enable a fully zero emission site and services operation and will also reduce on going costs of operating the electric bus service resulting in greater forecast operational surplus for the public sector.
- 2.65 It is proposed that the Combined Authority will fund £27.3 million of the total scheme costs, with the remaining £2.8 million funded by the European Regional Development Fund (ERDF). A bid has been made to ERDF and a decision is awaited.
- 2.66 A summary of the scheme's business case and location map is included in **Appendix 4**.

### **Outputs, benefits and inclusive growth implications**

- 2.67 The forecast outputs, benefits and inclusive growth implications are:

#### Outputs and Benefits

- Increase park and ride users in the City by 1,200 per day as part of LPTIP's delivery of over 2,000 new park and ride spaces in the city by



2021. This represents a 50% increase on early 2018 bus based park and ride levels in Leeds.

- Improve bus journey travel times and connectivity by providing a high-quality service with a 13-minute journey time to/from the city centre on opening in 2020, and be sustained thereafter.
- Increase overall bus patronage by over 1,500 users a day, contributing to the LPTIP and Leeds City region ambition to double bus patronage by 2026, from 2017 levels.
- Reduce on going site and electric bus service operational costs through solar power generation. Maintenance of the solar panels will be paid for by the additional revenue surplus expected to be provided from the solar power, with the revenue surplus to be shared between the public and private sector.
- Increase accessibility to jobs, training and services, thus also supporting the Strategic Economic Plan's economic growth, housing, inclusion and regeneration plans - resulting in 589 net jobs.
- A medium value for money benefit cost ratio of 1.8:1.

#### Inclusive Growth

- Improving health outcomes by improving air quality and noise by encouraging significant modal shift to Park & Ride (as well as improved existing bus services and walking and cycling). This will also support the City Region Clean Air Zone proposals.
- Improved quality of life with better connectivity and reduced journey times.

#### **Risks**

2.68 The key risks to the project and the related mitigation are:

- Following detailed design that construction costs could increase significantly. Leeds Council to hold early contractor engagement at design stage with risk workshops.
- Delay in land purchase / transfer from Highways England will hold up Combined Authority approval of full business case with finalised costs (decision point 5). Note planning permission is required before land purchasing procedures, so earlier engagement than normal has commenced between Leeds Council and Highways England. Any significant delay will affect the delivery programme timescales, which on this project as a standalone can be mitigated, but the greater risk is the impact on the council's wider LPTIP schemes and interdependency of work programmes across Leeds.
- The ERDF bid is not successful. In the event that the bid is not successful an indicative approval of £25.4 million from the Leeds Public Transport Investment Fund will be applied.

## Costs

2.69 The project costs can be summarised as:

- The current total cost forecast for the scheme at decision point 3 is £30.1 million of which the Combined Authority would fund £27.3 million from the devolved Department for Transport Leeds Public Transport Investment Programme Fund. This is a £4.3 million increase from the allocation for the scheme made within the overall LPTIP programme at decision point 2. It is believed that the £4.3 million cost increase is affordable within the overall allocation for the Bus Park and Ride Package by managing the other two schemes within the Bus Park and Ride package.
- The scheme now seeks a further £635,000 development costs to progress project development to full business case with finalised costs.
- The Combined Authority will enter into an addendum to the existing Funding Agreement, to increase the additional development costs.
- This indicative approval is subject the scheme being successful in gaining ERDF funding for the scheme. In the event that the bid is not successful an indicative approval of £25.4 million from the Leeds Public Transport Investment Fund will be applied.

## Timescales

- ERDF grant award period - November 2018
- Outline business case (decision point 3) - December 2018
- Secure planning permission - January 2019
- Land transfer from Highways England - January 2019
- Full business case with finalised costs (decision point 5) - February 2019
- Construction commences - April 2019
- Construction completed (decision point 6) - September 2020

## Assurance pathway and approval route

Assurance pathway	Approval route
Decision point 3 (Outline business case)	Recommendation: Investment Committee Approval: Combined Authority
Decision Point 5 (Full business case with finalised costs)	Recommendation: Programme Appraisal Team Approval: Combined Authority's Managing Director

## Assurance Tolerances

Project tolerances
That the Combined Authority's contribution from the devolved Department for Transport Leeds Public Transport Investment Programme Fund should remain within 10% of the value set in this report.
The delivery programme timescales should remain within 3 months of the timescales set out in this report.

## Project responsibilities

Senior Responsible Officer	Gary Bartlett, Leeds Council
Project Manager	Sabby Khiara, Leeds Council
Combined Authority case officer	Asif Abed

## Appraisal summary

- 2.70 The strategic case for the Stourton Park and Ride scheme has a clear fit with the Leeds City Region Strategic Economic Plan, specifically in delivery against Priority 4 Infrastructure for Growth - through increasing connectivity and supporting jobs growth, reducing congestion, and reducing carbon emissions. The scheme is in line with local planning policy, and will also deliver consequential benefits to Priority 1 Growing Businesses, Priority 2 Skilled People and Better Jobs, and Priority 3 Clean Energy and Environmental Resilience - specifically through delivery of a fully electric serviced park and ride site.
- 2.71 The scheme also has a strong commercial and management case with strong demand forecast figures, and public support for the new park and ride site, and Leeds City Council demonstrating delivery of successful park and ride sites at Temple Green and Elland Road (Phase 1 & 2) recently.
- 2.72 The scheme has a benefit cost ratio of 1.8:1, however this benefit cost ratio does not include significant wider economic benefits, and additional job creation in the City Region, which further heightens the value for money of the scheme, such as solar panels that will reduce on going site and electric bus service operational costs and deliver environmental and social benefits, supporting the City Region Clean Air Zone and inclusive growth proposals.
- 2.73 The Combined Authority will act as the accountable body, providing approval to fund the scheme through the Leeds Public Transport Investment Fund.
- 2.74 Leeds City Council will be the delivery lead with WSP as development partner, and BAM and Mott MacDonald appointed as delivery partners.
- 2.75 The scheme will continue reporting to the Leeds Public Transport Investment Programme Board.

## Recommendations

2.76 That Investment Committee recommends to the Combined Authority that:

- (i) The Stourton Park and Ride project proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).
- (ii) An indicative approval is given to the total project value of £30.1 million, of which £27.3 million will be funded by the Combined Authority from the Leeds Public Transport Investment Fund, with full approval to spend being granted once the scheme has progressed through the Assurance Process to decision point 5 (full business case with finalised costs). This indicative approval is subject the scheme being successful in gaining ERDF funding for the scheme. In the event that the ERDF bid is not successful an indicative approval of £25.4 million from the Leeds Public Transport Investment Fund will be applied.
- (iii) Further development costs of £635,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs).
- (iv) The Combined Authority enters into an addendum to the existing funding agreement with Leeds City Council to increase by £635,000 from the Leeds Public Transport Investment Fund.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

<b>Project Title</b>	<b>Elland Road Park and Ride Phase 3</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	3 (Outline business case)

## Background

- 2.77 This scheme proposes to provide the second extension to the Elland Road Park and Ride facility. The facility first opened in July 2014 with the provision of 425 full specification parking spaces with an overspill area of 375 spaces to provide a total capacity of 800 spaces. In order to maintain the success of the scheme and accommodate a continued growth in patronage, the overspill car park was upgraded in 2016 (Phase 2) to the same quality as the spaces constructed in 2014, to provide an 800 space high quality P&R facility. Due to continued demand which sees park and ride users regularly using informal overspill parking in addition to the 800 formal spaces, Leeds City Council as part of Phase 3 propose expansion of the park and ride facility with the addition of up to 550 spaces and a further bus service - increasing bus capacity and service frequencies at the site to 10 buses per hour (in the peak hours) by 2020. The additional bus frequency will benefit existing users of the park and ride site, as well as cater for new growth. Phase 3 also includes provision for additional electric vehicle charging points in the expanded area.
- 2.78 The scheme supports delivery of Priority 4 'Infrastructure for Growth' of the Leeds City Region Strategic Economic Plan, but will also deliver consequential benefits to Priority 1 Growing Businesses, Priority 2 Skilled People and Better Jobs, and Priority 3 Clean Energy and Environmental Resilience.
- 2.79 The meeting of the Combined Authority on 29 June 2017 approved that the Leeds Public Transport Investment Programme (LPTIP) should proceed through decision point 2 with an indicative total Combined Authority funding approval of £183.266 million, and that £15.310 million be approved to fund project development costs. It also agreed that the schemes would now progress on an individual or package basis to outline business case
- 2.80 Within the aforementioned programme approval, the Elland Road Park and Ride Phase 3 scheme received an indicative allocation of £2.5 million towards scheme costs, with approval of £245,000 towards project development costs to progress the scheme to decision point 3 (outline business case).
- 2.81 The scheme cost has increased by £3.25 million to £5.75 million. This is due to:
- The initial cost estimate was for the addition of c. 400 spaces. The proposal now seeks to deliver up to +550, a decision taken following continued demand growth, and to make full use of the over spill car park land available.

- The inclusion of a new link road directly off Junction 2 M621 for access to buses. The benefit of this link is that it ensures that journey times and high levels of reliability are maintained in the future - avoiding Elland Road. This is captured in the appraisal by keeping bus journey times constant over time, which would be optimistic were this element not included.
- Extension to the previous link road end point with a new road along the full length of the park and ride site to fully access the enlarged number of spaces - a requirement to deliver the enlarged number of spaces.
- Full risk capture costs following a desktop geotechnical study identifying high risk of contaminated land.

2.82 A summary of the scheme's business case and location map is included in **Appendix 5**.

### **Outputs, benefits and inclusive growth implications**

2.83 The forecast outputs, benefits and inclusive growth implications are:

#### Outputs and Benefits

- Add at least 500 spaces at Elland Road (+60% additional capacity) by 2019 (maximum 550).
- Improve bus capacity and service frequencies to 10 buses per hour (in the peak hours) at the site by 2020, benefitting both existing and new users.
- Reduce overall car demand into Leeds by over 500 vehicles per day, and contribute to improved air quality in the vicinity of the site and Leeds city centre.
- Maintain the current (very) high levels of user satisfaction with the current park and ride service on opening, and ongoing over the longer-term period of the SEP.
- A high value for money benefit cost ratio of 2.6:1

#### Inclusive Growth

- Improved public health through provision of electric vehicle charge points, encouraging uptake of electric vehicles and reducing carbon emissions.
- Improved quality of life with better connectivity and reduced journey times.

### **Risks**

2.84 The key risks to the project and the related mitigation are:

- Following detailed design, scheme construction costs increase, affecting scheme affordability. Leeds City Council to hold early contractor engagement at design stage with risk workshops.

**Costs**

2.85 The project costs can be summarised as:

- The current total cost forecast for the scheme at decision point 3 is £5.75 million. This is a cost increase of £3.25 million from the allocation for the scheme made within the overall LPTIP programme at decision point 2.
- It is believed that the £3.25 million cost increase is affordable within the overall allocation for the Bus Park and Ride Package and as a result the Combined Authority will now fund £5.75 million from the devolved Department for Transport Leeds Public Transport Investment Programme Fund.
- The scheme now seeks a further £165,000 to progress project development to full business case with finalised costs which will take the total amount approved for development funding to £410,000.
- The Combined Authority will enter in to an addendum to the existing funding agreement, to increase the additional development costs.

**Timescales**

- Detailed design completed - November 2018
- Outline business case (decision point 3) - December 2018
- Secure planning permission- December 2018
- Full business case with finalised costs (decision point 5) - January 2019
- Construction commences - March 2019
- Construction completed (decision point 6) - December 2020

**Assurance pathway and approval route**

<b>Assurance pathway</b>	<b>Approval route</b>
Decision point 3 (outline business case)	Recommendation: Investment Committee Approval: Combined Authority
Decision point 5 (full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Approval: Managing Director

## Assurance Tolerances

Project tolerances
That the Combined Authority's contribution from the devolved Department for Transport Leeds Public Transport Investment Programme Fund should remain within 10% of the value set in this report.  The delivery programme timescales should remain within 3 months of the timescales set out in this report.

## Project responsibilities

Senior Responsible Officer	Gary Bartlett, Leeds City Council
Project Manager	Sabby Khaira, Leeds City Council
Combined Authority case officer	Asif Abed

## Appraisal summary

- 2.86 The strategic case for the Elland Road park and ride scheme has a clear fit with the Leeds City Region Strategic Economic Plan, specifically in delivery against Priority 4 Infrastructure for Growth - through increasing connectivity and supporting jobs growth, reducing congestion, and reducing carbon emissions. The proposal will also deliver consequential benefits to Priority 1 Growing Businesses, Priority 2 Skilled People and Better Jobs, and Priority 3 Clean Energy and Environmental Resilience.
- 2.87 The scheme also has a strong commercial and management case with significant demand growth and high levels of user satisfaction (and therefore public support towards the proposal to expand the park and ride site), and Leeds City Council demonstrating delivery of successful park and ride sites at Temple Green and Elland Road (Phase 1 & 2) recently.
- 2.88 The scheme BCR of 2.6 furthermore reflects a High Value for Money assessment of the proposal.
- 2.89 The Combined Authority will act as the accountable body, providing approval to fund the scheme through the Leeds Public Transport Investment Fund.
- 2.90 Leeds City Council will be the delivery lead with WSP as development partner, and BAM and Mott MacDonald appointed as delivery partners.
- 2.91 The scheme will continue reporting to the Leeds Public Transport Investment Programme Board.



## Recommendations

2.92 That Investment Committee recommends to the Combined Authority that:

- (i) The Elland Road Park and Ride Phase 3 project proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).
- (ii) An indicative approval to the total project value of £5.75 million is given to be funded from the Combined Authority from the Leeds Public Transport Investment Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Further development costs of £165,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs) taking the total development cost expenditure approval to £410,000.
- (iv) The Combined Authority enters into an addendum to the existing Funding Agreement with Leeds City Council to increase by £165,000 from the Leeds Public Transport Investment Fund for expenditure of up to £410,000.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

<b>Project Title</b>	<b>Institute of High Speed Railways and System Integration</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	3 (Outline business case)

## Background

- 2.93 High Speed 2 (HS2) is Europe's largest railway project, and a vital part of the UK Government's strategic plan for regeneration, growth and rebalancing of the UK economy. It also represents a significant opportunity for the UK to capitalise on a rapidly growing high-speed rail global market. The lack of testing facilities in high-speed rail represents a significant barrier to the future development of high-speed rail research and innovation, but presents a significant opportunity for the UK to be a global lead.
- 2.94 The University of Leeds, working closely with partners from industry, government and the University sectors, is seeking to establish the Institute for High Speed Railways and System Integration (IHSRSI) in the Leeds City Region (LCR) with the ambition of helping to unlock the full potential of high speed rail, nationally and globally. HS2 will be of major economic benefit to the city region and the IHSRSI will help to maximise these benefits, by establishing the University and the LCR as a global lead in high speed rail engineering and research. The IHSRSI will complement and build upon the existing regional academic and industry expertise in rail research and education (e.g. University of Huddersfield) and will help cement the LCR as a world-leading centre of excellence.
- 2.95 The scheme will be delivered in three phases. The funding requested from the Combined Authority will part fund the delivery of Phase 1 only:
- 2.96 Phase 1 - creation of two initial world-leading test facilities for the new institute, these being a high-speed railways infrastructure test facility and a high speed vehicle test facility. Specifically, 40,000m<sup>2</sup> of world class high speed rail infrastructure test & Research & Development facilities to include:
- A full-scale 400 kilometre per hour capable high-speed rail infrastructure systems test facility which will be able to test full-scale railway track structures, including embankments, preformed systems and ground stabilization technologies;
  - A full-scale high-speed 400 kilometre per hour capable vehicle systems test facility capable of testing full-scale rolling stock and their interaction (behaviour) with different track systems

- 2.97 A number of location options have been considered and fully researched. The current preferred option is for the facility to sit alongside the HS2 depot and within the Leeds Enterprise Zone (Aire Valley).
- 2.98 Phase 2 - A System Integration and Innovation Centre capable of replicating the system interaction of the civil, mechanical, electrical and digital systems across the railway operational environment.
- 2.99 This is in direct response to calls from the national and international rail industry for the IHSRSI to have significant system integration capability to support the conventional and high-speed rail sectors. By connecting conventional and digital train control systems through this approach, a unique research and development facility will be created, allowing transformational change in railway research. Phase 3 – The IHSRSI will act as a catalyst for the development of an advanced manufacturing park within the Leeds Enterprise Zone (Aire Valley).
- 2.100 The scheme received decision point 2 (case paper) approval from the Combined Authority on 28 June 2018 as part of the “Call for Projects”. These schemes will be funded through over-programming against the local growth fund and were prioritised on the basis of the benefits derived and their ability to be delivered by March 2021. The Combined Authority have stated to the promoter that funding of this project is dependent on approval of Full Business Case with Finalised costs (decision point 5) by 30th June 2020 and all Combined Authority funding being committed by March 2021.
- 2.101 Since its decision point 2 approval the total project value has increased and as a result the request for Combined Authority funding has now increased from £11.44 million to £13.047 million. This cost increase is a result of design changes that have occurred as a result of further option development in the outline business case, and will result in a scheme which has capacity for additional outcomes.
- 2.102 A summary of the scheme’s business case and location map is included in **Appendix 6**.

### **Outputs, benefits and inclusive growth implications**

- 2.103 Outputs, benefits and inclusive growth implications for Phases 1, 2 and 3 of the programme can be summarised as:
- Establishing an international reputation that will attract key industry investment, spur new enterprise, Small to Medium Enterprise’s and supply chains, to the Leeds City Region;
  - Creation of high value employment and uplifting skills of local workforce (apprentices, technicians, undergraduates and postgraduates in the skills industry needs) and attracting new international students to Leeds;
  - Increased retention of graduates in the Leeds City Region;
  - Growing research and innovation expertise and manufacturing skills across the North;

- Leverage significant 'international' private sector and public research investment in Research & Development;
- De-risking UK and global high speed rail projects by providing facilities and expertise to assess track and vehicle designs and prototypes prior to deployment;
- Co-location of the HS2 depot, HS2 Yorkshire Hub Station and the IHSRSI provides the catalyst for significant future inward investment and export potential including the development of an Advanced Manufacturing Park – Leeds Council estimate that the AMP will generate 3,000 new jobs; and
- Helping to increase the GVA of the region;
- Business rate income to the Combined Authority as a result of its location in an Enterprise Zone.

### **Risks**

2.104 The key risks to the project and the related mitigation are

- Securing all the required match funding and follow-on investment. The University has secured industry co-investment to support Phase 2, and is in the process of formally approving the University of Leeds funding for Phase 1.
- Deliverability within timescales and budgets for Phase 1. The university will under-write any potential scheme overspend in order to reduce this risk.

### **Costs**

2.105 The project costs can be summarised as:

- The total cost of Phase 1 is forecast at £26.093 million, of which £13.047 million will be funded by the Combined Authority. This is a £1.634 million increase from the Combined Authority contribution which received indicative approval at decision point 2 (case paper).
- Funds from the university will be used as match funding (£13.047 million). The Combined Authority funding will only receive full approval once the promoter has demonstrated that the University of Leeds funding has received formal approval.
- Further funding for Phase 2 is currently being sought from other funding sources and private sector investors. This will be substantiated with the scheme's forthcoming full business case.

### **Timescales**

- Decision point 5 (full business case with finalised costs) approval for Phase 1 is forecast for December 2019.

- Phase 1 of the scheme is due to be delivered by spring 2020. Completion of Phases 2 and 3 will be confirmed as part of the full business case.

### Assurance pathway and approval route

Assurance pathway	Approval route
Decision point 3	Recommendation: Investment Committee Decision: Combined Authority
Decision point 5	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director

### Assurance Tolerances

Project tolerances
The Combined Authority's contribution remains at the figure outlined in this report. Programme timescales remain within 3 months of the timescales outlined within this report.

### Project responsibilities

<b>Senior Responsible Officer</b>	Professor Lisa Roberts, University of Leeds
<b>Project Manager</b>	Professor Peter Woodward, University of Leeds
<b>Combined Authority case officer</b>	Lisa Childs

### Appraisal summary

2.106 The scheme has a strong strategic, commercial and economic case at this stage, although the financial and management cases require more detail. As the full business case is developed, delivery costs and programmes will require additional clarity, to ensure the scheme is deliverable. The Combined Authority will appoint a Project Manager who will work with the University to ensure compliance with the Combined Authority assurance processes and to reduce perceived risk through close working relationships.

### Recommendations

2.107 That Investment Committee recommends to the Combined Authority that:

- (i) The Institute for High Speed Rail and System Integration scheme Phase 1 proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).

- (ii) An indicative approval to the Combined Authority's contribution of £13.047 million is given, which will be funded through over-programming against the Local Growth Fund, with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs). The total Phase 1 value is £26.093 million (The University of Leeds will contribute match funding of £13.047 million).
- (iii) Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 5 (full business case with finalised costs) through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

<b>Project Title</b>	<b>Leeds Enterprise Zone Power Solution</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	4 (Full business case)

## Background

- 2.108 A study by Arup (2015) identified an impending electrical supply shortage at the appropriate voltage to parts of the Leeds Enterprise Zone, which is situated within the Aire Valley. This is predominately due to the lack of existing infrastructure within this emerging development area. The prospect that there may be insufficient electricity capacity to fully develop out the Leeds Enterprise Zone is a major concern and a significant risk to the delivery of the objectives and targets for growth in the Enterprise Zone.
- 2.109 The immediate supply which has been delivered to the area through discrete infrastructure upgrades and reinforcements, is dwindling. Northern Powergrid (the incumbent supplier) is constrained by their financial model which prevents them from investing ahead of demand. As the nearest source becomes further away the associated connection costs are greater and the timescales for connections are longer. This leads to uncertainty and risk for developers which in turn impacts on attracting and securing new development, including inward investment to the Enterprise Zone.
- 2.110 As of June 2018 around 1 million sq. ft. has been developed or is currently being developed on site with power secured for a further 1.1 million sq ft. However, there remains a further 1.4 million sq. ft. of floor space within the Enterprise Zone that will be directly influenced by an energy solution this includes the creation of 2,800 jobs.
- 2.111 Leeds Enterprise Zone (phase 1) power solution outline business case was approved on 1st December 2016 by the Combined Authority. This was for £10 million of grant funding to provide a substation with a 30 Mega Volt Amp (MVA). Since that time an alternative preferable solution has been worked up which enables Northern Powergrid (the local incumbent energy supplier) to carry out upgrading and expansion of the existing infrastructure to provide 18 (MVA) supply to the zone. This reduces public investment by £5 million, provides a more cost effective, shorter delivery time option and does not require building on greenbelt land. Moreover, it is proposed that the cost of delivery will ultimately be recovered from developers through passing on the related power supply costs for the individual sites when they are occupied.
- 2.112 The Leeds City Region Strategic Economic Plan (SEP) 2016-2036 identifies the Leeds Enterprise Zone as a priority for growth and investment. It also highlights the Zone's significant potential to create employment, particularly in manufacturing industries. The Combined Authority will retain business rate income generated in the Enterprise Zone until 2037 providing an opportunity to

utilise this elsewhere in the city region, in effect multiplying the impact of growth.

2.113 The delivery of the infrastructure including all contracting arrangements and repayments will be overseen by a 'project manager' within LCC. Overarching governance will be provided by Leeds Enterprise Zone Strategic Board.

2.114 A summary of the scheme's business case and location map is included in **Appendix 7**.

### **Outputs, benefits and inclusive growth implications**

2.115 The upgrading and expansion of the existing infrastructure to provide an 18 Mega Volt Amp (MVA) supply to the zone will be completed by March 2021. The forecast benefits from this investment are:

- 2,800 Jobs created
- 10 Businesses created /assisted
- 1,323,996 sq ft of commercial floorspace to be constructed
- 100,000 sq ft of learning floorspace to be constructed
- Through making the site an attractive development prospect, this scheme will contribute to the potential for the Combined Authority to earn up to £44.805 million income from the collection of business rates
- Potential repayment of the £5million grant within a 10 year period through the establishment of a repayment mechanism when individual sites in the Enterprise Zone are taken up.

### **Risks**

2.116 The key risks to the project and the related mitigation are

- £5 million is based on detailed discussions only to date. A quote is currently being prepared by Northern Powergrid and following formal acceptance a tender exercise will commence to formalise the costs of works. However it is within Northern Powergrid's business model that during the build programme costs of unforeseen works which exceed the contract contingency budget will be borne by the customer. Similarly any savings will be deducted from the contract sum. Should the £5 million be exceeded the combined authority will be requested to award additional funding. The overall cost per mega voltage amp will subsequently be recalibrated but the repayment methodology will continue with the same potential for full repayment of grant
- The programme of works being proposed is indicative but LCC need to manage timescales. Contractual discussions will consider staged payments to Northern Powergrid to maintain accelerated progress.



## Costs

- 2.117 Leeds City Council have been advised that the cost should be circa £4.5 million plus potential additional contingency of 11.11% (£5 million). However a more accurate cost will be determined following formal acceptance of the quote from Northern Powergrid in November.
- 2.118 Stage one checks (including ground investigations and legal and planning approvals) will be undertaken which will then inform the tender exercise managed by Northern Powergrid. Leeds City Council have been assured that the regulated requirements state the lowest cost solution must be provided to the customer.
- 2.119 LCC have included development costs of around £70,000 within the £5 million to account for investigatory reports commissioned and officer time spent on negotiating and developing the bid.

## Timescales

- Jan 19 – Forecast decision point 5 submission
- Jan 19 – LCC agree contract with Northern Powergrid for works
- Jan 19 – Northern Powergrid commence tender exercise
- March 19- tender returns and confirmation of contract sum
- March 19 – approval from Combined Authority
- April 19 - Works commence
- March 2021 – Works Complete

## Assurance pathway and approval route

Assurance pathway	Approval route
Decision point 4 (Full business case)	Recommendation: Investment Committee Decision: Combined Authority
Decision point 5 (Full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director

## Assurance Tolerances

Project tolerances
Costs should remain within 10% of the Combined Authority contribution set out in this report.  Timescales should remain within 3 months of those set out in his report.

## Project responsibilities

<b>Senior Responsible Officer</b>	Mark Mills, Leeds City Council
<b>Project Manager</b>	Adele Blacklock, Leeds City Council
<b>Combined Authority case officer</b>	Sarah Ratcliffe

## Appraisal summary

2.120 The project makes strategic, commercial and economic sense strongly supporting growing businesses and delivering the infrastructure for growth. However as the project progresses to decision point 5 more detail is required around costing, project planning, project risks, roles and communication protocols as well as providing a mechanism for recouping costs and ensuring objectives are SMART.

## Recommendations

2.121 That Investment Committee recommends to the Combined Authority that:

- (i) The project proceeds through decision point 4 (full business case) and work commences on activity 5 (full business case with finalised costs).
- (ii) An indicative approval to the total project value of £5 million is given which will be funded by the Combined Authority from the Local Growth fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

<b>Project Title</b>	<b>A650 Bradford to Keighley Corridor (Hard Ings)</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	4 (Full business case)

## Background

2.122 The A650 Hard Ings Road is a strategically important route linking Bradford to Keighley and onward to Skipton via the A620 and Pendle area via the A6088. Most of the A650 is dual carriageway, except for a short section along Hard Ings Road. As such this is a key pinch point that causes congestion issues along the A650. This also has a negative impact on congestion in Keighley town centre.

2.123 This project will contribute to the overall objective of the West Yorkshire-plus Transport Fund to increase employment and productivity by completion of transport schemes that improve connectivity. In turn this will contribute to the objectives and targets of the Strategic Economic Plan by supporting economic growth.

2.124 This project is a proposal to widen the existing carriageway to provide two running lanes in each direction for the full extent of the section of Hard Ings Road, Keighley between the junctions with the A629 (Beechcliffe roundabout) and Bradford Road roundabout. The scheme length is approximately 0.7 km and will include:

- Widening of 0.7 km of carriageway to two lanes in each direction
- The installation of traffic signals at the existing Beechcliffe roundabout to improve efficiency and capacity of the junction
- An additional lane for traffic on the approach to Beechcliffe roundabout on the A629
- Installation of a signalised junction with pedestrian and cycle crossing facilities (Toucan crossing) at the junction of Hard Ings Road with Lawkholme Lane.
- Traffic light priority will be introduced at Bradford Road roundabout to assist with bus journey times
- A shared, two-way cycle and pedestrian footway along the southern side of Hard Ings Road between the Bradford Road roundabout and Keighley Retail Park between the proposed Toucan crossing and Royd Way
- New and replacement planting and landscaping, including green infrastructure, to mitigate the visual impact of the road and provide replacement habitats for flora and fauna

- Replacement street lighting

2.125 This project will be managed by City of Bradford Metropolitan District Council.

2.126 Gateway 1 approval (equivalent to decision point 3, outline business case) for this project was given in May 2014 against with a previous project approval of £10.3 million.

2.127 A summary of the scheme's business case and location map is included in **Appendix 8**.

### **Outputs, benefits and inclusive growth implications**

2.128 The forecast outputs, benefits and inclusive growth implications are:

- Improved accessibility
- Increase in network capacity for growth
- Reduced congestion
- Improved air quality by a reduction in CO2 emissions of 6,673 tonnes
- Improved environment
- The project aims to create/ safeguard 93 direct jobs
- An increase in Gross Value Added of £7.3 million (2009 prices) by 2036 is expected from this project.
- The benefit cost ratio for the scheme has been calculated at 6.24:1

### **Risks**

2.129 The key risks to the project and the related mitigation are:

- Lack of available resources. This will be mitigated by early identification of required resources and a sound business case.
- Tender returns from contractors higher than anticipated. This will be mitigated through internal checks on the costs of the work elements.

### **Costs**

2.130 The project costs can be summarised as:

- The full business case has presented a total scheme cost of £10.3 million.
- The scheme cost has remained consistent with that presented at outline business case (Gateway 1).
- Further development funding is requested for additional design, land purchase / CPO progression and associated compensation and fees, advance utilities costs and some advance works. The current funding approval for development costs is £1.142 million and an increase of £2.718 million to a total of £3.86 million is requested.

## Timescales

- Full business case with finalised costs approval at decision point 5 is forecast for March 2019
- Construction is estimated to commence April 2019
- Forecasted completion date (decision point 6) is March 2020

## Assurance pathway and approval route

Assurance pathway	Approval route
Decision point 4 (full business case)	Recommendation: Investment Committee Decision: Combined Authority
Decision point 5 (full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director

## Assurance Tolerances

Project tolerances
That the scheme costs remain within 5% of the costs identified within this report. That the project delivery timescale remains within 3 months.

## Project responsibilities

Senior Responsible Officer	Richard Bruce, Bradford Council
Project Manager	Phil Wagstaff, Bradford Council
Combined Authority case officer	Mott MacDonald (external consultant on behalf of the Combined Authority)

## Appraisal summary

- 2.131 The project sets out a clear link to policies and strategies and the need for improvements to be made to reduce congestion and unlock growth in the area has been identified.
- 2.132 There is a strong economic case for the scheme with a benefit cost ratio of 6.24:1, which is categorised as “very high value for money” according to the Department for Transport’s criteria.
- 2.133 The project has the majority of planning permission in place which reduces the risks for the project to proceed. Bradford Council also aim to proceed with contract preparation, procurement and land acquisition prior to the full

business case with finalised costs, submission which enables the project to be delivery ready.

### **Recommendations**

2.134 That Investment Committee recommends to the Combined Authority that:

- (i) The Hard Ings Road Improvements, Keighley project proceeds through decision point 4 and work commences on activity 5 (full business case with finalised costs)
- (ii) An indicative approval to the total project value of £10.3 million is given from the West Yorkshire plus Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs)
- (iii) Further development costs of £2.718 million are approved in order to progress the scheme to decision point 5 (full business case with finalised costs) to be funded from the West Yorkshire plus Transport Fund, taking the total project approval to £3.86 million.
- (iv) The Combined Authority enters into an addendum to the existing funding agreement with Bradford City Council for expenditure of up to £3.86 million 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 including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

<b>Project Title</b>	<b>York Outer Ring Road Phase 2 (Monks Cross)</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	4 (Full business case)

## **Background**

2.135 The York Outer Ring Road (YORR) programme includes improvements to seven existing Outer Ring Road roundabouts between the Wetherby Road and Monks Cross junctions. The YORR programme achieved Gateway 1 approval (equivalent to decision point 3 (outline business case) in the Combined Authority's Assurance process) at Investment Committee on 28th November 2014. The Gateway 1 approval allocated £37.6 million to the programme. It was subsequently agreed that the project would progress on a phased package basis with the programme business case being updated for each phase.

2.136 Phase 1 was approved by the Combined Authority's Managing Director on 19 March 2018. It is now on site and due for completion in January 2019.

2.137 Phase 2 will deliver improvements to the roundabout at the junction of A1237 (YORR), Monks Cross Drive, and North Lane, comprising:

- A1237 (YORR) approaches widened to three lanes;
- A1237 (YORR) exits widened to two lanes;
- Enlarge the roundabout;
- Widening of minor arm approaches to match traffic flows.
- Improved facilities for pedestrians and cyclists.

2.138 A summary of the scheme's business case and location map is included in **Appendix 9**.

## **Outputs, benefits and inclusive growth implications**

2.139 The forecast outputs, benefits and inclusive growth implications are set at a programme level for the York Outer Ring Road. These are:

- Enable better access to employment, retail, health and leisure sites in York which serve the surrounding population.
- Enhanced connectivity to the A1(M) and other strategic destinations.
- Reduced end to end journey times around the northern section of the York Outer Ring Road by approximately 20% by 2021. The impact of the upgrades at some congested junctions, such as Haxby roundabout, will be more significant.

- Enhanced journey time reliability for cross-county movements (estimated to be 15-20% of traffic) between origins and destinations in North Yorkshire.
- Reduced localised congestion and delays on approach and exit from the junctions.
- Removal of through traffic from York City Centre due to the decongestion of the Outer Ring Road route.
- Improved safety through the reduction in road accidents.
- Improved air quality in the city centre resulting from improved traffic flows.

### **Risks**

2.140 The key risks to the project and the related mitigation are

- Land assembly is required and still to be concluded. There is a potential impact to the programme should there be significant delays in concluding this. To mitigate this risk, land agents have been appointed to conclude the process and are seeking permissions for early entry to land for pre-construction works.
- As detailed costs are still to be confirmed there remains a risk of cost increases. City of York Council will undertake a robust review of final costs once known, as was carried out for Phase 1 works.

### **Costs**

2.141 The project costs can be summarised as:

- Phase 2 costs estimated at £3.018 million to be confirmed at decision point 5.
- Total programme costs estimated at £38.926 million.
- Additional development funding is not requested at this stage. Development costs of £2.45 million have been approved at a programme level.

### **Timescales**

- Phase 2 - Forecast decision point 5 (full business case with finalised costs) approval - December 2018)
- Phase 2 - Forecast site start - January 2019
- Phase 2 - Forecast completion - October 2019



## Assurance pathway and approval route

Assurance pathway	Approval route
Decision point 4	Recommendation: Investment Committee Decision: Combined Authority
Decision point 5	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director

## Assurance Tolerances

Project tolerances
Costs should remain within 5% of the Combined Authority's contribution set out in this report. Timescales should remain within 3 months of those set out in this report.

## Project responsibilities

Senior Responsible Officer	James Gilchrist (City of York Council)
Project Manager	Gary Frost (City of York Council)
Combined Authority case officer	Thomas Murphy

## Appraisal summary

- 2.142 Overall the business case presented provides sufficient evidence and justification that Phase 2 should proceed. The Economic and Strategic Cases for Phase 2 are intrinsically linked to the programme as a whole, when considered at a programme level these cases are sufficiently developed to recommend progression. The programme's benefits cost ratio is 2.9:1.
- 2.143 Whilst benefits are being measured at a programme level, there will be localised benefits realised at this junction once improvement works are delivered.
- 2.144 The roundabout proposals are all being designed to accommodate future enhancement to dual carriageway standard for the A1237. A Transformational Project is also currently underway to develop an outline Strategic Business Case for dualling of the A1237.
- 2.145 City of York council have recently submitted a draft Outline Business Case for funding from the Department for Transport to support dualling of the A1237 between the A19 and Hopgrove Roundabout as part of the Major Road Network. An announcement has recently been made by the Transport Secretary that City of York Council have been successful. It is understood that

work will now start to prepare a final Outline Business Case for submission to the Department for Transport in order to obtain greater security around the funding. Construction of the first improvements on the new Major Road Network are expected to start in 2020-21. In order to achieve an efficient design and construction process to incorporate the dual carriageway sections, there may be impacts on the programme for Phases 3 and 4. This will be confirmed in due course as further details on the MRN funding become available.

## **Recommendations**

2.146 That Investment Committee recommends to the Combined Authority that:

- (i) The York Outer Ring Road Phase 2 project proceeds through decision point 4 and work commences on activity 5 (full business case with finalised costs)
- (ii) An indicative approval to Phase 2 to the value of £3.018 million is given from the West Yorkshire plus Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

<b>Project Title</b>	<b>Rail Park and Ride Programme Phase 1</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	Change Request – activity 3 (Outline business case)

## Background

2.147 The Rail Park & Ride Programme: phase 1 supports the growth in rail demand by increasing parking capacity at rail station car parks. The programme was first approved by the Combined Authority in February 2016 and is funded by the West Yorkshire plus Transport Fund. The development of each car park will provide the following:

- Additional standard car parking spaces
- Department of Transport compliant number of blue badge car parking spaces.
- Additional closed circuit television and low energy lighting
- Re-surfaced and re-marked existing car park surfaces
- Enhanced drainage infrastructure, with fuel and oil interceptors
- Provision for more sustainable travel modes if not already provided including: cycle stands, motorcycle bays, future proofing for two electric vehicle charging bays where appropriate.

## Description of Change Request

2.148 Phase 1 included sites currently in public ownership (owned either by Network Rail or local authorities) where land acquisitions were not required and sites could be converted to car parks in shorter timeframes.

2.149 There are three key changes that have resulted in the requirement to re-programme within phase 1 Rail Park & Ride programme.

2.150 Initial feasibility for some sites has identified that land is not publicly owned and additional station car parking is no longer deliverable with sites being put on hold or removed from the programme. Other schemes provide an opportunity to increase, above expectations, the number of parking spaces providing a greater return on investment. The re-programming within phase 1 will enable schemes not deliverable to be removed from the programme and facilitate the funding of larger scale schemes that are deliverable within the programme timescales.

2.151 This change request also proposes that resource costs that are incurred at a programme level to March 2021 are charged to the programme funding approval as a whole rather than to the individual schemes.

2.152 Project development costs for individual schemes are already approved, with the exception of the Ben Rhydding scheme. This scheme has now been further defined and costs estimated. Development costs are now required to develop the outline business case which will be considered by the Investment Committee at a future date.

Sites in delivery/complete

Site	Additional parking spaces
South Elmsall	50
Fitzwilliam	103
Mirfield A	25
Hebden Bridge	45

Sites in development – working towards full business case with finalised costs

Site	Additional parking spaces
Mytholmroyd	203
Normanton	134
ShIPLEY	153
Steeton & Silsden	123

Sites at feasibility stage

Site	Additional parking spaces
Apperley Bridge	394
Ben Rhydding	200
Garforth	97
Guisley	334
Moorthorpe	83
Outwood	125

Sites with 3rd party land issues, on hold and transfer to phase 2

2.153 Phase 2 of the programme will include the following:

- Knottingley: Wakefield Council to secure option to purchase 3rd party land; if successful the Combined Authority will re-assess demand for parking at the rail station.

- Morley: 3rd party land contaminated with challenging infrastructure requirements, resulting in the scheme, as it is, being unaffordable. There is an opportunity for the Combined Authority, Network Rail and Leeds City Council to collaborate and re-evaluate the scheme.
- Mirfield B: the land identified for this scheme is now required by the landowner, Network Rail. Work will be conducted in phase 2 to identify the suitability of alternative sites.

#### Sites not progressing in the programme

2.154 Horsforth, Menston, Brighouse and Pannal, where no suitable sites are available for enhanced provision.

#### **Outputs, benefits and inclusive growth implications**

2.155 The forecast outputs, benefits and inclusive growth implications are:

- Gross Value Added (GVA) at programme level - £8.2 million
- Employment benefit at programme level – an additional 117 jobs
- At programme level, spend will remain within £30.5 million yet has the potential to yield 30% more parking spaces than originally forecasted.
- Extend free rail car parking and enhance employment accessibility through the provision of additional car parking spaces
- Improve overall journey times through better access to the rail network
- Alleviate local streets from on-street parking by rail users
- Increase provision of Blue Badge parking bays
- Reduce car journeys and encourage modal shift onto rail through improved accessibility to the rail network.

#### **Risks**

2.156 The key risks to the project and the related mitigation are:

- The biggest risk to the programme is the issue of car park maintenance. The programme is capital funded and does not have the revenue funding to cover the costs of ongoing maintenance therefore maintenance has to be finalised before each scheme can be approved at decision point 5 (full business case with finalised costs). Negotiations with Arriva Rail North (ARN) who are responsible for delivering half of the programme have resulted in their re-commitment to maintain the new car parks once completed. Discussions with district partners are ongoing.
- Programme: more complex schemes such as Guiseley and Apperley Bridge have challenging programmes which may result in delivery after March 2021. This is being mitigated by exploring if feasibility and design works can commence as soon as possible.

## Costs

2.157 The programme costs can be summarised as:

- The total cost of the schemes in the programme in delivery and developed is £30.5 million.
- Project development costs £150,000 are requested for the feasibility and option selection for Ben Rhydding.
- Recharging the programme-level resource costs to the programme-level expenditure approval will require a funding increase of £540,000 taking the approval from £1.161 million to £1.701 million. This is affordable within the overall allocation for the programme of £30.5 million.

## Timescales

- Forecast full approval of all sites by January 2020
- Forecast start of phased construction date by September 2020

## Assurance pathway and approval route

Assurance pathway	Approval route
Stage 2 (Development) change request	Recommendation: Investment Committee Decision: Combined Authority
Each scheme within the Programme will proceed through its own assurance pathway and approval route as defined by the scale and complexity of each scheme.	

## Assurance Tolerances

Project tolerances
That Combined Authority costs should remain within 10% of the costs outlined in this report. That timescales should remain within 6 months of the timescales set out in this report. That all scheme outputs remain within 20% of those detailed in the business case.

## Project responsibilities

Senior Responsible Officer	Melanie Corcoran, Combined Authority
Project Manager	Sara Brook, Combined Authority
Combined Authority case officer	Paul Coy

## Appraisal summary

2.158 The overall number of schemes within the Rail Park & Ride programme has changed from 16 to 14 yet still has the potential to generate 30% more spaces and therefore provides a more efficient use of resources.

- 2.159 The economic case for each individual scheme will be assessed as part of decision point 5 (full business case with finalised costs) approval and the accumulative benefits will be assessed at programme level towards 2021.
- 2.160 At programme level, the expenditure will remain within £30.5 million yet has the potential to yield 30% more parking spaces than originally forecasted.
- 2.161 The management case has become more complex. However Arriva Rail North have since re-affirmed their commitment to maintain the phase 1 car parks and discussions with district partners are ongoing.

### **Recommendations**

- 2.162 That Investment Committee recommends to the Combined Authority that:
- (i) The change request to the Rail Park & Ride Programme phase 1 re-programming and re-allocation of funds within the programme is approved. This highlights as to which schemes will progress in phase 1 and which schemes will be moved into phase 2.
  - (ii) Development costs of up to £150,000 for the Ben Rhydding scheme from West Yorkshire plus Transport Fund are approved, subject to confirmation from the City of Bradford Metropolitan District Council that land will be made available.
  - (iii) That the Rail Park and Ride Phase 1 programme-level expenditure approval will increase from £1.161 million to £1.701 million to be funded from the West Yorkshire plus Transport Fund.
  - (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.

<b>Project Title</b>	<b>Outwood Station Park and Ride</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	Change Request – activity 3 (Outline business case)

### **Background**

- 2.163 The Combined Authority Rail Park & Ride Programme is funded through the West Yorkshire plus Transport Fund. It consists of 14 sites adjacent to rail stations that are to be developed into car parking for the benefit of rail users.
- 2.164 The West Yorkshire Combined Authority approved Outwood Rail Station at decision point 2 in June 2017 at a total scheme value of £1.540 million including £110,600 developments costs. Wakefield Council is the land owner of the potential site and the car park extension will be delivered, operated and maintained by them. As part of the business case development four options were appraised. The selected preferred option does not require third party land acquisition and was the least expensive in terms of total scheme costs. The car park extension will include additional parking bays; LED lighting, closed circuit television, drainage and access road. This access road has been identified as a scope change and has been appraised as part of this change request.

### **Description of Change Request**

- 2.165 An independent options appraisal was undertaken and a preferred option selected. Whilst this had the lowest total scheme costs and was considered to be the most effective option, costs have increased from those presented at decision point 2. However, this can be accommodated within the re-profiling of the Phase 1 programme.
- 2.166 The scope of the Rail Park & Ride Programme is restricted to the car park and does not allow for works to the station itself or highways; however the preferred option is only deliverable with the inclusion of a 400 metre access road and as a result requires a change to the scope of the scheme set out by the programme.
- 2.167 Wakefield Council have agreed to maintain the new access road and car park. This was originally out of scope, but when reviewing the other options this was considered to be the best approach and this will form part of the funding agreement.

### **Outputs, benefits and inclusive growth implications**

- 2.168 The forecast outputs, benefits and inclusive growth implications are:
- 125 marked parking bays, access road, CCTV, drainage, lighting.



- Improved connectivity to the rail network and urban centres reducing overall journey times.

### Risks

2.169 The key risks to the project and the related mitigation are

- The anticipated demand for the car park is significantly lower than expected. Mitigation - This will be mitigated by performing surveys to review the benefits of the before and after scenarios.
- Additional parking may not increase use of the station, but transfer vehicles from the side roads currently being used. Mitigation - This will be mitigated by performing surveys to review the benefits of the before and after scenarios.
- Increase in funding required to accommodate within the overall Rail Park & Ride Programme as a result of this change request. Mitigation – A change request for re-programming the phase 1 Rail Park & Ride programme, which includes this revised scheme is being presented to the same Investment Committee meeting.

### Costs

2.170 The project costs can be summarised as:

- The total estimated project costs for the scheme are £1.540 million. This is a £440,000 increase from the total scheme costs presented at decision point 2.
- Development costs have increased by £29,400 from the original approval of £110,600 to £140,000. As a result the Combined Authority will also enter into a funding agreement with Wakefield Council for expenditure up to £130,000

### Timescales

- The forecast full approval is November 2019.
- The forecast completion date is November 2020.

### Assurance pathway and approval route

Assurance pathway	Approval route
Activity 3 change request (Outline business case)	Recommendation: Investment Committee Decision: Combined Authority
Decision point 5 (full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director

## Assurance Tolerances

Project tolerances
That Combined Authority costs should remain within 10% of the costs outlined in this report.
That timescales should remain within 6 months of the timescales set out in this report.
That if all scheme outputs decrease by more than 20%.

## Project responsibilities

Senior Responsible Officer	Melanie Corcoran, Combined Authority
Project Manager	Sara Brook, Combined Authority
Combined Authority case officer	Paul Coy, Combined Authority

## Appraisal summary

2.171 The strategic change with regards to option 2, would mean that an access road would need to be provided to the car park. The demand for the scheme is strong which will double the capacity. In terms of economic case the benefit cost ratio estimated at worst case is 2.3:1 which is good. It is expected that this will be improved after the tender process. The increase in costs is affordable as a result of the re-programming within phase 1 of the overall Rail Park and Ride Programme.

## Recommendations

- 2.172 That Investment Committee recommends to the Combined Authority that:
- (i) The change request to extend the scope at Outwood Rail Station is approved to include the provision of an access road.
  - (ii) That indicative approval is given to the revised scheme costs of £1.540 million which will be funded from the West Yorkshire plus Transport Fund.
  - (iii) That additional development costs of £29,400 are approved taking the total expenditure approval for project development to £140,000.
  - (iv) Combined Authority enter into a funding agreement with Wakefield Council for expenditure up to the value of £130,000.
  - (v) Future approvals are made in accordance with the approval pathway and approval route outlined in this report following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

## Projects in Stage 3: Delivery and evaluation



<b>Project Title</b>	<b>Access to Capital Grants</b>
<b>Stage</b>	3 (Delivery and evaluation)
<b>Decision Point</b>	Change Request – activity 6 (Delivery)

### **Background**

- 2.173 The £15.7 million Access to Capital Grants (A2CG) programme provides capital grants to growing businesses to assist them with the purchase of new equipment and machinery, and to assist with the cost of fitting-out or refurbishing business premises. The scheme delivery period is April 2016 to end of March 2021.
- 2.174 £1.75 million of the programme budget was assigned as match-funding to two other European Regional Development Fund (ERDF) projects in 2016, namely Ad-Venture (support for new businesses) and Digital Enterprise (support for businesses to enhance their digital capability), both of which are delivered by Leeds City Council (LCC) as the lead organisation with support from a range of other partners, including the Combined Authority and Local Enterprise Partnership. This assigned funding enabled the projects to progress by providing vital match-funding, both in terms of the £1.75 million itself and the SME-match-funding that it unlocked i.e. the £1.75 million was awarded as capital grants to businesses on both schemes, with the money that the individual grant-recipients are required to invest alongside the grants, being used as match-funding. Both projects have been successful to date in supporting firms across the City Region and contributing to the Combined Authority's Local Growth Fund (LGF) outputs; they have collectively created over 100 jobs, with over 300 more in the pipeline.
- 2.175 Both projects have been running for two years and are well-regarded as important components of the City Region's business support offer. The Growth Service is the key referral point for both projects, both in terms of referrals from the Business Gateway, the team of small to medium sized enterprises (SME) growth managers and from the other main products and services currently available to businesses in the City Region. The table below sets out the impact of both projects over the last two years:

Project	Grant invested (as of July 2018)	Businesses supported	Jobs created
AD:Venture	£400,000 (all LGF) £637,000 committed (all LGF)	137 with grants 744 with advice	74 actual 205 committed
Digital Enterprise	£1.4 million (£550,000 of LGF)	558 with grants 325 with advice	35 actual 1560 committed

2.176 It is unlikely that the projects would have achieved the above impact, or even have been delivered at all, without the match-funding from the Local Growth Fund as this effectively enabled them to double the project budgets and outputs.

### Description of Change Request

2.177 Leeds City Council is in the process of applying to the ERDF for three-year extensions for both projects and are again requesting match-funding from the Combined Authority via the A2CG budget as follows - £1 million for Ad:Venture and £750,000 for Digital Enterprise.

2.178 The change request is to assign £1.75 million of the Combined Authority's Local Growth Fund as match funding for the proposed extension of both Ad:Venture and Digital Enterprise schemes for, and authorise, a bid for European Regional Development Funding by lead partner Leeds City Council and authorise Leeds City Council to manage the capital grant elements of both Ad:Venture and Digital Enterprise schemes, on behalf of the Combined Authority/Local Enterprise Partnership.

2.179 The schemes, subject to a successful ERDF funding bid, would extend beyond 2021 when the Combined Authority's Local Growth Fund comes to an end. Both schemes will fully spend the Local Growth Fund allocations by the end of March 2021.

### Outputs, benefits and inclusive growth implications

2.180 The Access to Capital Grants programme:

- Raises the innovation levels of Leeds City Region Small and Medium sized Enterprises (SMEs) and develops strong and sustainable supply chains, particularly in the City Region's key economic sectors (e.g. manufacturing, creative & digital, medical technology);
- Raises start-up levels in the City Region by targeting start-ups with potential to achieve turnover of £500,000 within three years of starting trading, or to have at least 5 employees within three years;
- Supports businesses to become more efficient and productive through enhanced use of digital technologies;

- Creates direct and indirect employment in SMEs across the City Region (e.g. at least 1,600 gross new jobs) and, through a focus on re-shoring and the development of new products and processes, delivers additional economic value to UK plc;
- Improves the gross value added position of the Leeds City Region economy;
- Levers significant private sector investment alongside beneficiary SMEs at a ratio of 1:3; and
- Provides a coordinated ladder of grant investment, with clear and robust links to other available sources of finance for SMEs in LCR with well-defined growth projects.
- The opportunity to assign match funding from the Local Growth Fund to an anticipated extension to two existing successful programmes (Ad:Venture and Digital Enterprise) means enabling the leverage of additional funding from the European Regional Development Fund and additional outputs through an additional 175 job outcomes from the Ad:Venture and Digital Enterprise schemes.

## **Risks**

2.181 The key risks to the project and the related mitigation are

- Reputational risk if the Combined Authority does not assign match funding to proven successful programmes across the City Region. This risk is mitigated by a strong business case for assigning the match funding.
- Reputational risk to the Combined Authority and wider City Region if the provision of business support through local partners is not successful. This risk is mitigated by good performance by local partners to date and the Combined Authority business support team working closely with local partners and within their delegated authority for decision making. All grant awards using the Local Growth Fund monies will be made in accordance with the Combined Authority's Assurance Framework and Officer Scheme of Delegations.

## **Costs**

2.182 The total project costs for the whole Access to Capital Grants programme will remain at £15.7 million up to end of March 2021.

2.183 The total project costs for each of the two projects to which match funding from the Local Growth Fund is being assigned is as follows:

- Digital Enterprise total scheme cost is £10 million, with £750,000 from Local Growth Fund via Access to Capital Grants.
- Ad:Venture total scheme cost is £11 million, with £1 million from Local Growth Fund via Access to Capital Grants.

## Timescales

- 2.184 The request to assign £1.75 million of the Access to Capital Grants budget to support two bids to the ERDF for two projects (Ad:Venture and Digital Enterprise) that will commence delivery in October 2019 for three years.

## Assurance pathway and approval route

Assurance pathway	Approval route
Activity 6 change request (Delivery)	Recommendation: Investment Committee Decision: Combined Authority's Managing Director delegated decision
Decision point 7 (close and review)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery

## Tolerances

Project tolerances
That the total project costs remain within the costs identified within this report. That the project delivery timescale remains within three months of the timescales identified within this report.

## Project responsibilities

Senior Responsible Officer	Sue Cooke, Combined Authority
Project Manager	Henry Rigg, Combined Authority
Combined Authority case officer	Mary Innes

## Appraisal summary

- 2.185 This change request outlines how the capital grants elements of the Ad:Venture and Digital Enterprise schemes within Access to Capital Grants Programme will be delivered through the Combined Authority partners, with Leeds City Council as the lead partner. This had not been explicit at the time of the programme's original approval.
- 2.186 Additionally, the change request is to assign £1.75 million of the Local Growth Fund (from Access to Capital Grants) as match funding for two Leeds City Council-led ERDF bids (£1 million for Ad:Venture and £750,000 for Digital Enterprise) to extend the current successful schemes for a further three years from October 2019.

2.187 The proposed changes are clear, logical and will lead to the continuation of a successful programme delivered even more efficiently and effectively, subject to a successful EDRF bid.

### **Recommendations**

2.188 That Investment Committee recommends to the Combined Authority's Managing Director that:

- (i) The change request to the Access to Capital Grants programme is approved to:
  - Assign £1.75 million of the Local Growth Fund as match funding for the capital grants elements of the proposed extension of both Ad:Venture (£1 million from Local Growth Fund) and Digital Enterprise ( £750,000 from Local Growth Fund) schemes, and provide confirmation of the match-funding to support bids for the two schemes for European Regional Development Funding to be led by Leeds City Council;
  - Authorise Leeds City Council to manage the capital grants elements of both Ad:Venture and Digital Enterprise schemes on behalf of the Combined Authority and for the benefit of the Leeds City Region.
- (i) 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.

## **Decisions made through the delegation to the Managing Director**

2.189 Since Investment Committee's meeting on the 5 September 2018, decisions regarding the following schemes has been exercised. This decision was made through the delegation to the Combined Authority's Managing Director following a recommendation from Combined Authority's Programme Appraisal Team. In order for a decision to be made through a delegation to the Managing Director, the scheme must remain within the assurance tolerances that have been approved at an earlier decision point. All the schemes outlined below have remained within their approved delegations unless stated otherwise below

### **Clean Bus Technology Fund scheme**

2.190 This decision point 5 approval relates to the Clean Bus Technology Fund scheme and work starting on activity 6 (delivery). The project will fund cleaner emission technology on approximately 30% of the existing bus fleet across West Yorkshire from the Department for Environment, Food and Rural Affairs (DEFRA) Clean Bus Technology Fund (CBTF) and the Leeds Public Transport Investment Programme (LPTIP). The scheme was first approved by the Combined Authority in May 2018. The Managing Director approved the decision point 5 total project value of £6.088 million on 21 September 2018. This will be funded as follows

- £4.21 million from the Department for Food and Rural Affairs Clean Bus Technology Fund (£2.84 million Combined Authority grant and £1.37 million Leeds City Council grant)
- £850,000 from Leeds Public Transport Investment Programme (LPTIP), (which was subject to endorsement by the LPTIP Programme Board in October 2018)
- £1.028 million from bus operators match funding.

2.191 The Bus Delivery Board and LPTIP Programme Board have since endorsed the £850,000 from LPTIP in October 2018. The Managing Director also approved the Combined Authority enter into grant agreements with bus operators for expenditure up to £4.21 million from the Clean Bus Technology Fund.

2.192 A summary of the scheme's business case is included in **Appendix 10**.

### **West Yorkshire Urban Traffic Management Control project**

2.193 The decision point 4 (full business case) approval related to the West Yorkshire Urban Traffic Management Control project and work starting on activity 5 (full business case with finalised costs). The 2015 West Yorkshire plus Transport Fund submission to Government included the West Yorkshire Urban Traffic Management Control (UTMC) project which aims to reduce the effects of congestion and the resulting costs to the local economy. The scheme aims to achieve this through securing efficiencies from and improvements to the various systems and technologies used across the



region. The project will fund on-street improvements including improved technology at key junctions, a common database and an integrated team.

- 2.194 The scheme was first approved by the Combined Authority in April 2016. The Managing Director approved the decision point 4 indicative total project value of £7.490 million from the West Yorkshire plus Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs). This approval was received on the 21 September 2018.
- 2.195 A summary of the scheme's business case is included in **Appendix 11**.

### **ULEV Taxi scheme**

- 2.196 The decision point 5 approval related to the ULEV taxi scheme and work starting on activity 6 (delivery). The ULEV taxi scheme, funded by the Combined Authority through funding from the Office for Low Emissions (OLEV) and Local Transport Fund (LTP), will install a minimum of 88 taxi only electric rapid charge point sites which will deliver reductions and nitrogen oxide emissions from taxis and associated improved local air quality across West Yorkshire. The scheme was approved at decision point 4 by the Combined Authority in June 2018. The Managing Director approved the decision point 5 for expenditure of £3.18 million, funded through £1.20 million from the LTP fund and £1.98 million from OLEV; authority to enter into a framework agreement with the preferred Electric Vehicle Charge Point supplier and funding agreements with West Yorkshire Partner Councils on 5 October 2018.
- 2.197 A summary of the scheme's business case is included in **Appendix 12**.

### **Natural Flood Management – Calder and Colne**

- 2.198 This change request relates to the Leeds City Region Natural Flood Management Programme – Colne and Calder which received Managing Director delegated approval for decision point 4 in April 2018 and has now progressed to decision point 5 (full business case with finalised costs). The purpose of the Local Growth funded programme is to develop an “integrated flood risk reduction programme” to address the urgent need for greater resilience against flooding to protect and retain businesses and employment, and to maintain the transport network. This includes the Calder and Colne project which will implement natural flood management measures within the prioritised sub-catchment areas of the rivers Colne and Calder. The project will deliver increased woodland cover, run off attenuation measures (leaky dams in the landscape), peat and heath restoration and fencing to reverse and prevent further damage by sheep, deer and walkers. While there is no change to the Combined Authority Funding, higher levels of match funding secured by the project were required to be approved as the total project value tolerance of 10% at outline business case and 0% at full business case was exceeded. As there is no change to the Combined Authority's Growth Deal funding as a result of this change request, the Combined Authority's Programme Appraisal Team considered that the approval could still be made through the delegation

to the Combined Authority's Managing Director. This approval was received on the on 24 August 2018.

### **A629 Phase 1a & Monitoring/Evaluation**

- 2.199 This change request relates to the A629 Halifax to Huddersfield corridor improvement scheme within the West Yorkshire plus Transport Fund Delivery programme which will enable Calderdale as the primary beneficiary to fulfil its growth ambition. Phase 1a concentrates on the A629 north of the Calder and Hebble junction, a junction which is widely acknowledged as Calderdale's most significant congestion pinch point. The scheme received Managing Director delegated approval for decision point 5 in June 2017 and is now in delivery (activity 6). Phase 1a of the scheme is an enabling component to unlock constrained investment opportunities in Halifax. The change request is to request an additional £343,344 delivery costs and to re-allocate £39,812 of costs from the A629 Phase 1a post construction evaluation into the programme monitoring allocation. The reason for these changes are:
- 2.200 The point where the scheme ties in with the A629 phase 1b has developed further since the contract was awarded, and there's an opportunity for Calderdale to instruct the contractors that are on site to vary the scope, thereby avoiding abortive works being constructed as part of phase 1a once phase 1b is into delivery.
- 2.201 The programme baseline monitoring has taken longer to complete and cost more than anticipated due to the snap national election that was called in spring 2017. Project management costs for Calderdale and Combined Authority staff were also not factored into the original costs. This will not have a detrimental effect on the budget available for post construction evaluation on the scheme.
- 2.202 This change request was within the tolerances defined for the programme and as a result could be approved through a delegation to the Combined Authority's Managing Director. This approval was received on the 12 October 2018.

### **A629 Phase 2 (Halifax bus station)**

- 2.203 This change request also relates to the A629 Halifax to Huddersfield corridor improvement scheme within the West Yorkshire plus Transport Fund Delivery programme which will enable Calderdale as the primary beneficiary to fulfil its growth ambition. The development and delivery of a new bus station in Halifax is critical to the successful delivery of the A629 Phase 2 Halifax Town Centre highway infrastructure improvements to be realised through the programme. The inclusion of a new bus station was incorporated within the A629 Phase 2 outline business case in December 2015, yet the level of project assessment and feasibility of a new facility at this point was limited, based on information at that time (particularly around the proposed redevelopment for the adjacent Northgate House site), and was developed on providing a smaller scale bus station. In recognition of the fact that the Combined Authority are the asset owner, the organisation's remit for public transport services and the

experience it holds for new bus station redevelopment with the recent success in delivering new bus stations in the region, Calderdale Council sought agreement with the Combined Authority that the Combined Authority lead on the work package to undertake more detailed pre-feasibility works and an option appraisal study to identify and develop this aspects of the wider A629 Phase 2. Calderdale Council have now identified their preferred bus station option to be developed to outline business case. On that basis, further development funding of £366,415, taking the total development costs to £2.981 million was requested through this change request. This change request was within the tolerances defined for the programme and as a result could be approved through a delegation to the Combined Authority's Director of Resources, on behalf of the Managing Director. This approval was received on the on 31 July 2018.

### **Decisions made through the delegation to the Director of Delivery**

2.204 Since Investment Committee's meeting on the 5 September 2018, decisions regarding the following schemes has been exercised. This decision was made though the delegation to the Combined Authority's Director of Delivery following a recommendation from Combined Authority's Programme Appraisal Team.

#### **Kirklees College Process Manufacturing Centre.**

2.205 The project closure report for the Process Manufacturing Centre was approved to proceed through Decision Point 7 and for work to continue on Benefits Realisation.

2.206 The project has met the key deliverables of a new build and fit out of 975 m<sup>2</sup> (gross internal area) to build and fit-out 995 m<sup>2</sup> of space to create a new learning facility providing specialist training in process manufacturing and process control, within the budget of £5,140,721 set (£3,100,996 CA, £1,078,894 Kirklees College, £960,831 private sector and substantial equipment donations). The scheme objective was to develop a world-class learning facility (National College) for the Leeds City Region in the Advanced (Process) Manufacturing sector.

2.207 The PMC completed in May 16 with a GIA of 995m<sup>2</sup> and opened in autumn 2016. The current forecast is 157 apprenticeships for the centre's second year of operation. Changes to the apprenticeship funding system has been a limiting factor, but growth is now apparent, with existing companies increasing their apprenticeship numbers and new companies engaging with the PMC. The main growth areas have been the 'Food and Drink' industry apprenticeship standards (63%) and the new Supply Chain Practitioner apprenticeship standard (13%).

2.208 There is significant employer engagement with these programme with some employers setting up 'national academies' with key managers acting as boards of governors overseeing the apprentice programme progress. The feedback from employers has been that the new facilities (PMC) and the links to the existing Engineering provision were pivotal in their decisions to use Kirklees

College as apprenticeship provider. Moreover, the collaborative approach of the PMC with respect to industry partners has allowed for master classes to be delivered by industry experts. Finally, students from schools across Kirklees have been able to meet employers to discuss careers in engineering at events such as 'Engineering your future' on the 20th March 18

2.209 Companies who have engaged with the PMC are supported with work force development not just apprenticeship provision. With the new apprenticeship standards and funding rules, this allows companies to focus on their existing employees, and the PMC are tailoring programmes to fit in with shift patterns. This is currently being deployed at a major global drinks company based in Wakefield with a 24/7 four shift team operation. At a National Level within the first year of operation PMC secured the national provision for engineering apprenticeships for both Nestle and Hovis UK, as well as the rollout of a process operation apprenticeship programme for Heineken UK starting at the Hereford brewery.

2.210 The College continues to work effectively with the Science Industry Employer Forum who meet on a quarterly basis involving all regional multi-national companies to ensure PMC supports them in achieving their strategic objectives. The Food and Drink Employer Forum, led by the College, now includes all Nestle sites nationally to ensure consistency of delivery. A member of the College's PMC staff is also a member of the Nestle group board of governors for the apprenticeship programme.

2.211 However, the project is not forecasted to meet all of the key outputs in accordance with the funding agreement. Unfortunately, due to the current climate in further education, current forecasts indicate that the student numbers will be 78% of the original forecast (1163 to 907). Therefore, the outputs in the funding will be amended to reflect these forecasted learner numbers. However, there has been significant employer engagement at PMC, supporting regional business growth in the food and drink sector. The College are confident that the range of new apprenticeship standards developed and being delivered will be a bedrock for growth in this skill priority area.

### **3 Inclusive growth implications**

3.1 The inclusive growth implications are outlined in each scheme, see above.

### **4 Financial implications**

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

### **5 Legal implications**

5.1 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.

## **6 Staffing implications**

- 6.1 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.

## **7 External consultees**

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

## **8 Recommendations**

### **Project Lapwing**

- 8.1 That Investment Committee recommends to the Combined Authority that:
- (i) The Lapwing project proceeds through decision point 2 and work commences on activity 5 (full business case with finalised costs).
  - (ii) An indicative approval to the Combined Authority's contribution of £1million (which will be funded through the Local Growth Fund's Strategic Inward Investment Fund) is given with full approval to spend being granted, once the scheme has progressed through the Assurance Process to decision point 5 (full business case with finalised costs).
  - (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

### **A61S Bus Priority Corridor, Leeds**

- 8.2 That Investment Committee recommends to the Combined Authority that:
- (i) The A61 South project proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).
  - (ii) An indicative approval to the total project value of £14.15 million is given from the Leeds Public Transport Investment Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
  - (iii) Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

## **Stourton Park and Ride**

8.3 That Investment Committee recommends to the Combined Authority that:

- (i) The Stourton Park and Ride project proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).
- (ii) An indicative approval is given to the total project value of £30.1 million, of which £27.3 million will be funded by the Combined Authority from the Leeds Public Transport Investment Fund, with full approval to spend being granted once the scheme has progressed through the Assurance Process to decision point 5 (full business case with finalised costs). This indicative approval is subject the scheme being successful in gaining ERDF funding for the scheme. In the event that the ERDF bid is not successful an indicative approval of £25.4 million from the Leeds Public Transport Investment Fund will be applied.
- (iii) Further development costs of £635,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs).
- (iv) The Combined Authority enters into an addendum to the existing funding agreement with Leeds City Council to increase by £635,000 from the Leeds Public Transport Investment Fund.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

## **Elland Road Park and Ride Phase 3**

8.4 That Investment Committee recommends to the Combined Authority that:

- (i) The Elland Road Park and Ride Phase 3 project proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).
- (ii) An indicative approval to the total project value of £5.75 million is given to be funded from the Combined Authority from the Leeds Public Transport Investment Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Further development costs of £165,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs) taking the total development cost expenditure approval to £410,000.

- (iv) The Combined Authority enters into an addendum to the existing Funding Agreement with Leeds City Council to increase by £165,000 from the Leeds Public Transport Investment Fund for expenditure of up to £410,000.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

### **Institute of High Speed Railways and System Integration**

8.5 That Investment Committee recommends to the Combined Authority that:

- (i) The Institute for High Speed Rail and System Integration scheme Phase 1 proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).
- (ii) An indicative approval to the Combined Authority's contribution of £13.047 million is given, which will be funded through over-programming against the Local Growth Fund, with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs). The total Phase 1 value is £26.093 million (The University of Leeds will contribute match funding of £13.047 million).
- (iii) Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 5 (full business case with finalised costs) through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

### **Leeds Enterprise Zone Power Solution**

8.6 That Investment Committee recommends to the Combined Authority that:

- (i) The project proceeds through decision point 4 (full business case) and work commences on activity 5 (full business case with finalised costs).
- (ii) An indicative approval to the total project value of £5 million is given which will be funded by the Combined Authority from the Local Growth fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme

Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

### **A650 Bradford to Keighley Corridor (Hard Ings)**

8.7 That Investment Committee recommends to the Combined Authority that:

- (i) The Hard Ings Road Improvements, Keighley project proceeds through decision point 4 and work commences on activity 5 (full business case with finalised costs).
- (ii) An indicative approval to the total project value of £10.3 million is given from the West Yorkshire plus Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Further development costs of £2.718 million are approved in order to progress the scheme to decision point 5 (full business case with finalised costs) to be funded from the West Yorkshire plus Transport Fund, taking the total project approval to £3.86 million.
- (iv) The Combined Authority enters into an addendum to the existing funding agreement with Bradford City Council for expenditure of up to £3.86 million 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 including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

### **York Outer Ring Road Phase 2 (Monks Cross)**

8.8 That Investment Committee recommends to the Combined Authority that:

- (i) The York Outer Ring Road Phase 2 project proceeds through decision point 4 and work commences on activity 5 (full business case with finalised costs).
- (ii) An indicative approval to Phase 2 to the value of £3.018 million is given from the West Yorkshire plus Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.



## **Rail Park and Ride Programme Phase 1**

- 8.9 That Investment Committee recommends to the Combined Authority that:
- (i) The change request to the Rail Park & Ride Programme phase 1 re-programming and re-allocation of funds within the programme is approved. This highlights as to which schemes will progress in phase 1 and which schemes will be moved into phase 2.
  - (ii) Development costs of up to £150,000 for the Ben Rhydding scheme from West Yorkshire plus Transport Fund are approved, subject to confirmation from the City of Bradford Metropolitan District Council that land will be made available.
  - (iii) That the Rail Park and Ride Phase 1 programme-level expenditure approval will increase from £1.161 million to £1.701 million to be funded from the West Yorkshire plus Transport Fund.
  - (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.

## **Outwood Station Park and Ride**

- 8.10 That Investment Committee recommends to the Combined Authority that:
- (i) The change request to extend the scope at Outwood Rail Station is approved to include the provision of an access road.
  - (ii) That indicative approval is given to the revised scheme costs of £1.540 million which will be funded from the West Yorkshire plus Transport Fund.
  - (iii) That additional development costs of £29,400 are approved taking the total expenditure approval for project development to £140,000.
  - (iv) Combined Authority enter into a funding agreement with Wakefield Council for expenditure up to the value of £130,000.
  - (v) Future approvals are made in accordance with the approval pathway and approval route outlined in this report following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

## **Access to Capital Grants**

- 8.11 That Investment Committee recommends to the Combined Authority's Managing Director that:
- (i) The change request to the Access to Capital Grants programme is approved to:

- Assign £1.75 million of the Local Growth Fund as match funding for the capital grants elements of the proposed extension of both Ad:Venture (£1 million from Local Growth Fund) and Digital Enterprise ( £750,000 from Local Growth Fund) schemes, and provide confirmation of the match-funding to support bids for the two schemes for European Regional Development Funding to be led by Leeds City Council;
  - Authorise Leeds City Council to manage the capital grants elements of both Ad:Venture and Digital Enterprise schemes on behalf of the Combined Authority and for the benefit of the Leeds City Region.
- (i) 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.

## **9 Background documents**

9.1 None as part of this report.

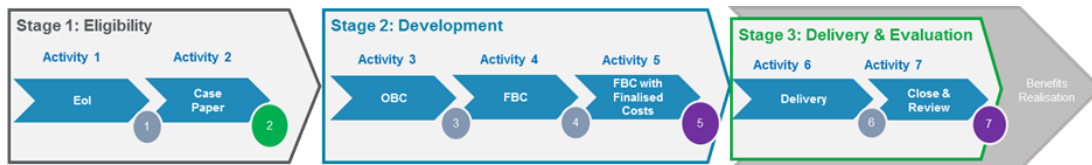
## **10 Appendices**

- Appendix 1 - Background to the Combined Authority's assurance framework
- Appendix 2 - Business case summary - Project Lapwing - EXEMPT
- Appendix 3 - Business case summary - A61S Bus Priority Corridor
- Appendix 4 - Business case Summary - Stourton Park and Ride
- Appendix 5 - Business case summary - Elland Road Park and Ride Phase 3
- Appendix 6 - Business case summary - Institute of High Speed Railways and System Integration – Phase 1
- Appendix 7 - Business case summary - Leeds Enterprise Zone Power Solution
- Appendix 8 - Business case summary - A650 Bradford to Keighley Corridor (Hard Ings)
- Appendix 9 - Business case summary - York Outer Ring Road Phase 2 (Monks Cross)
- Appendix 10 - Business case summary - Clean Bus Technology Fund scheme
- Appendix 11 - Business case summary – West Yorkshire Urban Traffic Management Control project
- Appendix 12 - Business case summary – ULEV Taxi scheme

## Appendix 1: Background to the report

### Information

1.1 This report puts forward proposals for the progression of, and funding for, a number of schemes for approval by the Combined Authority, following consideration by the West Yorkshire and York’s Investment Committee. The Combined Authority will recall that a three stage approach has been introduced as part of an enhancement to current project management arrangements, 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 (case paper approval) and 5 (final cost approval) highlighted below, with the requirement to meet the intervening activities deemed on a project by project basis.



1.2 The Programme Appraisal Team (PAT) appraises all schemes at the decision points. The PAT consists of an independent panel of officers representing policy, legal, financial, assurance and delivery. The scheme promoters from our partner councils or partner delivery organisations attend the meeting to introduce the scheme and answer questions from the panel. The terms of reference for the PAT are contained within the Leeds City Region Assurance Framework.

### Future assurance and approval route

1.3 The tables for each scheme in the main report outlines 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.

## **Tolerances**

- 1.4 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 Investment Committee and/or the Combined Authority for further consideration.

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## Scheme Summary

<b>Name of Scheme:</b>	<b>Leeds Public Transport Improvement Programme: A61 (South) Corridor</b>
<b>PMO Scheme Code:</b>	DFT-LPTIP-002e
<b>Lead Organisation:</b>	Leeds City Council
<b>Senior Responsible Officer:</b>	Gary Bartlett (LCC)
<b>Lead Promoter Contact:</b>	Sabby Khaira (Civil Engineering Manager (Highway Schemes))
<b>Case Officer:</b>	Chris Payne (Mott MacDonald on behalf of the Combined Authority)

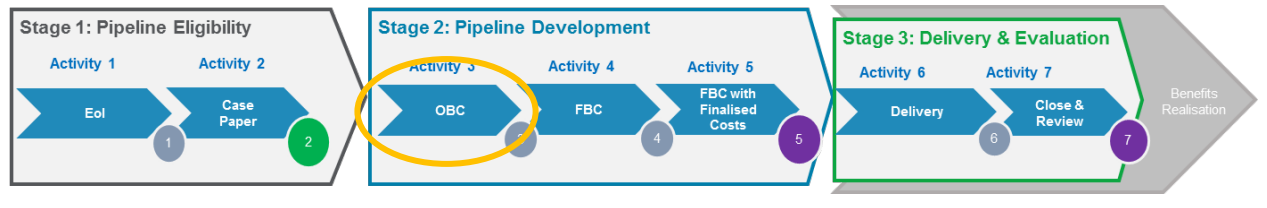
<b>Applicable Funding Stream(s) – Grant or Loan:</b>	Leeds Public Transport Investment Programme (LPTIP) – Grant
<b>Growth Fund Priority Area (if applicable):</b>	Priority Area 4 – Infrastructure for Growth

<b>Approvals to Date:</b>	The LPTIP Programme was recommended for decision point 2 approval at the Investment Committee of 16 June 2017, and formally approved by the Combined Authority Board of 29 June 2017.  The Bus Priority Corridor package of 5 schemes was given an indicative allocation of £48.9 million.
<b>Forecasted Full Approval Date (DP 5):</b>	February 2019
<b>Forecasted Completion Date (DP 6):</b>	June 2020

<b>Total Scheme Cost (£):</b>	£14.15 million
<b>Combined Authority Funding (£):</b>	£14.5 million from devolved Department for Transport Funding for Leeds Public Transport Investment Programme
<b>Total other public sector investment (£):</b>	£0
<b>Total other private sector investment (£):</b>	£0

<b>Is this a standalone Project?</b>	No
<b>Is this a Programme?</b>	Yes
<b>Is this Project part of an agreed Programme?</b>	Yes - Leeds Public Transport Investment Programme (LPTIP)

## Current Assurance Process Activity:



## Scheme Description:

### **A61 (South):**

The A61 (South) corridor improvement scheme forms one of the prioritised Leeds Public Transport Investment Programme (LPTIP) corridors and consists of a series of improvements to bus prioritisation and walking and cycling measures along the A639 and A61 between M621 Junction 7 and the junction of A61 Great Wilson Street / Meadow Lane.

The improvements include the new provision of extensive bus lanes on the corridor (in both directions); a range of bus priority measures at signals and local geometric changes; improvements to the Thwaite Gate junction, as well as dedicated walking and cycling facilities along the corridor - together with improvements to urban realm and green infrastructure.

The corridor improvement includes the following measures:

- A dedicated bus lane from the Thwaite Gate area both into and out of the city centre, to provide the high-quality bus provision;
- Provision of a fully segregated cycle track from the Thwaite Gate area both into and out of the city centre, to provide a safe and high-quality cycle route along Low Road and Hunslet Road;
- Major junction improvement at the Thwaite Gate/Wakefield Road/Pontefract Lane junction, to improve junction capacity and improve bus journey times;
- Improvements to all junctions along the Low Road and Hunslet Road route, by means of minor realignments and improvement of the traffic signal equipment to improve junction capacity, improve journey times and reduce congestion;
- The widening of Low Road between the Church Street and Sussex Avenue junctions to enable the provision of the bus and cycle lanes in both directions;
- The introduction of soft landscaping, planting and trees along various sections of the corridor to improve the overall visual appearance of the Low Road/Hunslet Road route;
- Improved pedestrian and cycle links from the local communities onto the corridor.

Further interventions on the A61 (South) are also planned between Stourton and Robin Hood, South of the P&R site. These are not the subject of the appraisal given their stage of development and will be subject to a separate outline business case in due course.

These will provide further priority measures on the A61 (South) in North Wakefield to further maximise the benefits of the A61 (South) scheme considered here for longer distance travellers, especially those using the 110, 44 and 446 bus services that will benefit most from further improvement on the A61 (South) in this area. How these schemes link to form a longer prioritised corridor between Leeds and North Wakefield is shown below.

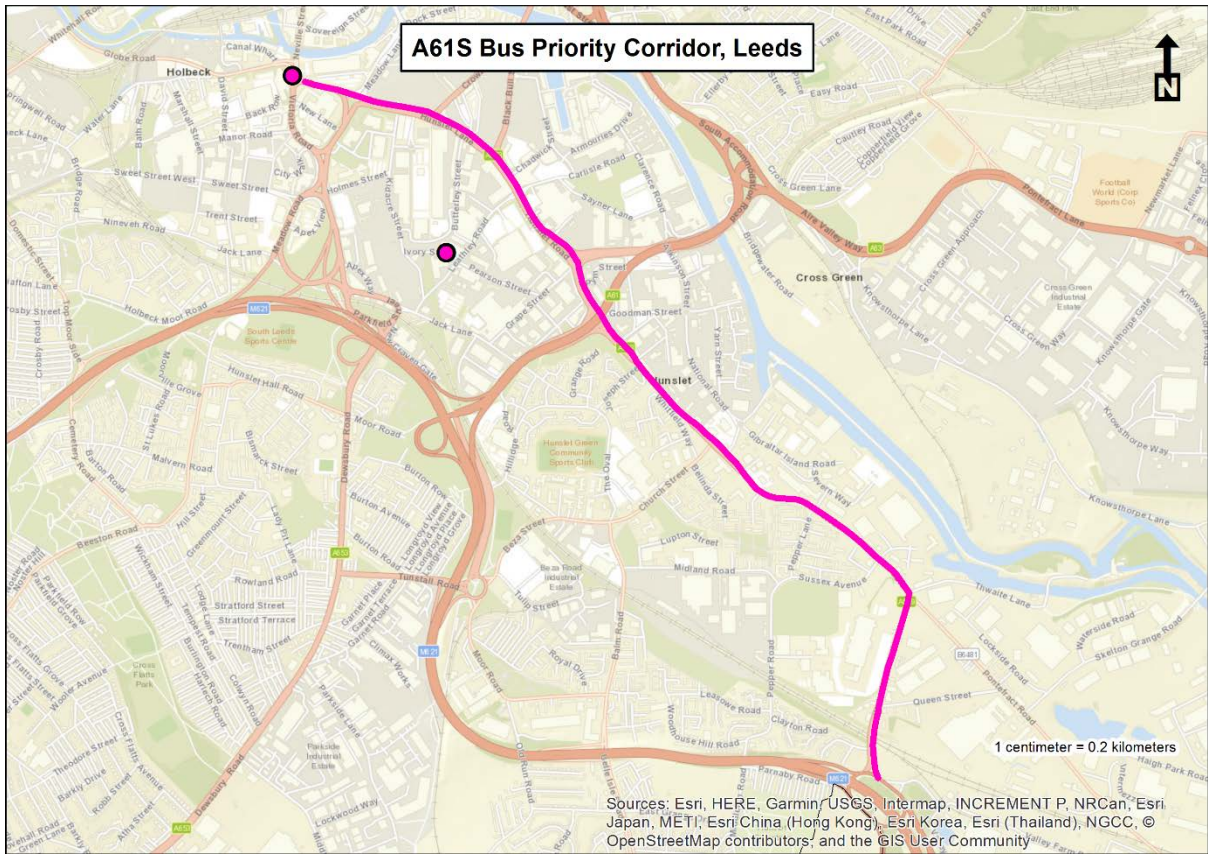




<b>Business Case Summary:</b>	
<b>Strategic Case</b>	<p>The A61 (South) corridor improvements have been developed in line with the Strategic Economic Plan, and a wide range of National, sub-regional and local transport policies. There is a clear need for improvements in access to the city centre by sustainable modes to support growth, enhance connectivity and social inclusion for all groups across the city, and improve air quality. This Leeds City Region perspective is reinforced by the challenges (and opportunities) noted within Transport for the North's Strategic Transport Plan, from a pan-Northern and sub-regional perspective. The A61 (South) corridor plays a multi-faceted and important role serving trips accessing the city centre from Southeast Leeds and the Aire Valley and vice versa to employment locations such as First Direct at Stourton. The A61 (South) corridor plays a key role in supporting the significant growth of Leeds City Centre, namely expansion into the South Bank area which includes the emerging educational hub and is estimated to have potential for 35,000 new jobs and 8,000 new homes. Sustainable growth is key to the proposals in this area, as stated by the South Bank Leeds Regeneration Framework and therefore the A61 (South) proposals for enhanced public transport and cycle access directly support this. Existing education establishments such as Leeds City College hold transport connections by public transport, cycling and walking as key to their success. The improvements will also further support the proposed Stourton Park and Ride (P&amp;R), which is proposed to use the improved A61 (South) route into Leeds, together with a wide range of local and longer-distance bus services that use the corridor. These include bus services to Belle Isle and Middleton, as well as Rothwell, Oulton, the Carlton Villages, Lofthouse and North Wakefield, and Wakefield itself.</p>
<b>Commercial Case</b>	<p>As noted in the Strategic Case for the A61 (South), a critical reason for investment in bus prioritisation measures is due to the fact that strong, overall demand</p>

	<p>increases for travel (at a corridor and wider City Region level) are not being matched by the demand for buses- based on their current offer. Improving the bus offer for both existing and future users of the network is therefore a core objective of LPTIP and the A61 (South) corridor improvement scheme- fundamentally making buses more effective given their network efficiency and sustainability credentials in supporting and delivering sustainable and inclusive growth. Given forecast population growth in both West Yorkshire, and Leeds, the Commercial case shows fundamentally that there is, and will continue to be, a strong demand for travel in the scheme area by all modes; with the scheme overtly prioritising buses and walking and cycling to capture a greater mode share of the overall demand.</p>
<p><b>Economic Case</b></p>	<p>Two options for the corridor improvement have fundamentally been assessed:</p> <p>1) Preferred Option (Public Transport Max): Additional lengths of bus priority to maximise benefits to public transport (i.e. buses). Dedicated bus lane outbound of 1,410m, inbound of 1,725m. Capital cost £14.1 million.</p> <p>2) Balanced Option: Mixture of junction and bus priority improvements leading to more balanced benefits for public transport and other highway users. Dedicated bus lane outbound of 950m, inbound of 1,310m. Capital cost £14.3 million.</p> <p>The initial benefit cost ratio (BCR) for the preferred option is 0.46. An adjusted BCR, taking into account wider economic impacts brings the BCR to 1.5. The overall Value for Money category for the preferred option is therefore considered to be 'Medium'.</p> <p>For the balanced option the initial BCR is 1.1, rising to 2.1 taking into account wider economic impacts. This brings its value for money category to 'high'. However, this option achieves significantly less for bus reliability and journey time improvements, and therefore does not support the core objectives of the scheme and the Leeds Public Transport Infrastructure Programme to the extent that the preferred option does.</p> <p>Against the core scheme objectives, Public Transport user benefits are £13 million in the preferred option, yet only £4.1 million for the balanced scheme option. Therefore, a significant majority of bus benefits are removed by the reduced scope of bus priority in the balanced scheme option. This is especially significant given the A61 (South) corridor will be a key bus route for fully electric bus services from the proposed Stourton Park &amp; Ride site and bus journey times are a key factor in attracting park and ride users and existing buses serving Belle Isle and Middleton, Rothwell, Oulton, the Carlton Villages, and North Wakefield.</p> <p>As a result, the preferred option delivers more strongly against the critical success factors of the Leeds Public Transport Investment programme, by:</p> <ul style="list-style-type: none"> <li>• increasing bus patronage in the area, with ambition to double patronage by 2026</li> <li>• Improving bus journey times</li> <li>• Improving bus journey reliability</li> <li>• Supporting increase in P&amp;R users (the A61 (South) will service Temple Green P&amp;R and the proposed Stourton P&amp;R users)</li> <li>• Encourage transport mode shift to bus or active travel (walking, cycling)</li> </ul> <p>As a result this option has a greater strategic fit with the overall programme objectives and on this basis has been selected as the preferred option over the balanced option (which is also marginally more expensive)</p> <p>It should also be noted that other Leeds Public transport Investment programme schemes (including Stourton Park and Ride) have not been included in the modelling forecasts used to generate these BCR's (in line with appraisal guidance)</p>

	<p>and will instead be included as part the economic appraisal at decision point 4 (full business case) .This is expected to impact the highway appraisal in particular - in reducing highway disbenefits associated with the scheme, due to lower flows than currently forecast as a result of car users opting to use the park and ride. As a result this is anticipated to positively impact on the BCR for the scheme at decision point 4.</p> <p>All benefits associated with the scheme have been qualitatively assessed using the guidance in transport modelling WebTAG Unit A2 and A4 alongside the Combined Authority reviewed appraisal specification report.</p> <p>The preferred scheme's benefits and impacts can be summarised as:</p> <ul style="list-style-type: none"> <li>• Existing and new users of buses will experience improved journey times and journey time reliability</li> <li>• Increased bus demand</li> <li>• Through mode shift, reduced car trips on the network, resulting in reduced emissions, and lower volumes of traffic from a noise perspective</li> <li>• A significantly enhanced cycle network</li> <li>• Improved safety for cyclist users along the length of the corridor.</li> <li>• Both improvements and some localised impacts on pedestrian facilities along the route</li> <li>• Several local access roads stopped up (to help simplify junction operation)</li> <li>• Provision of additional bus priority measures.</li> </ul>
<b>Financial Case</b>	<p>The preferred scheme cost option is £14.15 million, with a detailed cost breakdown provided, and including inflation and quantified risk assessment. As the A61 (South) is almost exclusively within existing highway boundaries it is not expected that there will be any additional maintenance costs associated with the highway elements of the scheme. The key financial risk at present is related to unexpected stats and utilities- which is being managed as an on-going risk, and by seeking to developed detailed designs as early as possible; inclusive of relevant searches.</p>
<b>Management Case</b>	<p>The project will be managed as part of an overarching programme of work known as the Leeds Public Transport Investment Programme (LPTIP). This programme consists of £270 million from the Department for Transport, City Council, Combined Authority, bus operators and developers to deliver significant investment in public transport up to 2021.</p> <p>The Leeds Public Transport Investment Programme (LPTIP) is a programme managed by the West Yorkshire Combined Authority. There is an established programme management board chaired by the Senior Responsible Owner (SRO) and supported by a Programme Manager, both these roles along with programme support are jointly fulfilled by the Combined Authority and Leeds City Council.</p> <p>Leeds City Council, have significant experience in the development, design, construction and management of strategic highway and corridor improvement schemes in Leeds.</p>





## Section A: Scheme Summary

<b>Name of Scheme:</b>	<b>Stourton Park &amp; Ride</b>
<b>PMO Scheme Code:</b>	DFT-LPTIP-003a
<b>Lead Organisation:</b>	Leeds City Council
<b>Senior Responsible Officer:</b>	Gary Bartlett, Leeds City Council
<b>Lead Promoter Contact:</b>	Sean Hewitt, Leeds City Council
<b>Case Officer:</b>	Asif Abed, West Yorkshire Combined Authority

<b>Applicable Funding Stream(s) – Grant or Loan:</b>	Grant - Leeds Public Transport Investment Programme (LPTIP)
<b>Growth Fund Priority Area (if applicable):</b>	Priority 4 - Infrastructure for Growth

<b>Approvals to Date:</b>	The LPTIP Programme was recommended for decision point 2 approval at the Investment Committee of 16 June 2017. The programme included provision of Bus Park and Ride schemes.
<b>Forecasted Full Approval Date (Decision Point 5):</b>	February 2019
<b>Forecasted Completion Date (Decision Point 6):</b>	September 2020

<b>Total Scheme Cost (£):</b>	£30.1 million
<b>Combined Authority Funding (£):</b>	£27.3 million
<b>Total other public sector investment (£):</b>	£2.8 million ERDF funding (decision pending)
<b>Total other private sector investment (£):</b>	£0

<b>Is this a standalone Project?</b>	Yes
<b>Is this a Programme?</b>	No
<b>Is this Project part of an agreed Programme?</b>	Yes - Leeds Public Transport Investment Programme (LPTIP)

## Current Assurance Process Activity:



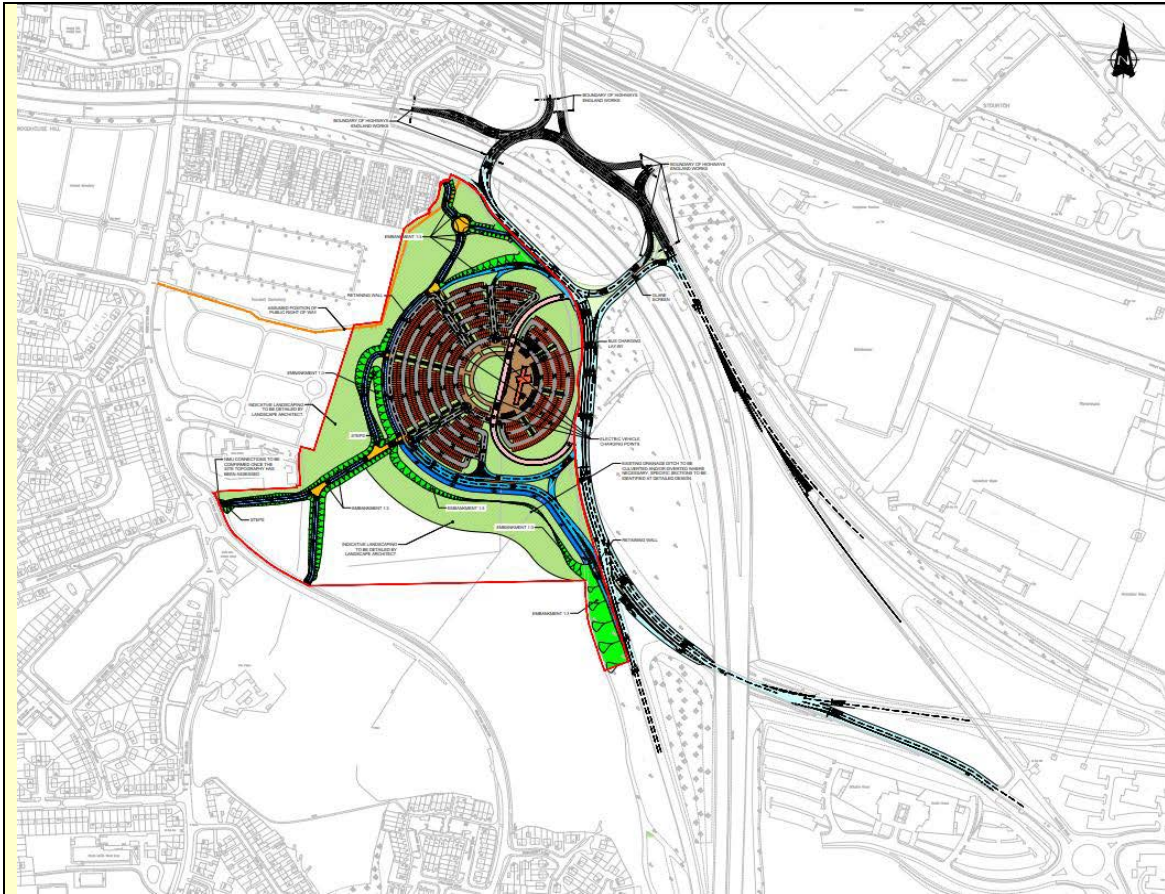
## Scheme Description:

The proposed Stourton Park & Ride scheme is located on land located adjacent to the M621 Junction 7 roundabout, on land owned by Leeds City Council. The new P&R facility will accommodate a maximum of 1,200 car parking spaces, and aims to provide a very high quality, all-electric, 10-minute frequency service to Leeds City Centre.

Park & Ride Bus Services will run along the A61/A639 corridor to/from Leeds. The service will serve the existing P&R stops in the city centre to ensure consistency with other P&R services in Leeds, and will also include stops at important employment and educational trip attractors along the corridor, namely the Wakefield Road /Thwaitegate junction and at the Education Quarter near Leeds City College Printworks Campus, Leeds College of Art and the Leeds College of Building. This is to encourage the outbound use of the service from the city centre in the morning peak, as well as primary inbound usage of the P&R site in the morning peak (and vice versa in the PM peak).

In addition to parking provision, the new site will have a number of supporting amenities including electric charging points for vehicles, family and disabled parking bays, waiting facilities, cycle stands, cycle lockers, and mobility scooter lockers.

The scheme is also implementing additional, dedicated walking and cycling facilities. The intention is to provide enhanced cycle connectivity to/from the south of Leeds, via the P&R site and the Leeds Cycle network, avoiding the need to circumvent the motorway junction, especially for more vulnerable users. By improving the transport network at and around the site, the facility will be highly accessible and therefore fully inclusive to a wider local population in Belle Isle, Middleton and Stourton itself.



Objective No.	Objective Description
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1	Increase P&R users in the City by 1,200 per day as part of LPTIP's delivery of over 2,000 new P&R spaces in the City by 2021. This represents a 50% increase on early 2018 bus based P&R levels in Leeds.
2	Improve bus journey travel times and connectivity by providing a high-quality service with a 13-minute journey time to/from the City Centre on opening in 2020, and be sustained thereafter.
3	Increase overall bus patronage by over 1,500 users a day, contributing to the LPTIP and Leeds City region ambition to double bus patronage by 2026, from 2017 levels.
4	Improve air quality, safety and health outcomes, by reducing total emissions and vehicle km's travelled on the network.
5	Increase accessibility to jobs, training and services, thus also supporting the SEP's economic growth housing, inclusion and regeneration plans.

<b>Business Case Summary:</b>	
<b>Strategic Case</b>	<p>The A61, A639 and M621 corridors play an important role serving trips accessing the city centre from southeast Leeds and the Aire Valley. The Stourton area is also important for freight and logistics, with no real alternative parallel routes given the severance effect of the River Aire. These corridors suffer from congestion across the peak periods and are some of the key strategic arterial gateways into Leeds City Centre.</p> <p><b>Strategic Economic Plan</b> Delivery of the scheme will specifically support SEP priority 4 - Infrastructure for Growth:</p> <p>The scheme will also deliver consequential benefits to the other 3 SEP priorities of Growing Businesses, Skilled People and Better Jobs, and Clean Energy and Environmental Resilience.</p> <p>Leeds City Centre accounts for 27% of all jobs in Leeds, with existing transport challenges such as congestion due to the City Centre being dominated by car, which in turn has contributed to Leeds suffering from poor air quality.</p> <p>The scheme will also support Inclusive Growth priorities, such as improving health through reducing carbon emissions (by reducing congestion, and providing electric charging facilities to encourage electric vehicle uptake), and encouraging active travel (by providing cycling and walking facilities).</p> <p>The SEP and regional econometric forecasting sets out an anticipated increase in population from 2015 to 2035 by over 12%. In a similar timeframe, the Leeds City Region will grow from 3 to 3.4 million. The growth will contribute towards more commuter and business travel, which will mean measures need to be taken to reduce congestion hot spots and take traffic away from urban centres.</p> <p>Parking charges in the City Centre have also increased over the last 5 years, and are likely to further increase as car parking capacity is reduced as an active part of parking policy (especially in relation to cleared space parking).</p> <p>The LPTIP corridors are supplemented by the West Yorkshire plus Transport Fund Corridor Improvement Package (CIP) which will deliver better bus priority on additional corridors in Leeds.</p>
<b>Commercial Case</b>	<p>As part of this Transport Conversation work, it was found most respondents (84%) stated they travelled to work, of which;</p> <ul style="list-style-type: none"> <li>o 43% currently travel to work by car</li> </ul>



	<ul style="list-style-type: none"> <li>○ 24% by bus</li> <li>○ 11% by train</li> </ul> <p>Just over half (51%) of those who usually drove to work wanted to change to a more sustainable mode of travel. For those respondents who wanted to use public transport more, particularly when travelling to Leeds City Centre, 71% indicated they would use P&amp;R service if it were quicker while 52% wanted an increase in P&amp;R options around the city.</p> <p>It is important to note that the scheme has not just been extensively consulted on, but has proactively changed as a result of local community feedback, resulting in a number of direct amendments and changes to the plans</p> <p><b>Demand</b></p> <p>The current usage and levels of demand at both the Elland Road and Temple Green Park &amp; Ride sites demonstrate clear market demand for new Park and Ride sites.</p> <p>Work, undertaken by WSP illustrates short-medium term demand for up to 1,200 spaces. Longer term demand is expected to be <i>above</i> this, giving confidence 1,200 spaces will be well utilised. The West Yorkshire Urban Dynamic Model (UDM) has also been run by WYCA to forecast levels of demand for the Stourton Park and Ride Proposal. This highlights 1,276 daily trips being made at Stourton in the 2031 Do Minimum. These levels of demand consider potential abstractions effect from other P&amp;R sites.</p> <p>Note 14% of Elland Road P&amp;R users likely to switch to the proposed Stourton P&amp;R due to operating different catchment areas.</p> <p><b>Procurement</b></p> <p>The project has been procured on a design and build basis, using an NEC3 Suite of contracts. BAM and Mott MacDonald have now been appointed and are being mobilised for detailed design and delivery. A specialist PV sub-contractor (January – March 2019) will be appointed for PV panel installation. This will be through mini-competition, following the requirements of the ERDF funding grant itself.</p> <p><u>Bus Service Contract Procurement</u></p> <p>The bus operator will be selected via an OJEU compliant procurement process and will receive subsidised (not free) electricity, derived from on-site solar PV supplemented by grid electricity at times of low supply, to operate their fleet of electric buses for this service. This element of the procurement to be by WYCA direct, based on previous contractual experience with other P&amp;R schemes, and indeed market testing and demonstration experience recently of electric buses in the West Yorkshire Region.</p> <p>LCC and WYCA have sought advice from Freeths LLP who have concluded that in their opinion, none of the organisations will be in receipt of State Aid.</p>
<b>Economic Case</b>	<p>A Long List of 140 potential schemes identified by stakeholders or through the Leeds Transport Conversation were considered - with 50 progressing to the Medium List (those that directly linked to the DfT funding criteria).</p> <p>Schemes progressed to the Short List if they supported the vision and aspirations of the emerging Leeds Transport Strategy and also address the specific problems and opportunities.</p> <p>Contribution to SEP Headline Indicators</p> <p><u>Jobs Created / Safeguarded</u> Net increase against the Do-Minimum of +589 jobs across the Leeds City Region.</p> <p><u>CO2 reduction</u></p>

	<p>Option 1: 603 tonnes per annum. Option 2: 208 tonnes per annum.</p> <p>Monetised Benefits</p> <ul style="list-style-type: none"> <li>• Economic £6.9m</li> <li>• Existing Bus Journey Times £2.1m</li> <li>• Model Shift To Bus £0.2m</li> <li>• Existing Bus Reliability £1.94m</li> <li>• Existing Highway User £11m</li> </ul> <p>VfM assessment - The BCR for the preferred scheme is 1.8:1.</p> <p>A Social and Distributional Analysis has been undertaken with positive impact on User Benefits, Noise, Air Quality, and Accidents.</p>								
<b>Financial Case</b>	<p><b>Total scheme costs:</b> £27.3m (Combined Authority) +£2.8m (ERDF) = £30.1m</p> <p><b>Project Development Costs</b></p> <ul style="list-style-type: none"> <li>• Decision point 2 approval £2.3m</li> <li>• Decision point 3 request +£0.635m</li> <li>• Total approval sought to FBC+ = £2.935m</li> </ul>								
<b>Management Case</b>	<p>Leeds City Council have recently delivered Elland Road P&amp;R and Temple Green P&amp;R sites. Outturn costs from the delivery of these schemes (and previous expansion at Elland Road) has been the basis of costings in the financial and economic cases.</p> <p>All previous stages of expansion have been successfully delivered to budget and on time. This includes the delivery of additional bus services at the site previously, led by WYCA.</p> <p>The following governance is in place:</p> <ul style="list-style-type: none"> <li>• LPTIP Programme Board</li> <li>• Bus Infrastructure Package Board</li> <li>• Bus Delivery Board</li> <li>• Leeds CC Contract Management Team</li> </ul> <p><b>Project Delivery Partners</b></p> <table border="1" data-bbox="448 1413 1425 1565"> <tr> <td>Leeds City Council</td> <td>Scheme Promoter</td> </tr> <tr> <td>West Yorkshire Combined Authority</td> <td>Lead Partner</td> </tr> <tr> <td>WSP</td> <td>Development Partner</td> </tr> <tr> <td>BAM + Mott MacDonald</td> <td>Delivery Partners</td> </tr> </table> <p>Bus operator to be procured.  A Quantified Risk Assessment has been completed by the design team.  A Communication Strategy has been developed.  A stakeholder management strategy has been developed,  An Equality Impact Assessment has been undertaken.  A benefits realisation and draft M&amp;E plan has also been</p>	Leeds City Council	Scheme Promoter	West Yorkshire Combined Authority	Lead Partner	WSP	Development Partner	BAM + Mott MacDonald	Delivery Partners
Leeds City Council	Scheme Promoter								
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WSP	Development Partner								
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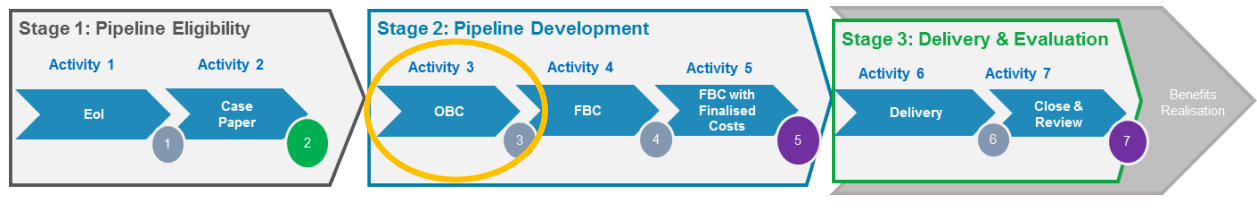
## Section A: Scheme Summary

<b>Name of Scheme:</b>	<b>Elland Road Park &amp; Ride Phase 3</b>
<b>PMO Scheme Code:</b>	DFT-LPTIP-003c
<b>Lead Organisation:</b>	Leeds City Council
<b>Senior Responsible Officer:</b>	Gary Bartlett, Leeds City Council
<b>Lead Promoter Contact:</b>	Sabby Khaira, Leeds City Council
<b>Case Officer:</b>	Asif Abed, West Yorkshire Combined Authority
<b>Applicable Funding Stream(s) – Grant or Loan:</b>	Grant - Leeds Public Transport Investment Programme (LPTIP)
<b>Growth Fund Priority Area (if applicable):</b>	Priority 4 - Infrastructure for Growth
<b>Approvals to Date:</b>	The LPTIP programme was recommended for decision point 2 (case paper) approval at the Investment Committee of 16 June 2017. The programme included provision of bus park and ride schemes.
<b>Forecasted Full Approval Date (Decision Point 5):</b>	January 2019
<b>Forecasted Completion Date (Decision Point 6):</b>	February 2020
<b>Total Scheme Cost (£):</b>	£5.75 million
<b>Combined Authority Funding (£):</b>	£5.75 million
<b>Total other public sector investment (£):</b>	£0
<b>Total other private sector investment (£):</b>	£0
<b>Is this a standalone Project?</b>	Yes
<b>Is this a Programme?</b>	No

**Is this Project part of an agreed Programme?**

Yes - Leeds Public Transport Investment Programme

**Current Assurance Process Activity:**



**Scheme Description:**

**Background**

The Elland Road P&R facility first opened in July 2014 with the provision of 425 parking spaces and a number of bus priority measures into Leeds city centre. This was subsequently expanded through the development of an overflow parking section to make up the current total of 800 spaces (with a practical capacity of around 750 noted from Leeds City Council observations before an additional overspill car park currently on the site starts to be used).

**Phase 3 Proposal**

The Elland Road P&R expansion scheme comprises the implementation of upgrades to the existing Elland Road P&R site through the addition of a maximum of 550 additional spaces.

As part of the scheme, an additional bus is also proposed to be added to the service to facilitate the additional demand. This further improves service frequencies for *all* users for the P&R site, as well as attracting new users by virtue of improving the service headway from currently every 8 minutes in the peaks, to every 6 minutes with the scheme.

The scheme objectives are:

- Add at least 500 spaces at Elland Road (+60% additional capacity) by 2019 (maximum 550).
- Improve bus capacity and service frequencies to 10 buses per hour at the site by 2020.
- Reduce overall car demand into Leeds by over 500 vehicles per day, and contribute to improved air quality in the vicinity of the site and Leeds City centre.
- Maintain the current (very) high levels of user satisfaction with the current P&R service on opening, and ongoing

The proposed scheme is located directly adjacent to the existing Elland Road P&R site, adjacent to Leeds United Football Club (see **Figure 1**).



Figure 1

**Business Case Summary:**

**Strategic Case**

**Sub Regional Policies**

Delivery of the scheme will support:

- West Yorkshire Transport Strategy
- Leeds City Region Economic Plan
- Leeds Public Transport Investment Programme
- West Yorkshire Bus Strategy
- Local Implementation Plan and Transport Strategy for Leeds 2011-26
- The Leeds Parking Policy

**Strategic Economic Plan**

Delivery of the scheme will specifically support SEP priority 4 - Infrastructure for Growth:

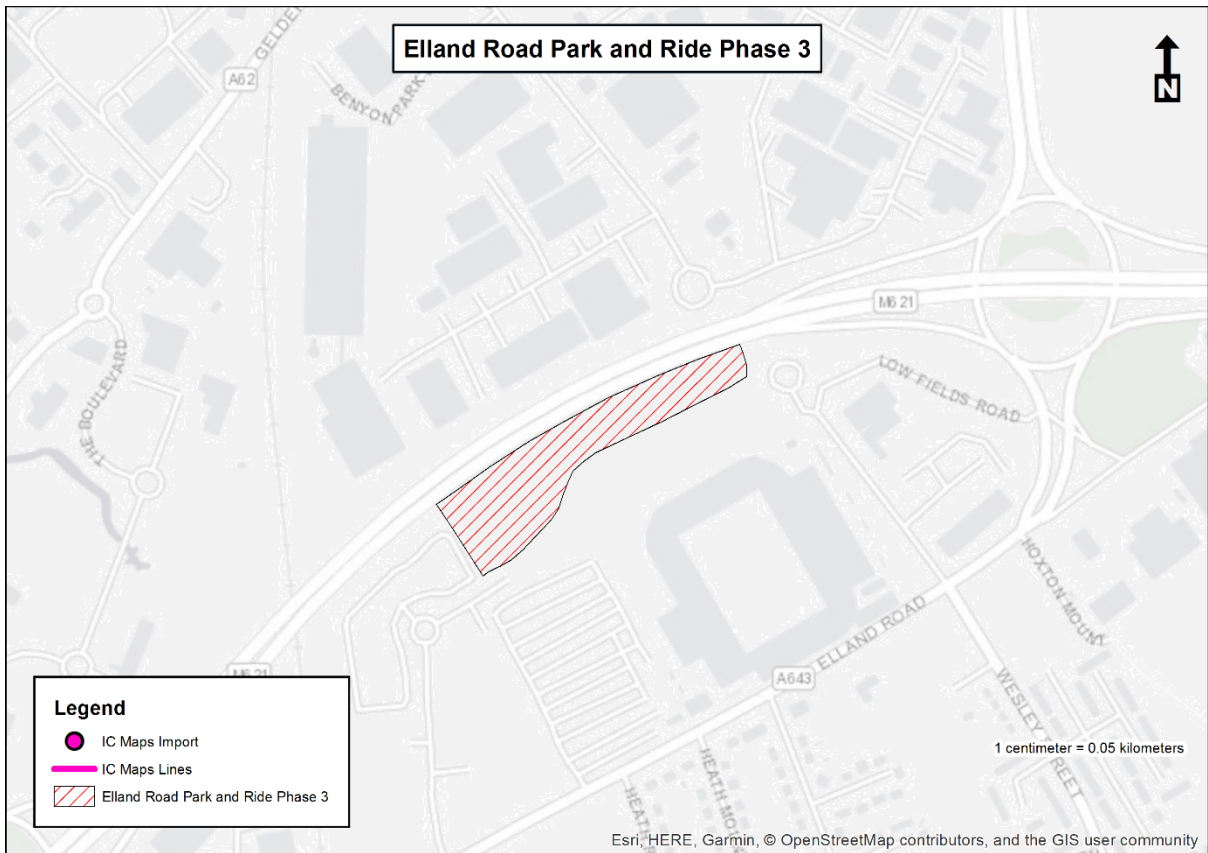
- Increasing connectivity, bringing people, places and jobs closer together.
- Reducing delays and congestion with faster journey times (across all transport modes), both within and beyond the city region.
- Reducing carbon emissions and vehicle air pollution, improving environmental quality.
- Indirectly supporting further, sustainable jobs growth in the Leeds City Region by allowing the opportunity for more people to use faster, and improved bus services to access city centre employment and other amenities.



<p><b>Commercial Case</b></p>	<p><b>Case For Change</b>  The facility first opened in July 2014 with the provision of 425 full specification parking spaces with an overspill area of 375 spaces to provide a total capacity of 800 spaces. In the first year (June 2014 to May 2015), Elland Road P&amp;R demand totalled 64,734 cars and 142,838 passengers with the scheme averaging 350 cars per day. In order to maintain the success of the scheme and accommodate a continued growth in patronage, a previous overspill car park was upgraded in 2016 to the same quality as the spaces constructed in 2014 to provide an 800-space high quality P&amp;R facility. Numbers have continued to rise and from June 2016 to March 2017, 133,882 cars and 275,220 passengers have used the P&amp;R. This is an increase of 69,148 cars (107% increase) and 132,382 passengers (93% increase) between 2014/15 and 2016/17. The site regularly achieves a daily demand of more than 700 vehicles (as of 2017), and now over 800 (as of Quarter 2 2018).</p>
<p><b>Economic Case</b></p>	<p>Options development process undertaken sought to answer three related sets of questions to demonstrate that the options proposed are the most preferable against the current evidence base, and scheme objectives:</p> <ol style="list-style-type: none"> <li>1. Why a Public Transport, particularly Park &amp; Ride expansion scheme represents the preferred package in comparison to other mode.</li> <li>2. Why Park &amp; Ride at Elland Road represents the preferred location</li> <li>3. Why the proposed design solution of the Park &amp; Ride expansion represents the preferred option</li> </ol> <p>A Long List of 140 potential schemes identified by stakeholders or through the Leeds Transport Conversation were considered - with 50 progressing to the medium list (those that directly linked to the Department for Transport funding criteria).  Schemes progressed to the Short List if they supported the vision and aspirations of the emerging Leeds transport strategy and also address the specific problems and opportunities.</p> <p>The sensitivity results highlight the benefit to cost ratio for the scheme remains at least medium value for money in all cases.</p> <p>Value for money (VfM): The VfM assessment of the preferred option represents High Value for Money (benefits to cost 2.6:1).</p>
<p><b>Financial Case</b></p>	<p>£3.87 million Construction cost of the car park expansion and link road  £1.88 million Contingencies, quantified risk assessment and other additional costs i.e. CCTV  <b>£5.75 million Total scheme cost</b></p> <p>This case represents is an additional £3.25 million to that approved at decision point 2. Since the initial estimate being prepared the new link road proposal directly off Junction 2 M621 has been an addition, together with running a new road along the full length of the P&amp;R site. The desktop geotechnical study has highlighted a high risk of contaminated land which has since been included.</p>
<p><b>Management</b></p>	<p>Leeds City Council has recently delivered Elland Road Park &amp; Ride and</p>



<p><b>Case</b></p>	<p>Temple Green Park &amp; Ride sites. Outturn costs from the delivery of these schemes (and previous expansion at Elland Road) has been the basis of costings in the financial and economic cases. The same team, managed by Sabby Khaira that delivered previous stages will also managing the delivery of this expansion scheme.</p> <p>All previous stages of expansion have been successfully delivered to budget and on time. This includes the delivery of additional bus services at the site previously, led by the Combined Authority.</p>
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## Scheme Summary

<b>Name of Scheme:</b>	Institute for High Speed Railways and System Integration (IHSRSI)
<b>PMO Scheme Code:</b>	UNI-Leeds-001
<b>Lead Organisation:</b>	University of Leeds
<b>Senior Responsible Officer:</b>	Professor Peter Woodward
<b>Lead Promoter Contact:</b>	Professor Peter Woodward
<b>Case Officer:</b>	Lisa Childs

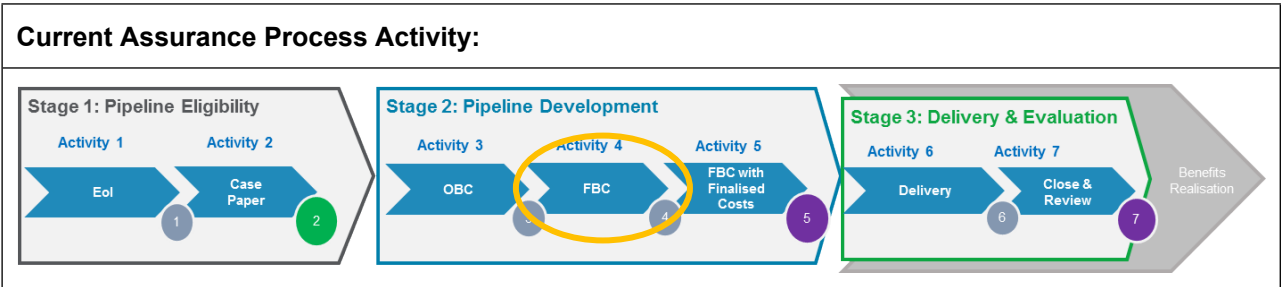
<b>Applicable Funding Stream(s) – Grant or Loan:</b>	Over programming against the Local Growth Fund
<b>Growth Fund Priority Area (if applicable):</b>	Priority 1: Growing Business/ Priority 2: Skilled People, better jobs / Priority 3: Clean energy, environmental resilience. / Priority 4: Infrastructure for growth.

<b>Approvals to Date:</b>	Case Paper approved (decision point 2) 28 <sup>th</sup> June 2018 by Combined Authority
<b>Forecasted Full Approval Date (Decision Point 5):</b>	Decision point 5 due December 2019. The scheme may be delivered in 2 parts with separate approvals required at the next stage. (Final costs will be available as follows: Infrastructure Test Facility and Vehicle Test Facility equipment, April 2019; Infrastructure Test Facility civils and infrastructure July 2019; and Vehicle Test Facility civils, January 2020.)
<b>Forecasted Completion Date (Decision Point 6):</b>	December 2020

<b>Total Scheme Cost (£):</b>	£26.093 million
<b>Combined Authority Funding (£):</b>	£13.047 million Growth Deal (Indicative approval at decision point 2 was £11.44 million)
<b>Total other public sector investment (£):</b>	
<b>Total other private sector investment (£):</b>	£13.047 million University of Leeds match funding

<b>Is this a standalone Project?</b>	No. The IHSRSI represents a substantial component of the University's planned new Technology Park, which is itself part of a much wider Project for development in the East Leeds Enterprise Zone via an Advanced Manufacturing Park (AMP). This project represents phase 1 of IHSRSI, with phase 2 focusing on improved systems integration and
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	the creation of an innovation centre (the subject of separate funding bids).
<b>Is this a Programme?</b>	No
<b>Is this Project part of an agreed Programme?</b>	No



**Scheme Description:**

The **Institute for High Speed Railways and System Integration (IHSRSI)** is a University of Leeds-led £60m development to be located on the University's new Leeds Technology Campus (LETeC) a 9.9-acre site to the east of Leeds sitting within the Leeds Gateway Enterprise Zone and future home to the High Speed 2 (HS2) train depot and also an Advanced Manufacturing Park (AMP), for which Leeds City Council regards the IHSRSI as a catalyst. Clustering on this scale has the potential to yield significant economic benefits to the City Region.

A suite of three state-of-the-art test facilities, the IHSRSI is designed to support a novel **whole systems approach** to next generation high-speed rail encompassing civil, mechanical, electrical and digital engineering design, passenger experience, cost-benefit analysis and policy. Enabling collaboration with industry on advanced Research & Development, prototype and new product testing, and development of higher-level skills, this integrated and holistic approach will facilitate a de-risking of the substantial investment about to be made in high-speed rail.

The bid to Combined Authority for funding relates to phase 1 of the development and specifically to the construction of 2 of the test facilities namely:

- Infrastructure Test Facility (ITF) – a full-scale 400 km/h capable high-speed rail infrastructure systems test facility that will be able to test full-scale railway track structures, including embankments, preformed systems and ground stabilisation technologies. This outdoor facility is adjacent to the Vehicle Test Facility
- Vehicle Test Facility (VTF) – a full-scale high-speed 400 km/h capable vehicle systems test facility capable of testing full-scale rolling stock and their interaction (behaviour) with different track systems. Housed in a building, this facility will in future accept rolling stock driven directly from the rail network.

**Business Case Summary:**

**Strategic Case**

The strategic case for this project is very strong and has attracted letters of support from a wide range of business, academic and local government leaders.

Key strategic drivers are:-

- The development of High Speed Rail due to population growth.
- The growing size of rail supply chain economy
- The increasing performance requirements of High Speed trains, including the requirement for new infrastructure and test facilities.
- The pressure to de-carbonise transport and freight, and the subsequent innovation of new technology.
- Potential future resources in modular manufacturing.

The UK currently has no access to R&D test facilities. This project would fill that gap and create a nationally unique, and globally significant facility and act as a catalyst for cluster development in advanced manufacturing within the East Leeds enterprise zone. The facility will also be complimentary to the co-location of the HS2 depot which is also planned to locate within the same Enterprise Zone.

**Commercial Case**

The global railway sector is going through a period of change and substantial growth. Current estimates of the value of the rail market are in the region of £128 billion and a growth of 2.7%. This investment will allow the city region to tap into this market and create a driver for economic growth.

The UK is set to see the greatest investment in the railways since the Victorian era with new projects in the pipeline worth more than £100 billion. The UK's train fleet is forecast to grow by 89% over the next 28 years and between 11-16,000 new electric vehicles are expected to be added to the network.

The lack of suitable R&D and test facilities could cause delays and disruption in getting new rolling stock into service. The IHSRSI's test bed capability will help address this issues. It will also provide a mechanism for testing new rolling stock without causing delays to the existing network.

**Economic Case**

Site allocation and nature of facility options testing has been carried out by the Universities experienced projects team and their professional advisors. Details are supplied in the business case.

The investment in phase 1 of the IHSRSI will directly contribute:-

- 8.75 FTE jobs creation.
- 1,063m<sup>2</sup> of commercial floor space constructed in the VTF (building)
- 2,292m<sup>2</sup> of commercial floor space constructed in the ITF (external test facility)

In addition to these direct outputs will be indirect contributions through both phase 1 and phase 2 of the IHSRSI of:-

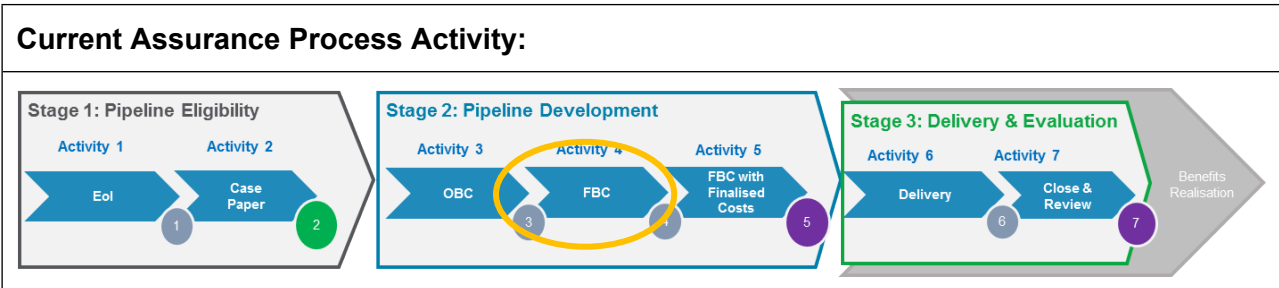
- Jobs created within the IHSRSI and supply chain
- Businesses assisted- businesses receiving advice from the facility to improve performance.
- Businesses receiving grant funding – securing innovation grants to deliver IHSRSI projects.
- Learning opportunities – postgraduate, undergraduate and CPD programmes.

<p><b>Financial Case</b></p>	<p>The total project cost is £26.043 million of which 50% is being provided by the Leeds University, and 50% is to be the capital contribution from the combined authority growth deal budget.</p> <p>The financial breakdown is:-</p> <ul style="list-style-type: none"> <li>• Project development £1.339 million</li> <li>• Land assembly £1.855 million</li> <li>• Enabling works £1.855 million</li> <li>• Delivery / construction £18.964 million</li> <li>• Contingency £2.030 million</li> <li>• Independent impact evaluation £0.050m</li> <li>• Total £26.093 million</li> </ul> <p>The future revenue costs will be funded from the operating income generated, research income, industry income and tuition fee income.</p> <p>State Aid advice is being sought and will be available for imminently.</p>
<p><b>Management Case</b></p>	<p>The delivery of IHSRSI is being managed as part of Leeds University's Leeds Engineering Technology Campus (LETec) development. Dedicated project staff are being assigned to this scheme from the University Estates Department. External Professional and consultancy advice had been procured. Governance of the project is to be via the LETec programme board, though a recommendation could be made that a separate project board be set up with attendance from the Combined Authority.</p> <p>Project roles:</p> <ul style="list-style-type: none"> <li>• University of Leeds – Client</li> <li>• Turner &amp; Townsend – External Project Manager</li> <li>• Atkins – Architect and M&amp;E consultant</li> <li>• Curtins – Civil and Structural Engineers</li> <li>• Arcadis – Cost Managers</li> </ul>

## Scheme Summary

<b>Name of Scheme:</b>	<b>Leeds Enterprise Zone Power Solution</b>
<b>PMO Scheme Code:</b>	GD-PA4-012
<b>Lead Organisation:</b>	Leeds City Council
<b>Senior Responsible Officer:</b>	Mark Mills
<b>Lead Promoter Contact:</b>	Adele Blacklock
<b>Case Officer:</b>	Sarah Ratcliffe
<b>Applicable Funding Stream(s) – Grant or Loan:</b>	Grant from the Local Growth Fund
<b>Growth Fund Priority Area (if applicable):</b>	Priority 4 – Infrastructure for Growth
<b>Approvals to Date:</b>	<p>LCR Enterprise Zone (phase 1) power solution Outline Business Case was approved in November 2016. The Outline Business Case was for £10 million of grant funding to provide a substation completed by December 2018.</p> <p>Changes in the Full Business Case include a reduction in grant funding to £5 million to enable Northern Powergrid (the local incumbent energy supplier) to carry out upgrading and expansion of the existing infrastructure (as opposed to a substation) to the Leeds Enterprise Zone by March 2021</p>
<b>Forecasted Full Approval Date (Decision Point 5):</b>	January 2019
<b>Forecasted Completion Date (Decision Point 6):</b>	March 2021
<b>Total Scheme Cost (£):</b>	£5 million
<b>Combined Authority Funding (£):</b>	£5 million – Local Growth Fund
<b>Total other public sector investment (£):</b>	None
<b>Total other private sector investment (£):</b>	None

<b>Is this a standalone Project?</b>	No
<b>Is this a Programme?</b>	Yes
<b>Is this Project part of an agreed Programme?</b>	LCR Enterprise Zone Programme



**Scheme Description:**

A study by Arup (2015) identified an impending electrical supply shortage at the appropriate voltage to parts of the Leeds Enterprise Zone. This is predominately due to the lack of existing infrastructure within this emerging development area. Genecon (2015) also noted that there is a likely market perception of a shortage of readily available power. The prospect that there may be insufficient electricity capacity to fully develop out the Leeds Enterprise Zone is a major concern and a significant risk to the delivery of the objectives and targets for growth in the Enterprise Zone.

The immediate supply, which has been delivered to the area through discrete infrastructure upgrades and reinforcements, is dwindling. Northern Powergrid (the incumbent supplier) is constrained by their financial model which prevents them from investing ahead of demand. As the nearest source becomes further away the associated connection costs are greater and the timescales for connections are longer. This leads to uncertainty and risk for developers which in turn impacts on attracting and securing new development, including inward investment to the Enterprise Zone.

The project will front fund an upgrade of existing electrical infrastructure to enable an 18 Mega Volt Amp (MVA) supply to the zone. Initially, the resulting supply will be for the exclusive use of developers within the Enterprise Zone to support new build units, although this position will be reviewed as delivery of the Enterprise Zone progresses.

As of June 2018 around 1 million sq. ft. has been developed or is currently being developed on site with power secured for a further 1.1 million sq ft. However, there remains a further 1.4 m sq. ft. of floor space within the Enterprise Zone that will be directly influenced by the energy solution, including 2,800 jobs protected (Nb. estimates are yet to be updated following the announcement that the HS2 depot will be located within the Gateway 45 site).

**Business Case Summary:**

<b>Strategic Case</b>	Designated in 2012, Leeds Enterprise Zone offers companies and
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	<p>businesses excellent opportunities for relocation and expansion. The Enterprise Zone sits at Junction 45 of the M1, yet only minutes from Leeds City Centre, making it one of the most strategic employment locations in the country. Significant investment has already been made through the Building Foundations for Growth funding of £8.57 million invested into road and drainage infrastructure and ongoing business grants awarded through Business Growth Programme to end users locating in the zone.</p> <p>The prospect that there may be insufficient electricity capacity to fully develop out the Enterprise Zone is a major concern and a significant risk to the delivery of the objectives and targets for growth in the Enterprise Zone. Therefore, providing an appropriate energy solution to complete the Enterprise Zone ensures that strategic goals for example, supporting growing businesses and delivering the infrastructure for growth particularly for manufacturing and industrial uses for growth, can be met. Relevant strategies include the Best Council Plan, the Leeds City Region Economic Plan, the Northern Powerhouse and the Local Industrial Strategy.</p>
<p><b>Commercial Case</b></p>	<p>Utilising a £8.57 million Building For Growth grant from the Department for Communities and Local Government awarded in 2014, three developers Muse, Aire Valley Land and Wilton have remediated and built mainly bespoke units for new businesses. However the local power supply is unlikely to be sufficient in its current form to deliver out the Enterprise Zone with specific risks around the cost and timescales to deliver power for development schemes. This impacts upon the ability to secure inward investment and support the growth of businesses and will ultimately limit the success of the Enterprise Zone and the business rates retained by the LEP until 2037.</p> <p>It is predominately due to the lack of existing infrastructure within the eastern Aire Valley area which means that whilst there is plenty of power available within the city, for the Leeds Enterprise Zone this is in the wrong location and at the wrong voltage. For Yorkshire, power infrastructure is owned and managed by the incumbent energy supplier, Northern Powergrid (Northern Powergrid). Northern Powergrid are constrained by their business case which prevents them investing ahead of demand due to responsibility to ensure the network operates in an economic and efficient manner for the benefit of all its customers.</p> <p>It is therefore required to upgrade Stourton primary substation (to the south of the River Aire) to increase capacity. Without this upfront investment connection costs for developers to build will be much higher than usual as an applicant is required to pay a</p>

	<p>proportion of the reinforcement on the network. Although there is an element of reimbursement to the initial contributor from subsequent connections, the disproportionately high costs of the first connection is significantly impacting on viability and is highly likely to lead to market failure.</p> <p>Northern Powergrid is proposing to provide the infrastructure to the approximate location required to meet the overall Enterprise Zone demand requirements. One of the main objectives is the delivery timescales for the end connections when the site needs are confirmed. These new 11kV extension assets mitigate the delivery timescale risks for the final connections, as the assets will be constructed whilst the developers are still marketing their respective sites. The final connections can then be made within the developers' 6-12 month time requirements as and when required.</p>
<b>Economic Case</b>	<p>A number of options have been considered to secure the additional power supply including a 'do nothing' option. Northern Powergrid's offer has been deemed to be the most economical in terms of upfront investment and repayment vehicle and will not involve ransoms or other costly land development costs. This solution is deemed the least disruptive to the Enterprise Zone and surrounding area (including greenbelt designated land).</p>
<b>Financial Case</b>	<p>The project has the potential to repay a significant proportion of the grant over a 10- 15 year period as end users connect to the power supply. It is proposed that should forecasts indicate that all anticipated Enterprise Zone development may not be delivered within the timescales allowed, the ring fenced supply could be opened up to developments outside of the Enterprise Zone.</p>
<b>Management Case</b>	<p>The project- upgrading of the infrastructure - and the associated ringfenced electricity supply and operational matters will be fully managed by Northern Powergrid. The delivery of the infrastructure including all contracting arrangements and repayments will be overseen by a 'project manager' within Leeds City Council. Overarching governance will be provided by LEnterprise Zone Strategic Board.</p>

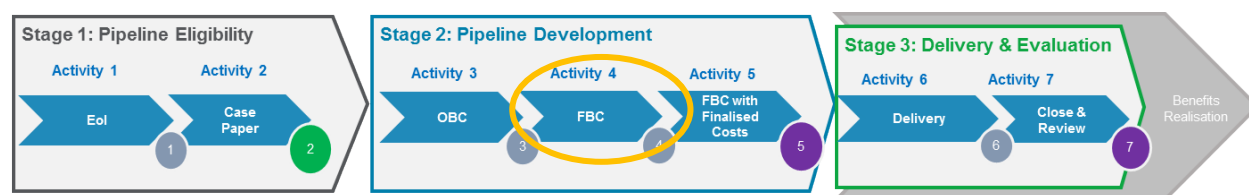


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## Scheme Summary

<b>Name of Scheme:</b>	<b>Hard Ings Road Improvements, Keighley</b>
<b>PMO Scheme Code:</b>	WYTF-PA4-006
<b>Lead Organisation:</b>	City of Bradford Metropolitan District Council
<b>Senior Responsible Officer:</b>	Richard Bruce (Principal Engineer – Highways Services)
<b>Lead Promoter Contact:</b>	Phil Wagstaff
<b>Case Officer:</b>	Chris Payne (from Mott MacDonald on behalf of the Combined Authority)
<b>Applicable Funding Stream(s):</b>	West Yorkshire plus Transport Fund
<b>Growth Fund Priority Area (if applicable):</b>	Priority Area 4 – Infrastructure for Growth
<b>Approvals to Date:</b>	Development Approval and outline business case (Gateway 1) – May 2014. Previous approval of £10.3 million total project cost
<b>Forecasted Full Approval Date (Decision Point 5):</b>	11 <sup>th</sup> Mar 2019
<b>Forecasted Completion Date (Decision Point 6):</b>	6 <sup>th</sup> Apr 2020
<b>Total Scheme Cost (£):</b>	£10.3 million
<b>Combined Authority Funding (£):</b>	£10.3 million
<b>Total other public sector investment (£):</b>	None
<b>Total other private sector investment (£):</b>	None
<b>Is this a standalone Project?</b>	Yes
<b>Is this a Programme?</b>	No
<b>Is this Project part of an agreed Programme?</b>	No

## Current Assurance Process Activity:



## Scheme Description:

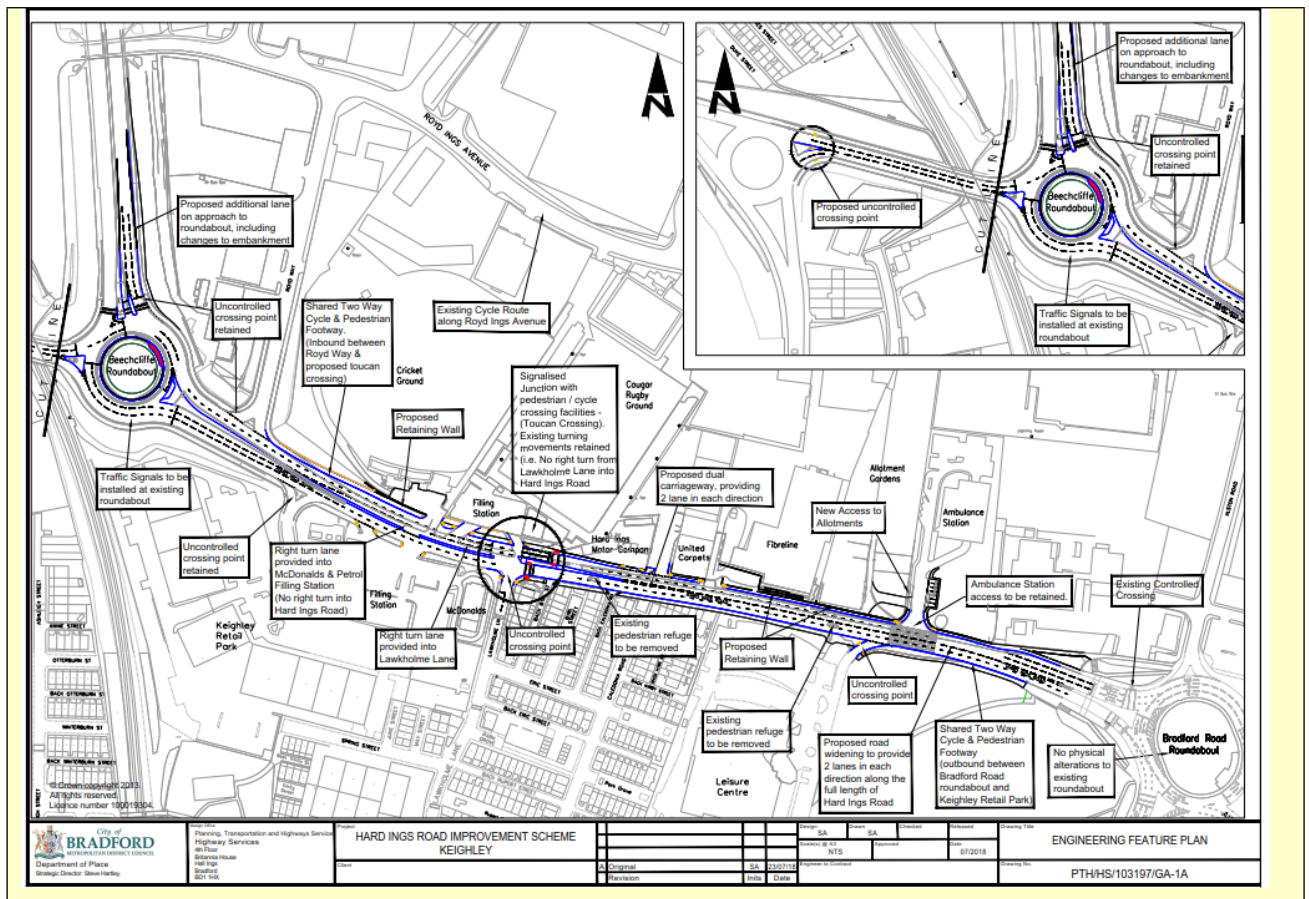
The Hard Ings Road Improvement Scheme is a proposal to widen the existing carriageway to provide two running lanes in each direction for the full extent of the section of Hard Ings Road Keighley, between the junctions with the A629 (Beechcliffe roundabout) and Bradford Road roundabout. The scheme length is approximately 0.7 Km.

The Scheme includes:

- The widening of 700m of carriageway to 2 lanes in each direction as previously mentioned;
- The installation of traffic signals at the existing Beechcliffe Roundabout to improve the efficiency and capacity of the junction;
- An additional lane for traffic on the approach to Beechcliffe Roundabout on the A629;
- Installation of a signalised junction with pedestrian and cycle crossing facilities (Toucan crossing) at the junction of Hard Ings Road with Lawkholme Lane. The signals will be linked and coordinated with the proposed signals at Beechcliffe Roundabout and the existing signalised junction at Bradford Road to control traffic flow;
- Traffic light priority will be introduced at Bradford Road roundabout to assist with bus journey times;
- A shared, two-way cycle and pedestrian footway along the southern side of Hard Ings Road between Bradford Road Roundabout and Keighley Retail Park and between the proposed 'Toucan' crossing (at the junction with Lawkholme Lane) and Royd Way;
- New and replacement planting and landscaping, including "green infrastructure", will be included in the scheme to mitigate the visual impact of the road and provide replacement habitats for flora and fauna;
- Replacement street lighting.

The Scheme received Development Approval (Gateway 1) of the Combined Authority Assurance Framework governance process in May 2014.





## Business Case Summary:

### Strategic Case

Keighley is the principal town of Airedale and an important industrial economic base for Bradford and West Yorkshire with several large existing employers based there i.e. B&Q, Dunelm, Home Bargains, Currys PC World, and Asda Superstore. It is also establishing itself as a centre for research and development and has many new houses planned (4,500) which are set out in Bradford Council's Core Strategy Development Plan.

Congestion issues along Hard Ings Road however are having a negative impact on Keighley's current economic standing, and its potential for further growth, including its ability to grow its research and development sectors and for new houses to be connected to employment opportunities within and around the Keighley area.

The A650 Hard Ings Road is a strategically important route linking Bradford to Keighley and onwards to Skipton via the A620 and Pendle area via A6088. Most of the A650 is dual carriageway, except for a short section along Hard Ings Road. As such this is a key pinch point that causes congestion issues along the A650. This also has a negative impact on Keighley town centre as drivers divert away from this congested section of road.

A lack of capacity has resulted in long delays along this stretch of highway, for example journey times along the A650 Aire Valley Road having increased by 42% in the morning peak and 26% in the evening peak periods between 2012 and 2016.

The scheme is designed to improve traffic flows and reduce congestion by increasing capacity through additional lanes and signalised junctions at the Beechcliffe Roundabout and junction between Hard Ings Road and Lawkholme Lane. This will also help improve local air quality.

<p><b>Commercial Case</b></p>	<p>The A650 Hard Ings Road is a strategically important route which links Bradford to Keighley and onwards to Skipton via the A629 and the Pendle area of Lancashire via the A6088. The A650 is mostly dual carriageway except for a short section (700m) along Hard Ings Road between the Bradford Road and Skipton Road in Keighley. The single carriageway section is a key pinch point causing congestion not only on the main A650 but also impacts Keighley Town Centre as drivers avoid this length of road and making Keighley area less attractive for new investment.</p> <p>Replacement Unitary Development Plan (RUDP) outlines the forecast number of new residential and employment sites that are anticipated in Keighley area, these will generate addition trips which will bring additional demand on to the Strategic Road Network (SRN), therefore justifying a need for investment on Hard Ings Road.</p>
<p><b>Economic Case</b></p>	<p>Several options have been considered for the delivery of this scheme. The preferred option contributes towards 93 jobs created and a reduction in CO2 emissions of 6,673 tonnes. The Benefit to Cost ratio for this scheme is 6.24:1 which represents very high value for money.</p>
<p><b>Financial Case</b></p>	<p>The full scheme cost will be funded by the West Yorkshire plus Transport Fund. The scheme cost is £10.3 million. There is an existing development cost approval in place, further funding is now required to enable land purchase, enabling works and further design.</p>
<p><b>Management Case</b></p>	<p>The scheme will be managed by Bradford Council with delivery partners appointed. It is anticipated that delivery of the main works will commence in April 2019 and be completed by April 2020. Some advance works may take place prior to this pending the necessary approval.</p>





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## Section A: Scheme Summary

<b>Name of Scheme:</b>	York Outer Ring Road Phase 2
<b>PMO Scheme Code:</b>	WYTF-PA4-046
<b>Lead Organisation:</b>	City of York Council
<b>Senior Responsible Officer:</b>	James Gilchrist, City of York Council
<b>Lead Promoter Contact:</b>	Gary Frost, City of York Council
<b>Case Officer:</b>	Thomas Murphy

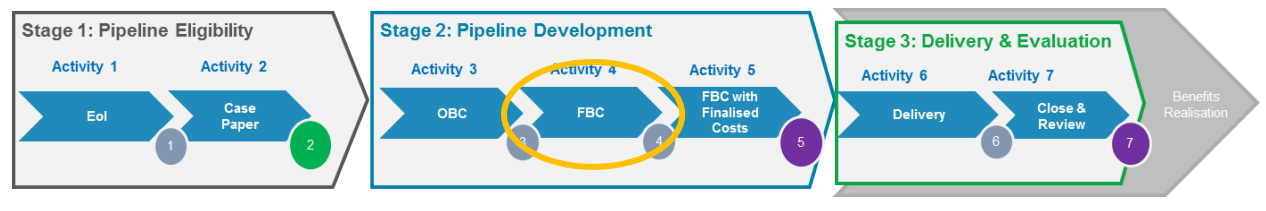
<b>Applicable Funding Stream(s) – Grant or Loan:</b>	West Yorkshire plus Transport Fund
<b>Growth Fund Priority Area (if applicable):</b>	Priority 4

<b>Approvals to Date:</b>	Gateway 1 – November 2014 – Full Programme
<b>Forecasted Full Approval Date (Decision Point 5):</b>	December 2018
<b>Forecasted Completion Date (Decision Point 6):</b>	October 2019

<b>Total Scheme Cost (£):</b>	£3.018m (Total Programme - £38.926m)
<b>Combined Authority Funding (£):</b>	£3.018m (Total Programme - £38.276m)
<b>Total other public sector investment (£):</b>	£0.65m historic development costs (City of York Council) at programme level.
<b>Total other private sector investment (£):</b>	None

<b>Is this a standalone Project?</b>	No
<b>Is this a Programme?</b>	No
<b>Is this Project part of an agreed Programme?</b>	Yes – York Outer Ring Road

### Current Assurance Process Activity:



### Scheme Description:

The A1237 York Outer Ring Road (YORR) has been the subject of a comprehensive and long-term strategy to review and develop junction improvements at identified roundabouts along the route to improve and reduce journey times on this heavily congested route.

The YORR upgrade project includes improvements to 7 existing outer ring road roundabouts between the Wetherby Road and Monks Cross junctions. The aim is to, where possible, upgrade junctions to a similar standard as the recently enhanced A19 and A59 roundabouts: i.e. approaches widened to 3 lanes, exits widened to 2 lanes, minor arm approaches widened to suit traffic flows, provision of walking and cycling improvements (including accommodation for future orbital and radial routes where possible).

Phase 2 will deliver improvements to the roundabout at the junction of the A1237, Monks Cross, and North Lane:

- 1) A1237 approaches widened to three lanes;
- 2) A1237 exits widened to two lanes;
- 3) Enlarged roundabout;
- 4) Widening of minor arm approaches to match flows.

### Business Case Summary:

<p><b>Strategic Case</b></p>	<p>At a programme level this scheme, along with the other City of York Council (CYC) projects in the West Yorkshire plus Transport Fund (WY+TF), will allow York to perform strongly in terms of the West Yorkshire &amp; York combined regions by realising and delivering on economic growth.</p> <p>The emerging York Local Plan 2017 – 2033 (YLP) has as a goal the improvement of the economic attractiveness of the city of York. Measures to support the achievement of this include proposals to enhance the city centre environment by improvements to traffic flow within and around the city. By improving the performance of the outer ring road to the north of the city traffic can be encouraged out of the city centre and onto the strategic highways. The YLP recognises that, without improvement, the current and forecast performance of the YORR is a barrier to investment in the growth set out in the plan.</p> <p>The scheme has also been developed to support other local, regional and national policies as detailed in the full business case.</p>
<p><b>Commercial</b></p>	<p>The YORR scheme has been identified as being required to address the</p>

<b>Case</b>	<p>existing and forecast problems which are required to support local, regional and national policies.</p> <p>The need to deliver the YORR scheme is supported by previous research including that undertaken to develop the City of York Local Transport Plan and the emerging YLP. The research and stakeholder engagement undertaken has identified the need for improvements to the YORR in support of local, regional and national policies and strategies.</p> <p>Phase 2 will be delivered by City of York Council's Direct Labour Organisation.</p>
<b>Economic Case</b>	<p>The economic case has been developed to cover the whole YORR programme.</p> <p>The economic case assesses the proposed scheme to identify its economic impacts, and the resulting value for money. In line with Combined Authority appraisal requirements, the impacts considered are not limited to those directly impacting on the measured economy or only those which can be monetised. The economic, environmental, social and distributional impacts of a proposal are all examined, using qualitative, quantitative and monetised information as appropriate and proportional to the level of the scheme.</p>
<b>Financial Case</b>	<p>The financial case concentrates on the affordability of the proposal, its funding arrangements and technical accounting issues (value for money is scrutinised in the economic case). It presents the financial affordability of the preferred option and the impact of the proposed scheme on the WY+TF budgets and accounts. It presents the expected whole life costs of the scheme from construction to a 60 year appraisal period from scheme opening.</p>
<b>Management Case</b>	<p>The individual elements of the project are relatively simple highway widening schemes with no major delivery concerns. The majority of the works can be delivered using existing local highway authority powers.</p> <p>CYC has recent experience of delivering junction improvements in the area, whilst minimising the impact on road users. Two schemes on the YORR have already been successfully delivered by the council and phase one is on site. The proposed junction upgrades in the YORR scheme will follow the same form as those undertaken for the recently completed projects. Valuable experience has been gained from these schemes in relation to consultation, land negotiations, planning, design, implementation and delivery. The lessons learnt from these delivered schemes have been used as starting point for developing the delivery strategy for this scheme.</p>



## Section A: Scheme summary

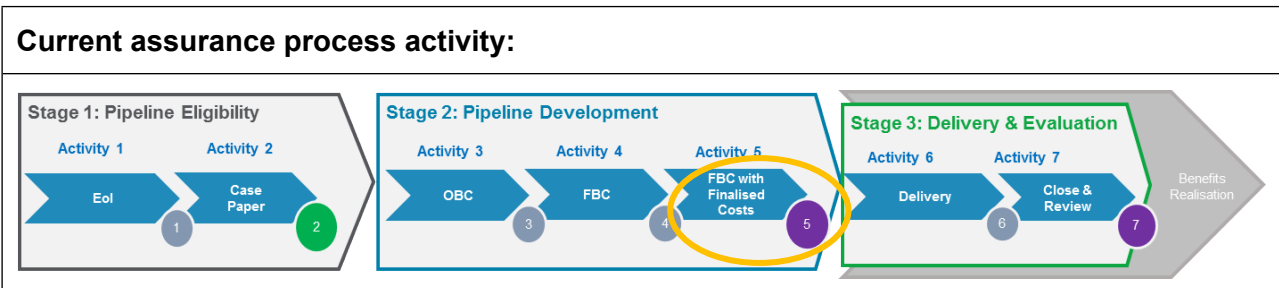
<b>Name of scheme:</b>	Clean bus technology fund project
<b>PMO scheme code:</b>	DEFRA-CBTF-001
<b>Lead organisation:</b>	West Yorkshire Combined Authority
<b>Senior Responsible Officer:</b>	Neale Wallace, Combined Authority
<b>Lead Promoter contact:</b>	Alistair Ryder (PM: Michael Ramsey), Combined Authority
<b>Case officer:</b>	Mary Innes

<b>Applicable funding stream(s) – Grant or Loan:</b>	Department for Environment, Food and Rural Affairs (DEFRA) Clean bus technology capital grant fund Leeds Public Transport Investment Programme (LPTIP)
<b>Growth Fund priority area (if applicable):</b>	Priority 3 – Clean energy and environmental resilience 'High quality places'

<b>Approvals to date:</b>	<p>Approval for DEFRA funding: Leadership Team approval of Request for Decision to apply for funding October 2017 EOI at activity 1 approved February 2018 PAT approval decision point 2 (case paper) March 2018 IC recommendation decision point 2 (case paper) April 2018 CA approval decision point 2 (case paper May 2018</p> <p>£850,000 additional Leeds Public Transport Investment Programme (LPTIP) funding has emerged as an opportunity to leverage increased outcomes, expand the reach of, and promote this scheme at decision point 5 (full business case with finalised costs). There is an indicative allocation in LPTIP of up to £2 million (including package 6: Bus Delivery) for activity to improve public transport emissions, as per indicative approval at decision point 2 in June 2017. The next steps for the LPTIP were for each workstream of the programme to move to the next stage in the assurance pathway and approval route and for approval to spend being granted once individual schemes have progressed through the assurance process to decision point 5. This element of LPTIP, package 6, as part of the Clean Bus Technology Fund project, has reached a decision point five approval stage and is due be endorsed at the LPTIP programme board in October 2018. It is therefore recommended that the 'first tranche' of DEFRA funding is approved and that the 'second tranche' of LPTIP funding is approved, subject to endorsement by the LPTIP Programme Board in October 2018.</p>
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<b>Forecasted full approval date (decision point 5):</b>	21 September 2018
<b>Forecasted completion date (decision point 6):</b>	31 March 2019
<b>Total scheme cost (£):</b>	£6.088 million
<b>Combined Authority funding (£):</b>	£2.840 million DEFRA clean bus grant award; £850,000 LPTIP
<b>Total other public sector investment (£):</b>	£1.370 million DEFRA clean bus grant award to Leeds City Council
<b>Total other private sector investment (£):</b>	£1.028 million operator match funding (capital and revenue) – higher than anticipated at decision point 2 case paper
<b>Is this a standalone project?</b>	Yes
<b>Is this a programme?</b>	No
<b>Is this project part of an agreed programme?</b>	n/a



**Scheme description:**

The project will fund clean technology on buses across approximately 30% (up from 25% at decision point 2 approval due to the opportunity to align a LPTIP work package with this scheme with the same objectives) of the existing bus fleet across West Yorkshire. Funding will be provided from the Department for Environment, Food and Rural Affairs (DEFRA) Clean Bus Technology Fund (CBTF), and potentially LPTIP, to bus operators through an open grant competition to fit emission control technology on to 300 older, more polluting buses across West Yorkshire to significantly improve their tailpipe emissions. This figure includes two vehicles which will undergo full electric engine conversions, a first for the region.

Match funding from operators will ensure value for money and will also cover project development and delivery costs. The Combined Authority will manage the grant process for the whole of the West Yorkshire grant award including Leeds City Council's separate DEFRA grant award.



The Combined Authority and Leeds City Council respectively were, following a successful bid, awarded £2.84 million and £1.37 million DEFRA-grant funding, to support operators running 'local bus services' in West Yorkshire to retrofit Clean Vehicle Retrofit Accreditation Scheme (CVRAS) emission control technology onto their vehicles.

This funding will be 'pooled' and managed by the Combined Authority, with regular progress reporting to both DEFRA and Leeds City Council. A minimum of 10% match funding is required from operators.

The CVRAS technology will improve vehicles up to the Euro 6 emission standards or better, and therefore ensure compliance with Leeds City Council's proposed Clean Air Charging Zone (CAZ), avoiding potential daily charges for entering and operating within the Zone.

Due to the significant success of and interest in the clean bus technology grant competition the SRO saw an opportunity to include £850,000 LPTIP funding allocated for low emission bus technology be used to enable more buses in the region to benefit. The additional funding follows in the spirit of the original grant and enables more buses in Leeds and the wider West Yorkshire region to be fitted with the new technology.

Subject to endorsement at the LPTIP October Programme Board, the 300 vehicles includes an additional 45 vehicles that will be covered in 'tranche 2' by £850,000 of LPTIP funding. The total project costs would include a £25,000 marketing budget, funded by the new LPTIP element of the scheme, which will be used to promote the air quality benefits of the retrofitted vehicles and attract transport users to opt for a more environmentally friendly mode of transport.

**Business case summary:**

**Strategic case**

Research by Public Health England undertaken as part of the West Yorkshire Low Emission Strategy (WYLES) has identified that the equivalent of almost 1,000 premature deaths each year are as a result of air pollution, with a significant source being road transport that is accountable for over 60% of local roadside emissions.

The DEFRA 'UK Plan for Tackling Roadside Nitrogen Dioxide Concentrations' (July 2017) requires Leeds City Council to mitigate forecast Nitrogen Dioxide (NO<sub>2</sub>) exceedances on several central roads by 2020. To mitigate this, Leeds City Council has proposed a 'Class B' Clean Air Zone (CAZ) which will introduce a financial penalty for buses, coaches, taxis and private hire vehicles not meeting the new standards of emissions.

Across West Yorkshire there are 28 declared Air Quality Management Areas (AQMAs) due to annual NO<sub>2</sub> exceedance. This project targets the most urgent NO<sub>2</sub> exceedance AQMAs in West Yorkshire.

This scheme has a clear strategic fit to the Leeds City Region Strategic Economic Plan (SEP) and West Yorkshire Transport Strategy. The project will deliver against the SEP's Strategic Priority 3 – Clean Energy and Environmental Resilience through improving the clean energy performance of part of West Yorkshire's bus fleet. It will also deliver against the policies of the Combined Authority adopted West Yorkshire Bus Strategy and West Yorkshire Low Emission Strategy to significantly reduce bus emissions to support development of 'quality places' in the region.

**Commercial case**

Soft market testing undertaken with operators in advance of the funding bid to DEFRA; the forthcoming Leeds Clean Air Zone financial penalties (proposed at £50 per day for non-compliant buses); the robust market

	<p>response to the grant award competition undertaken in parallel to the assurance pathway mean the commercial case for the scheme is strong.</p> <p>State aid advice was secured to ensure the grant award competition was compliant and fair. A minimum of 10% match funding has been required of operators, to share a percentage of the risk and evidence operator commitment. Prudent grant award conditions will ensure the funding is used for its intended purposes and grants will be paid once work has been completed.</p>
<b>Economic case</b>	<p>The scheme had a small, well considered choice of options proportionate to its scale and complexity before proceeding with the current option including the Combined Authority and Leeds City Council proceeding with their own separate grant competitions.</p> <p>Pooling the Combined Authority and Leeds City Council DEFRA grants and managing them through a combined competition was assessed to be the only viable option in order to meet all four critical success factors: 1) ensure compliance with state aid law; 2) spend grant in accordance with DEFRA's conditions; 3) support the retrofit of a minimum of 231 vehicles and 4) minimise project management expenditure. With the potential additional investment from LPTIP emission reduction objectives will be maximised by fitting more vehicles with the new technology; the benefits of the scheme will be spread more widely across the region and enable marketing activities.</p> <p>The project will contribute to good economic growth through reducing CO2 emissions, providing improved transport helping people get to work and enjoy places across West Yorkshire in a sustainable way. The project will directly contribute to SEP Headline Indicator Environmental Sustainability through the reduction of CO2 emissions and start the process of creating a modern, latest technology specification bus fleet. Monetised benefits of the scheme (DEFRA Air Quality Damage costs) indicate a £45.321 million saving over 5 years. The benefit cost ratio for the scheme is very high at 7.45:1.</p>
<b>Financial case</b>	<p>The total proposed scheme cost is £6.088 million made up of ;</p> <ul style="list-style-type: none"> <li>• £4.21 million for the Combined Authority and Leeds City Council grants;</li> <li>• £1.028 million operator match funding and</li> <li>• £850,000 from the Leeds Public Transport Investment Programme (LPTIP).</li> </ul> <p>Project development costs are £41,000 which will be funded through operator contributions on top of match contributions (and both totalling £1.028 million funding from operators). There are on-going monitoring requirements which will not be resource intensive given the use of on-board monitoring facilities incorporated into the newly installed technology. The most significant financial risk is in relation to not spending or committing the DEFRA funding within the timeframes of their deadline. The grant competition process has been delivered awaiting completion until full approval is secured and operators were requested to demonstrate a strategy for how they will ensure orders are fulfilled within this timescale.</p>
<b>Management</b>	<p>Project management resource allocated from the Combined Authority's</p>

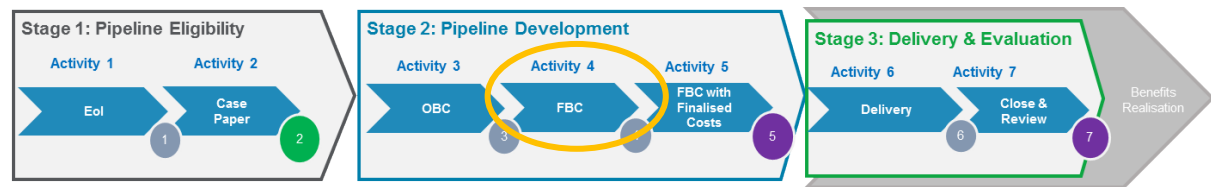
<b>case</b>	Implementation Team was secured to deliver this scheme and the project is being managed according to tailored project management professional standards. A formal project board has not been necessary; the project has been controlled through written and verbal updates to the project Senior Responsible Officer. The Combined Authority, Leeds City Council and operators' roles are all clearly defined. There is a clear plan for the scheme; risks and communications are being managed and a benefits realisation plan is in place.
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## Section A: Scheme Summary

<b>Name of Scheme:</b>	<b>West Yorkshire Integrated Urban Traffic Management Control (UTMC) Project</b>
<b>PMO Scheme Code:</b>	WYTF-PA4-037
<b>Lead Organisation:</b>	Kirklees Council
<b>Senior Responsible Officer:</b>	David Caborn
<b>Lead Promoter Contact:</b>	Andrew Norman
<b>Case Officer:</b>	Leighton Cardwell
<b>Applicable Funding Stream(s) – Grant or Loan:</b>	West Yorkshire Plus Transport Fund (WY+TF)
<b>Growth Fund Priority Area (if applicable):</b>	West Yorkshire Plus Transport Fund (WY+TF)
<b>Approvals to Date:</b>	
<b>Forecasted Full Approval Date (Decision Point 5):</b>	Nov 2018
<b>Forecasted Completion Date (Decision Point 6):</b>	April 2021
<b>Total Scheme Cost (£):</b>	£7.49m
<b>Combined Authority Funding (£):</b>	£7.49m: West Yorkshire Plus Transport Fund (WY+TF)
<b>Total other public sector investment (£):</b>	Not applicable
<b>Total other private sector investment (£):</b>	Not applicable
<b>Is this a standalone Project?</b>	Yes
<b>Is this a Programme?</b>	Yes
<b>Is this Project part of an agreed Programme?</b>	Yes- KRN

## Current Assurance Process Activity:



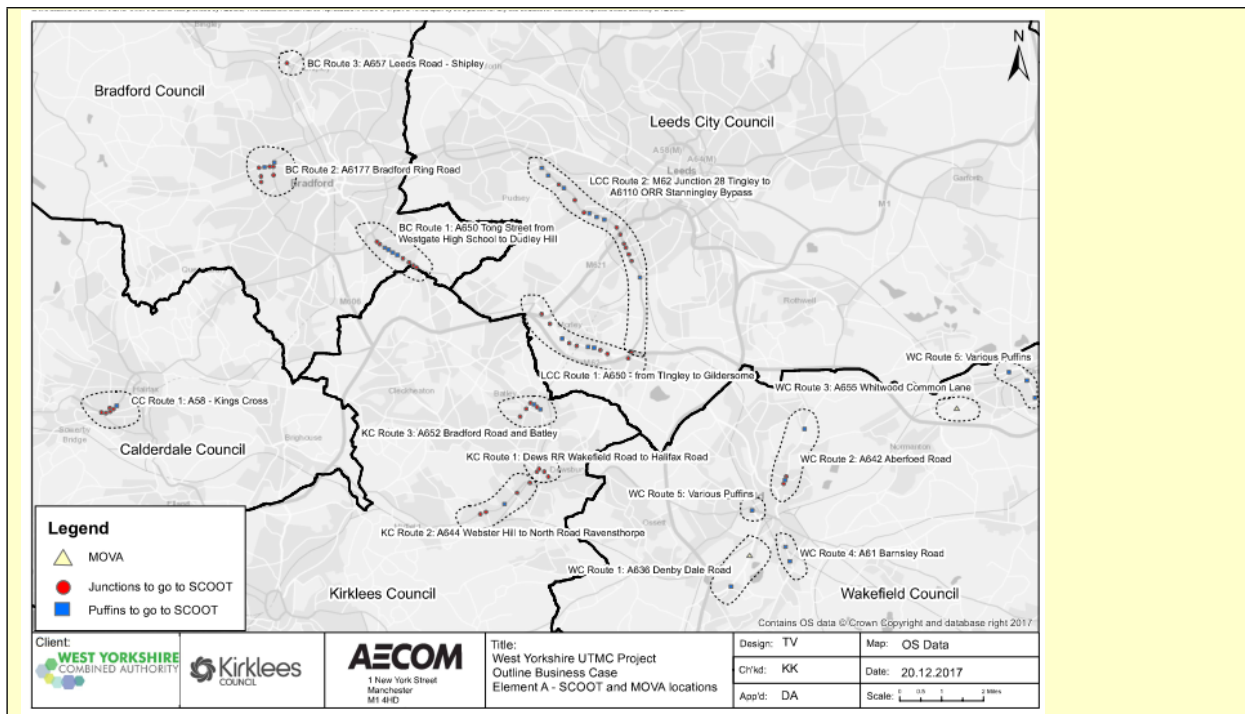
## Scheme Description:

The 2015 WY+TF submission to government included the West Yorkshire Urban Traffic Management Control (UTMC) project. At present, there are four Urban Traffic Control (UTC) teams which operate in West Yorkshire and they use various systems and technologies. Whilst the teams share resources where possible, the service levels and standards vary across boundaries, meaning it is not the most efficient use of resources.

The West Yorkshire UTMC project aims to reduce the effects of congestion and the resulting costs to the local economy. It is comprised of three distinct elements:

- Element A (On-street Improvements to UTC equipment): Improvements to facilities at key junctions on the West Yorkshire Key Route Network (KRN), including the implementation of Split Cycle and Offset Optimisation Technique (SCOOT) and Microprocessor Vehicle Actuation (MOVA) and upgrading obsolete equipment;
- Element B (Cloud Based Combined UTC/UTMC System): The joining of all of the districts UTC and UTMC systems into one central, comprehensive system located in the "cloud" including a common database; and
- Element C (Combined UTMC Service): Reorganisation of West Yorkshire UTC services (combining existing four UTC teams) to provide improved day-to-day management and coordination across the network through an integrated team at a single location. The centre would also be available for use by partners e.g. bus operators, emergency services and Highways England.

The first two elements provide technical improvements to help each of the West Yorkshire districts undertake UTC processes more efficiently. Element A would carry out the necessary improvements on-street to equipment and further detail on the location of these improvements is provided below.



Element B would integrate all traffic signals in West Yorkshire within one common computer system and integrate all electronic traffic management systems across West Yorkshire.

Element C would create a single combined UTMC service for West Yorkshire which would be more resilient and efficient than the existing structure. This would enable better management of the network across District boundaries and also enable staff to spend more time on scheme development work for other WT+TF projects.

Due to differing timescales for element C, a phased approach to delivery is recommended with the technical improvements (elements A and B) implemented in phase 1 and the integrated UTMC service (element C) in phase 2. This is anticipated to include two iterations of the full business case to enable elements A and B to be progressed in the shorter term.

The project is also an enabler to other schemes within the West Yorkshire +Transport Fund, highways efficiency programme, and National Productivity Investment Fund (NPIF) to ensure they fully meet their benefits realisation in unlocking growth. This FBC review is undertaken for elements A and B following, with full business case + finalised costs following receipt of tender prices.

It is currently anticipated that decision point 5 approval will be achieved in April 2019.

Progress is being made on element C, and the location of the new service has been agreed. Letters have been issued to the relevant trade unions. The TUPE process is to affect all staff that spend the majority of their working time delivering the work that will transfer into the new service. Leeds City Council as the lead authority will cover taking on any additional staff.

All staff currently based within the UTMC teams in the affected local authorities have received an initial briefing from their managers, and will be regularly updated as the process progresses.

Each partner council will need to formally approve the proposal to enter into a joint West Yorkshire agreement for the combined service. This is anticipated to be through separate executive board papers (anticipated for September to November 2018). Leaders at the respective local authorities have had visibility of the proposal (i.e. in advance of the proposed approval point) with the scheme previously having gone to Investment Committee / Combined Authority.



As element C is now subject to a separate phase of the full business case, it is therefore not considered any further as part of this full business case review for elements A&B only. The full business case for element C is likely to follow later in 2018 given the further work that is required to develop this element of the project (date to be confirmed).

**Business Case Summary:**

<p><b>Strategic Case</b></p>	<p>The project will help deliver priority area 4 – infrastructure for growth of the Leeds City Region Strategic Economic Plan (2016).</p> <p>The proposed scheme would contribute to the following success measures identified for the ‘Infrastructure for Growth’ priority:</p> <ul style="list-style-type: none"> <li>- Increases in gross value added and job growth;</li> <li>- Increases in connectivity bringing people, places and jobs closer together;</li> <li>- Reduced delays, congestion and faster journey times across all transport modes and both within and beyond the city region; and</li> <li>- Reduced carbon emissions and vehicle air pollution, contributing to improved environmental quality.</li> </ul> <p>The strategic case is underpinned by congestion levels on the KRN, evident on particular sections of the KRN in locations of schemes, and delays on the highway network can have a considerable impact on productivity and reliability. These impact economic growth.</p> <p>In addition, congestion on the network also has consequences for local air quality and carbon emissions – it also increases driver frustration regarding delays, raising the likelihood of accidents.</p> <p>Finally, the travel to work flows across district boundaries highlights the need for an integrated approach to highway management in order to effectively manage flows for those travelling throughout West Yorkshire delivered by the scheme- both through element A, as well as improved co-ordination of assets and their management through elements B and C.</p>
<p><b>Commercial Case</b></p>	<p>The commercial case details the procurement strategy, and details evidence of some early market testing to demonstrate demand to supply the services- as well as highlighting 28 indirect jobs associated with the scheme.</p> <p>Element A (On-street improvements to UTC equipment)</p> <p>Several options are presented and works undertaken for element A would be procured and carried out using specialist signal contractors from the West Yorkshire UTMC Supply and Installation Contract, supervised and managed by the West Yorkshire UTMC teams. West Yorkshire local authorities have considerable experience with the contract, with the districts routinely using the framework to meet the procurement needs of the service with respect to the purchasing of equipment for new traffic signal projects together with their installation.</p> <p>Element B (Cloud based combined UTC/UTMC system)</p> <p>A procurement strategy has been developed but, as with any UTMC/UTC project, the list of suppliers for this bespoke area of works is limited. There are only a handful of suppliers for UTMC systems and only two approved suppliers for the UTC system. There is however greater choice</p>



	<p>and therefore more competition for the professional services and technical support that will be needed for their installation.</p> <p>UTC and UTMC Systems</p> <p>These systems will have to be procured and conform to the EEC OJEU notice regulations owing to the sums involved. As the required systems are bespoke, the intention was this will be procured through the restricted route, however given the limited market an open procedure provides the same advantages, but to quicker timescales.</p> <p>Professional services and technical support</p> <p>Where possible these services will be procured using the Combined Authority framework for specialist services contract awarded in 2016 (for instance business case support). In addition to price, the award of these works packages will also consider the local knowledge of suppliers.</p>
<b>Economic Case</b>	<p>Elements A and B – A single option has been identified within the short list of options for each element. The appraisal approach is set out within the ASR.</p> <p>Journey time savings were calculated for the AM, IP and PM peak based on Trafficmaster data for defined routes. Delay at junctions was captured as the difference between the overnight period and the peak period. A 12% reduction in delay or Split Cycle and Offset Optimisation Technique (SCOOT) or 13% delay saving for Microprocessor Vehicle Actuation (MOVA) upgrades was calculated at particular junctions to identify the journey time saving.</p> <p>The three elements of the scheme have been appraised at a programme level and at an individual element level to demonstrate the BCR and VfM. The programme (including elements A and B) has a <b>Core Scenario VfM position of 2.08, with medium value for money obtained under low growth (or lower benefit) sensitivity tests.</b> Further work on a combined programme BCR appraisal for elements A, B and C has been undertaken, which demonstrates a <b>medium core scenario VfM position of 1.81.</b></p> <p>In 2018, the Combined Authority modelled element A through the Urban Dynamic Model (UDM) - this resulted in a programme annual net GVA for West Yorkshire of +£2.8m (2009 prices) and 28 West Yorkshire jobs unlocked in a reporting year of 2031, compared to the do-minimum. This equates to a GVA per £ ratio of 2.44 to 1 (2010 prices, 10 year appraisal, discounted).</p> <p>The monetised benefits for element B are constrained to 2% of the medical and ambulance and police costs attributed to accidents in West Yorkshire on the KRN.</p> <p>The value for money assessment for the programme overall is therefore considered conservative with a number of additional benefits that have not been quantified.</p>
<b>Financial Case</b>	<p>The scheme cost at FBC stage is expected to be £7.49m.</p> <p>The cost variation against the initial indicative allocation of £7.3m (at expression of interest stage) relates to uplift in the costs for inflation (i.e.</p>

approximately £120k for element A and £70k for element B).

Anticipated costs have reduced slightly since outline business case stage, at £7.46m (-£0.029m from outline business case ), however at this stage the original indicative costs of £7.49m are requested.

Summary			
Element A	3.955	Total Cost inc QRA and Contingency	53%
Element B	2.456	Total Cost inc QRA	33%
<b>Total Element A and B</b>	<b>6.411</b>		86%
Element C	1.000	Allocation taken from OBC	13%
Monitoring and Evaluation	0.050	Element A, B and C	1%
<b>Total programme</b>	<b>7.461</b>		100%

*N.B. Costs presented in 2017 values.*

This is profiled as follows:

	WYCA funds (£m)	Applicants' funds (£m)	Other public sector (£m)	Other private sector (£m)	Total Cost (£m)
Year 1 2016/17	0.058	-	-	-	0.058
Year 2 2017/18	0.122	-	-	-	0.122
Year 3 2018/19	0.47	-	-	-	0.47
Year 4	3.87	-	-	-	3.87
2019/20					
Year 5 2020/21	2.90	-	-	-	2.90
Future	0.04	-	-	-	0.04
<b>Total (£m)</b>	<b>7.46</b>	-	-	-	<b>7.46</b>

Inflation and risk have been incorporated as part of the financial case. A quantified risk assessment has been undertaken, and is incorporated along with contingencies at full business case stage, included in the above case.

Some remaining risks to the financial case include:

- **Capital cost overruns:** Whilst the capital costs have been informed by a market engagement event, there remains a risk that these costs could be greater than anticipated. The lack of competition can exacerbate the risk of capital cost overruns, and remains a risk until full business case + finalised costs.
- **Additional ongoing costs:** No additional ongoing costs have been included within the core appraisal but there is a risk that additional costs will be identified. Hosting costs are included within the ten year appraisal period.

	<ul style="list-style-type: none"> <li>- <b>Agreements:</b> An agreement between all five local authorities will be required in advance of implementation with regard to the sharing of liabilities which is to be equally distributed to ensure the host wouldn't be impacted unfairly from a financial perspective.</li> </ul>
<p><b>Management Case</b></p>	<p>The project is being delivered by Kirklees Council on behalf of all five West Yorkshire authorities using the PRINCE2 principles of project management.</p> <p>The scheme is being managed through appropriate governance and day-to-day management of delivery, with recognised and suitable personnel.</p> <p>The overall risk management approach is owned by the Senior Responsible Officer (SRO) with day-to-day management the responsibility of the project manager / business case owner, David Caborn. The approach to risk in this project is managed by utilising the agreed risk register protocols supplied by the Combined Authority.</p> <p>A benefit realisation plan and M&amp;E plan has been developed for full business case , but lacks ownership of key targets, and the mechanics of who, (and how) individuals will be explicitly responsible for the achievement of stated benefits that have been appraised and form the core value for money of the submission.</p> <p>This is intrinsically linked to the specific site implementation plans and monitoring and evaluation requirements for full business case , which whilst presented in overview, programme form in the M&amp;E plan, are recommended to be made more detailed, and with clear ownership, at an individual corridor/ scheme level, and beyond just the SRO to ensure achievement.</p> <p>There is a key risk that on-site implementation and monitoring does not match the appraised benefits and this may impact on the scheme achieving at least medium-high value for money.</p>

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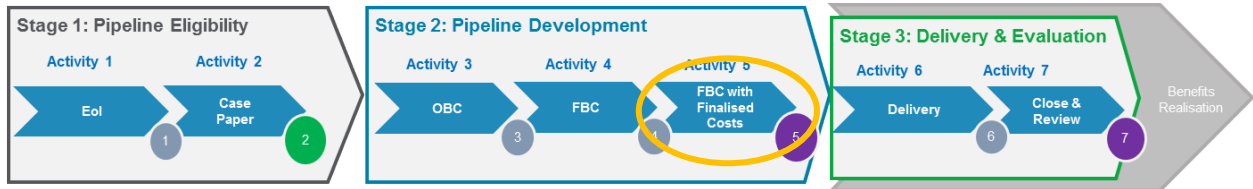
## Section A: Scheme Summary

<b>Name of Scheme:</b>	<b>ULEV Taxi Scheme</b>
<b>PMO Scheme Code:</b>	<b>DFT-ULEV-001</b>
<b>Lead Organisation:</b>	West Yorkshire Combined Authority
<b>Senior Responsible Officer:</b>	Huw Oeppen
<b>Lead Promoter Contact:</b>	Mark Auger
<b>Case Officer:</b>	Chris Dunderdale
<b>Applicable Funding Stream(s) – Grant or Loan:</b>	Local Transport Plan (LTP)
<b>Growth Fund Priority Area (if applicable):</b>	N/A
<b>Approvals to Date:</b>	DP2 – June 2017
<b>Forecasted Full Approval Date (Decision Point 5):</b>	September 2018
<b>Forecasted Completion Date (Decision Point 6):</b>	31/03/2020
<b>Total Scheme Cost (£):</b>	3.18 million
<b>Combined Authority Funding (£):</b>	LTP – 1.2 million
<b>Total other public sector investment (£):</b>	OLEV Grant 1.98 million
<b>Total other private sector investment (£):</b>	Possible private sector contribution (market dependent), that would reduce the extent of LTP Combined Authority investment.  Revenue: 30 pence per charging event agreed to be paid by appointed supplier to partner councils to cover operating costs.
<b>Is this a standalone Project?</b>	Yes
<b>Is this a Programme?</b>	No

Is this Project part of an agreed Programme?

No

### Current Assurance Process Activity:



### Scheme Description:

The Secretary of State for Transport has awarded West Yorkshire Combined Authority a capital grant on 30 March 2017 to deliver its Ultra-low Emission Vehicle (ULEV) Taxi Infrastructure proposals, for the low uptake scenario. The Combined Authority is named as delivery lead, and financial accountable body for the Office for Low Emissions (OLEV) grant funding.

The OLEV grant is for 88 taxi only rapid charge point sites (more can be delivered if the maximum funding allocation allows), as follows:

- The £1.98 million OLEV grant is limited to 75% per site, and capped at £22,500 per site. Discussions can be held with OLEV on a site-by-site basis, if costs are greater.
- An approved allocation of £1.2 million Local Transport Plan (LTP) capital funding has been made as match funding.

#### Local Variation to the OLEV Grant Requirements

Initial market engagement has indicated that taxi-only charge points will not be an attractive proposition to the charge point supplier market. Also, the taxi-only charge points may not be used much at first, until more ULEV taxis are in operation. The project board has recommended providing two bays per site, such that two cars could charge at the same time, and one bay would be for taxis only. OLEV officers have agreed in writing that this is a sensible approach.

**In June 2018, the Combined Authority's Investment Committee recommended that the Combined Authority's Managing Director approve the following:**

- The ULEV Taxi Scheme project proceeds through decision point 4 and work commences on Activity 5 (FBC+).
- An indicative approval to the Combined Authority's contribution of £3.18 million which will be funded through £1.20 million from the LTP fund and £1.98 million from the OLEV grant given with full approval to spend being given once the scheme has progressed through the assurance process to decision point 5 (FBC with finalised costs).
- Approval to the additional £200,000 development costs to allow advance site preparation tasks to commence, taking the total development costs for the project to £380,000.

- Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 4 through a delegation to the Combined Authority’s Managing Director following a recommendation by the Combined Authority’s Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

This scheme has now progressed directly from decision point 2 to this full business case (Activity 4). It is necessary to review the detailed procurement strategy, and the tolerances at this stage.

**Business Case Summary:**

**Strategic Case**

Taxis (hackney carriage and private hire vehicles (PHV)) in West Yorkshire are predominantly diesel cars or vans with an average vehicle age of 6.5 years. The majority of journeys are within town and city centres and therefore contribute to local air pollution issues.

This taxi scheme will support and help to promote low carbon, zero emission taxi and private hire operation across West Yorkshire through the required charging infrastructure. The inclusion of public charging bays increases the effectiveness of this scheme in improving air quality.

**The Leeds City Region Strategic Economic Plan (SEP)**

The Leeds City Region Strategic Economic Plans vision for ‘good growth’ in our economy that includes the objective of creating quality places and environments. Unfortunately, West Yorkshire’s urban areas have some of the highest levels of air pollution in the UK. Public Health England estimates that 1 in 20 deaths in West Yorkshire are attributable to air pollution. Road transport is the biggest contributor to air pollution and cars (including taxi and private hire vehicles) are the largest source of those emissions. This project aims to remove a key barrier to the uptake of Ultra-Low Emission Vehicles (ULEVs) in West Yorkshire, by providing 88 rapid EVCPs across West Yorkshire.

**The West Yorkshire Transport Strategy**

The West Yorkshire Transport Strategy supports delivery of the SEP objectives and recognises the role transport has to play in improving air quality and creating healthy places to live and work, and supporting a local carbon economy. Transport Strategy policy proposals include supporting uptake of ULEVs including plug-in electric by creating a charge point network. This project can take a first step in providing a charge point network in West Yorkshire.

**The West Yorkshire Low Emission Strategy (WYLES)**

The West Yorkshire Low Emission Strategy – adopted by the Combined Authority in March 2017 – supports delivery of a low carbon and clean environment as stated in the SEP and Transport Strategy. It makes a series of recommendations and proposals on how local authorities will support reductions in transports contribution to poor air quality. WYLES proposals include delivery of a charge point network.

**Commercial Case**

The Combined Authority undertook initial market engagement with the potential EVCP suppliers / operators. This indicated that this project is an attractive proposition, as long a public charging bays are included within the project scope. <sup>155</sup> Further to this, six compliant tenders were submitted for evaluation as part of the recent tender exercise, further demonstrating market acceptability. A preferred bidder has been accepted and is currently awaiting award.

<p><b>Economic Case</b></p>	<p>DfT WebTAG economic appraisal of the scheme is not considered to be a proportionate approach to option appraisal, given the scale and nature of this project.</p> <p>The preferred option was appraised by OLEV as part of their decision to award the grant funding. The bid was supported by the following feasibility studies:</p> <ul style="list-style-type: none"> <li>• The 'ULEV Taxi Scheme Feasibility Study' by the Energy Savings Trust dated 1 March 2016 (Appendix B)</li> <li>• 'EV Rapid and Fast Charge Feasibility Study' by Zero Carbon Futures, dated 7 December 2016.</li> </ul> <p>In addition, added value can be derived (but not quantified) from:</p> <ul style="list-style-type: none"> <li>• Overall reductions in NO2 from this project will be much higher than the original predictions for taxis, as a public vehicle charging bay is now included alongside each taxi charging bay.</li> <li>• Reduced travel costs: <ul style="list-style-type: none"> <li>○ ULEVs have cheaper whole life costs than petrol or diesel vehicles.</li> <li>○ Operators of ULEV taxis will not have pass on the proposed cost of entering the Leeds Clean Air Zone to customers.</li> <li>○ The preferred bidder is offering free electricity to all users for the first three years.</li> </ul> </li> </ul>
<p><b>Financial Case</b></p>	<p>The total estimated outturn capital cost is £3.18 million. There will likely be a contribution from the private sector that reduces the Combined Authority contribution to the scheme (LTP funding)</p> <p>There is no revenue funding from OLEV or the Combined Authority. The procurement strategy has agreed a 30 pence per charge fee to be paid to partner councils to cover ongoing revenue costs.</p>
<p><b>Management Case</b></p>	<p>Pending tender award (currently in "stand still" period), a single EVCP supplier will be procured on a framework. Combined Authority partner councils will call-off installation of EVCP sites from this framework. This approach allows for ongoing identification and development of EVCP sites, and is based on similar approaches taken by Nottingham City Council and Transport for London. The EVCP supplier will be required to design, build, own and operate the assets at the end of the call-off contracts.</p> <p>No Quantified Risk Assessment has been carried out. This project is a trial of something that has not been done before, so it would be difficult to be able to judge the likelihood of a particular risk occurring. Instead, a contingency of 15% has been added to the capital costs, based on the advice from the project board.</p>



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**Report to:** West Yorkshire and York Investment Committee

**Date:** 7 November 2018

**Subject:** **Future of Growing Places Fund**

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**Director(s):** Melanie Corcoran, Director of Delivery

**Author(s):** Kate Thompson

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## 1. Purpose of this report

- 1.1 To update the Investment Committee on a report considered by the Leeds City Region Enterprise Partnership Board (LEP Board) on the future of the Growing Places Fund.

## 2. Information

- 2.1 The Growing Places Fund was one of the first funding streams for LEPs, with the Leeds City Region LEP receiving £35.5 million of capital funding in 2011/12 to use for loans and grants to unlock stalled developments that had been particularly affected by credit tightening. To date over £30 million of investment has been made with loan repayments starting to be received back into the Combined Authority.
- 2.2 The Combined Authority has commissioned an external review of the progress and future focus of the Growing Places Fund and the early findings were reported to the Business Investment Panel in October 2018, with a more detailed update being provided at the November meeting. The final draft report is expected by the end of November.
- 2.3 At its meeting on 20 September 2018 the LEP Board considered a report on the principles for the future use of returned funds from the Growing Places Fund, in order to drive improved productivity and inclusive growth in the City Region. A copy of the report can be found at **Appendix 1**.
- 2.4 The LEP Board agreed to use the returned funds from the Growing Places Fund to support significant ongoing returnable investment and grant funding for inclusive growth projects. It was also agreed in principle that capital returned funds generated through the Growing Places Fund are used as follows:

- a) To continue providing investment capital on a returnable basis. It was agreed that this should comprise the significant majority of funds (e.g. 80%) in order that it continues to generate the scale of returns to provide longevity.
- b) To allocate funding to directly (grant) fund projects that improve outcomes for the most disadvantaged. It was agreed this should constitute a smaller proportion of GPF capital returned funds (e.g. 20%).

2.5 The LEP Board report was noted by the Business Investment Panel at the October Meeting with a request for further updates to a future meeting.

### **3. Financial Implications**

3.1 The financial implications associated with the future of the Growing Places Fund are set out in **Appendix 1**. The details will be worked through as part of the next steps for the fund.

### **4. Legal Implications**

4.1 There are no legal implications directly arising from the report at this time.

### **5. Staffing Implications**

5.1 There are no staffing implications directly arising from this report at this time. Resource implications will be considered as part of the next steps for the fund.

### **6. External Consultees**

6.1 No external consultations have been undertaken.

### **7. Recommendations**

7.1 That the LEP Board report at Appendix 1 concerning the future of the Growing Places Fund is noted.

### **8. Background Documents**

None.

### **9. Appendices**

Appendix 1 - Growing Places Fund Reinvestment, report to LEP Board 20 September 2018



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**Report to:** Leeds City Region Enterprise Partnership Board (LEP Board)

**Date:** 20 September 2018

**Subject:** **Growing Places Fund reinvestment**

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**Director:** Liz Hunter, Interim Director, Policy and Strategy

**Author(s):** Jonathan Skinner

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## 1. Purpose of this report

- 1.1 To seek agreement to the future use of receipts from the Growing Places Fund in order to drive improved productivity and inclusive growth in the City Region.

## 2. Information

### Role and purpose of the Growing Places Fund

- 2.1 The Growing Places Fund (GPF) was one of the first funding streams for LEPs, with the Leeds City Region LEP receiving £35.5 million of capital funding in 2011/12 to use for loans and grants to unlock stalled developments that had been particularly affected by credit tightening.
- 2.2 These stalled projects are not able to source full funding on the open market. This often reflects that the type of project is more complex/has greater risk than is able to be secured at viable rates. The rationale for public intervention, therefore, is that providing finance on softer terms than the market is able to offer accelerates delivery of projects, and their outputs of new business premises, jobs and homes. The implication, however, is that the programme of investments are riskier than would be seen on a commercial loan book.
- 2.3 Typical infrastructure projects have included expansion of business premises, site remediation and developing a new road junction as part of opening up a brownfield site for housing. The GPF loan often completes a package of agreed finance that is not quite sufficient for a project that is otherwise deliverable.
- 2.4 The fund is open to all businesses and organisations of any size based in or looking to invest in the city region. Applications from small and medium-sized enterprises, employing up to 250 staff, are particularly welcome.

## Performance of the Growing Places Fund

- 2.5 The LEP, latterly through the Business Investment Panel, has made 15 investments using GPF capital, with the Fund typically seeking to leverage private sector investment by a ratio of 3:1. Loans offered for capital projects are on a 'no fee' basis at interest rates that comply with state aid regulations.
- 2.6 The Fund has been subject to an internal review which has identified learning points about:
- Improving clarity for businesses and intermediaries about the funding options that exist, particularly in respect of the Revolving Investment Fund, operated by local authorities.
  - Organisational capacity and expertise to operate a returnable investment fund.

Additionally, an expert external view has also been commissioned on market demand for a facility like the Growing Places Fund.

- 2.7 Of the 15 investments:
- 2 projects have been completed successfully, returning a combined capital investment of £2.95 million.
  - 2 investments will not complete, meaning £6.41 million will not return.
  - 11 projects are still underway, accounting for £20.93 million of GPF investment.
- 2.8 Loan repayments mean there is now a significant and growing balance held on account. The accountable body's section 73 officer (Angela Taylor, Combined Authority Director of Resources), has confirmed that repaid capital receipts are unencumbered. Monies that have not yet been drawn down or allocated to projects (£5.2 million as at end of June 2018) still have to be used in line with the terms of the original Government grant.
- 2.9 The table below provides a high-level projection of the profile of capital receipts at 30 June 2018 (NB. this is subject to significant change as some repayment schedules depend on asset disposals):

Capital already repaid	£7.007 million
Capital subject to original terms	£5.200 million
Capital forecast to be repaid in remainder of 2018/19	£4.000 million
Capital forecast to be repaid in 2019/20	£4.000 million
Capital forecast to be repaid in 2020/21	£2.000 million
Capital forecast to be repaid in 2021/22	£1.000 million
Capital forecast to be repaid in 2022/23	£1.000 million
Capital forecast to be repaid in 2023/24	£1.000 million
Capital forecast to be repaid at other points	£4.000 million
<b><u>TOTAL</u></b>	<b><u>£29.2 million</u></b>

- 2.10 In addition to capital receipts, £1.843 million of interest has been paid to the LEP since 2011/12 via the organisations that administer the fund – initially Leeds City Council and latterly the West Yorkshire Combined Authority. These sums have been used for general fund expenditure.
- 2.11 Together, these projects have delivered developments that would either have been unviable or not realised as quickly as they have been:
- 97 hectares of regenerated or remediated land
  - 34,621 sq. m of commercial space
  - 671 new homes built (plus a further 47 affordable homes)
  - 177 jobs and 31 apprenticeships created or safeguarded
- 2.12 In addition to the Business Investment Panel’s role in approving GPF funding, the Combined Authority’s Overview and Scrutiny Committee has also been active to learn lessons about GPF processes. This culminated in recommendations to the Combined Authority, which were agreed on 1 February 2018. Most of these changes had already been reflected in improvements to the Assurance Framework.

#### Context and principles

- 2.13 Since the GPF was launched in 2011/12, the policy context has evolved:
- Economic and social conditions and priorities have changed, with the City Region refreshing its strategic priorities (see para 2.14)
  - Other public grant and loan funding streams have become available, including the Revolving Investment Fund, European Structural and Regeneration Funds and Growth Deal. **Appendix 1** provides a fuller account of public loans and grants for businesses.
- 2.14 The City Region has put in place a broader policy framework to deliver inclusive growth by addressing four ‘inconvenient truths’ identified at the LEP Board’s September 2017 awayday:
- Productivity is too low and the gap with peers is growing
  - Investment in R&D is too low
  - Living standards have stalled
  - Stubborn deprivation persists
- 2.15 With significant capital receipts returned and more forecast to arrive by 2019/20, there is now the opportunity to consider future use of the funds.
- 2.16 The City Region is facing severe funding pressures as local authorities see their central funding continue to be cut whilst demands for services increase. While these unencumbered funds could be used to address these gaps, it is instead proposed that the LEP Board decides to remain true to the original purpose of the funds, because only through bold leadership to address the City Region’s structural issues will a more productive economy ensure that everyone can contribute to, and benefit from, growth.

- 2.17 In developing proposals, the following guiding principles have been used:
1. The future use of funds should fit coherently with the City Region’s wider funding landscape, minimising fragmentation and bureaucracy.
  2. These unencumbered funds should be used only when there is no other appropriate funding stream.
  3. Use of the funds should:
    - a) Maximise private and public investment in the City Region, including using as match revenue to leverage investment
    - b) Improve productivity in the City Region
    - c) Deliver inclusive growth ambitions by either:
      - generating a financial ‘return on investment’ to fund further inclusive growth activities
      - directly funding activities that improve outcomes for the most disadvantaged.

Proposed future uses

- 2.18 Based on the principles above, it is proposed that capital receipts are used as follows:
- a) To continue providing investment capital on a returnable basis. It is suggested that this should comprise the significant majority of funds (e.g. 80%) in order that it continues to generate the scale of returns to provide longevity.
  - b) To allocate funding to directly (grant) fund projects that improve outcomes for the most disadvantaged. It is suggested this should constitute a smaller proportion of GPF capital receipts (e.g. 20%).
- 2.19 The table below illustrates indicative investment amounts taking account of the projected profile of receipts and proportions above:

<b>Year</b>	<b>Funds for returnable investment</b>	<b>Non-returnable funds to deliver inclusive growth aims</b>
2018/19	£8.8 million	£2.2 million
2019/20	£3.2 million	£0.8 million
2020/21	£1.6 million	£0.4 million
* the remaining £7 million either doesn’t have a clear date when it is due to be repaid, or will be repaid in 2021/22 or later.		

- 2.20 Given the principle to fit coherently to the wider funding landscape, if the LEP Board supports the direction of the proposal, there needs to be consideration whether this funding enhances existing processes or is delivered via separate channels. For example, the Revolving Investment Fund (RIF) is undertaking a similar review.
- 2.21 If the LEP Board agrees to pursue returnable investment, a further report will be brought to the LEP Board setting out how this will be delivered, taking

account of a number of factors. Some of the design questions are posed below, should the LEP Board want to give initial guidance:

- What balance should be struck between generating a financial return on investment and addressing market failure to deliver outcomes like remediated land, new housing, growing and more productive businesses, etc.?
- Previously, the provision of secured loans on soft terms reflects a certain level of risk. What's an appropriate risk appetite in future?
- The fund has historically provided secured loans. What prospect is there for different types of investment, including equity?<sup>1</sup>
- The target market for returnable investments – including whether, for example, to extend reach to Higher Education institutions.
- This approach depends on market demand. The Combined Authority has commissioned PwC to review demand and this is due to report in October 2018 and will shape the operational design of the new approach.

#### Other options

2.22 The table below outlines other strategic approaches considered:

<b>Option</b>	<b>Potential advantages</b>	<b>Potential disadvantages</b>
Use all receipts for revolving funding (subject to market demand)	<ul style="list-style-type: none"> <li>• Invests more in supporting growth and improving productivity.</li> </ul>	<ul style="list-style-type: none"> <li>• May not improve outcomes for the most disadvantaged as far or as fast.</li> </ul>
Use all of the receipts (or a higher proportion) for inclusive growth grants	<ul style="list-style-type: none"> <li>• Able to improve outcomes for the most disadvantaged faster and to a greater degree.</li> </ul>	<ul style="list-style-type: none"> <li>• May miss opportunities to improve productivity and growth in the business base that could address the City Region's 'inconvenient truths'.</li> </ul>

### **3. Financial Implications**

3.1 The LEP Board's decision about the strategic direction of the Fund will have financial implications. The high-level picture is outlined in the report, with a commitment that a further report will describe the detailed financial implications based on the operationalisation of the LEP Board's decision. A number of design questions are raised in para 2.21 that will help shape that work.

### **4. Legal Implications**

4.1 There are no direct legal implications as a result of this report.

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<sup>1</sup> This was considered briefly by the Business Investment Panel on 9 August 2018. The emerging consensus among members was that, in general, the LEP/fund should be cautious in its approach to equity investments.

4.2 The report describes that the Accountable Body's section 73 officer is satisfied about the use of unencumbered funds once they have been repaid after being used for their original purpose.

## **5. Staffing Implications**

5.1 There are no direction staffing implications arising from this report.

## **6. External Consultees**

6.1 The Business Investment Panel has provided initial views on the potential of using equity investments.

## **7. Recommendations**

7.1 That the LEP Board note the performance and position of the Growing Places Fund.

7.2 That the LEP Board agrees to use the receipts from the Growing Places Fund to support significant ongoing returnable investment and grant funding for inclusive growth projects, as described in para 2.17 of the report.

7.3 That a further report be prepared on how this direction might be operationalised, based on any advice provided in respect of the design questions in para 2.21 of the submitted report.

## **8. Background Documents**

8.1 Report of the Scrutiny Committee to the Combined Authority (1 February 2018).

## **9. Appendices**

Appendix 1 – Overview of the funding context





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**Report to:** West Yorkshire and York Investment Committee

**Date:** 7 November 2018

**Subject:** Leeds City College, Quarry Hill - Project Update

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**Director:** Melanie Corcoran, Director of Delivery

**Author(s):** Nicholas Kiwomya

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## **1. Purpose of this report**

- 1.1 To note the update on progress and the due diligence undertaken and consider the proposal to recommend that the Combined Authority's Managing Director exercises his delegated authority to approve a loan facility of £6.5 million to Leeds City College – Quarry Hill project.

## **2. Information**

- 2.1. On 1 December 2016 the Combined Authority approved the full business case and funding for the Leeds City College, Quarry Hill project. The approval was for a £33.4 million grant with an in principle agreement for a loan facility of up to £8.8 million.
- 2.2 On 5 September 2018 the Investment Committee resolved that the Combined Authority's Managing Director exercise his delegated authority as follows:
- (a) that the remaining grant balance (less retention) is released, subject to the conditions outlined in paragraph 8 of exempt Appendix 1;
  - (b) that approval be given for the College to drawdown against the previously approved loan facility for a loan of up to £6.5 million, subject to the conditions as outlined in exempt Appendix 1;
  - (c) that the Combined Authority's restriction on the Technology Campus be lifted, subject to the conditions as outlined in exempt Appendix 1.

- 2.3 Once completed the Quarry Hill project will deliver 15,000 sq m of new build floor space and 6,000 sq m refurbished floor space to the College's existing Park Lane campus, and will include disposal of a number of assets.
- 2.4 Construction work for the 9-storey development began in July 2017. The new Quarry Hill campus will become the college's Creative and Digital Arts and Health and Social Sciences departments. It will also house new space for the expansion of Leeds College of Music (LCoM) recording studio facilities for music courses. Construction work is expected to be complete by August 2019, ready for use in the 2019/20 academic year.
- 2.5 An update on the project is outlined in exempt **Appendix 1**.

### **3. Financial Implications**

- 3.1. The financial implications, risks and the drawdown and repayment schedules are explained in exempt **Appendix 1**.

### **4. Legal Implications**

- 4.1. The information contained in **Appendix 1** is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the content of the appendix as exempt outweighs the public interest in disclosing the information as publication could prejudice current and future decision making.

### **5. Staffing Implications**

- 5.1 There are no staffing implications.

### **6. External Consultees**

- 6.1 The College and external legal advisors have been consulted.

### **7. Recommendations**

- 7.1 To note the update on progress and the current status of the Leeds City College Quarry Hill Skills Capital Project.
- 7.2 The Investment Committee recommend that the Combined Authority's Managing Director exercises his delegated authority to:
- (i) enter into a loan agreement for £6.5m to Leeds City College and for the College to drawdown against the loan facility, subject to the conditions outlined in exempt Appendix 1.

**7. Background Documents**

7.1 None

**8. Appendices**

Exempt Appendix 1 – Leeds City College, Quarry Hill – Detailed project update and recommendations

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**Report to:** West Yorkshire & York Investment Committee

**Date:** 7 November 2018

**Subject:** **European Structural and Investment Funds (ESIF) – Sustainable Urban Development (SUD)**

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**Director(s):** Angela Taylor, Director of Resources

**Author(s):** Heather Waddington

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## **1. Purpose of this report**

- 1.1 To consider the West & North Yorkshire Chamber of Commerce full application for SUD, part of the ESIF Programme, and provide advice to the Combined Authority, in its role as the Intermediate Body (IB).

## **2. Information**

- 2.1 The Combined Authority selected the projects to progress from outline to full application stage, following final reconciliation to the available budget by the Ministry of Housing, Communities and Local Government (MHCLG) as the Managing Authority (MA) for the funds at the December 2018 meeting. This resulted in four out of the five selected projects asked to progress to full application in February 2018, with one project placed on a reserve list should funds become available.
- 2.2 Unfortunately since February two projects have now been deemed ineligible by the MA under the EU Regulations after submitting their full application. Reasons include one applicant did not fully meet the requirements of the selection criteria as a significant proportion of the project costs were deemed to be ineligible. The other application as presented at full application stage had radically changed, and no longer reflected the activities, level of investment or contribution to the Call and the ERDF Operational Programme as set out in the outline application, including a significant reduction in outputs such that the proposal no longer represented value for money. A third project had to withdraw from the process themselves. This left one project able to progress to the full application stage. This application is now being presented to the Committee for advice.

## **Selection Process and Assessment Form**

- 2.3 The selection process for SUD, part of the ESIF programme, has been set out in guidance notes issued to the IB by MHCLG, as the MA.
- 2.4 The IB has already assessed each outline application for local strategic fit based on the Leeds City Region ESIF SUD Strategy and made its project selection, setting out its advice and any respective conditions for the applicant to consider when developing the full application.
- 2.5 The Investment Committee is asked to advise the IB on whether the proposals set out at full application continue to appropriately address:
- local domestic priorities, development needs/growth conditions and opportunities.
  - the contribution and value for money proposed in the context of the Operational Programme and local ESIF Strategy.
  - any local issues that need to be taken into account in the development and/or delivery of the project.
- 2.6 Assessment forms are designed and owned by MHCLG. The full assessment form is split in to 4 sections and each completed by either the IB or the MA as follows:
- Part 1, summary project details - completed by MHCLG
  - Part 2, the IB's assessment - completed by the Combined Authority
  - Part 3, the MA's assessment - completed by MHCLG
  - Part 4, selection decision - completed by the Combined Authority (4a) and MHCLG (4b and 4c).
- 2.7 Following the IC's advice the IB will finalise its assessment and advice to the MA who will make the final decision (taking account of the advice provided by the IB), and enter in to a Funding Agreement with the applicant.

## **Undertaking the Assessment**

- 2.8 In line with the agreed IB Conflict of Interest Statement and Operating Protocol – the full application has been considered by the Appraisal Team, under the responsibility of the Head of Research and Intelligence from the Combined Authority, who have undertaken their own assessment in line with the criteria outlined above. Their findings are presented to the IC at the meeting – please see Exempt Appendix 1 – see part 2 and Part 4 the IB's assessment. In addition to officers from the Appraisal team the MA will also be in attendance and can respond to questions raised by IC members regarding the assessment as required.
- 2.9 The overall summary of the full appraisal indicates the scoring criteria is considered to be met. The project is considered to be sufficiently developed to enable the MA to issue a funding agreement subject to the proposed conditions set out in the assessment being fully met.

### **3. Financial Implications**

- 3.1 MHCLG, as MA for the funds, is responsible for the issuing of Funding Agreements, paying projects and general contract management. The funding within the Strategy (€19.95m) is a notional budget and is part of the ESIF ERDF programme. All finances go directly through MHCLG's accounts not the Combined Authority's.

### **4. Legal Implications**

- 4.1 The information contained in Appendix 1 is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the content of the appendices as exempt outweighs the public interest in disclosing the information as publication could prejudice current and future decision making.

### **5. Staffing Implications**

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

### **6. External Consultees**

- 6.1 MHCLG have been consulted in their role as Managing Authority in the production of this report.

### **7. Recommendations**

- 7.1 It is recommended that the Investment Committee consider the full application and any outstanding conditions and provide advice to the Combined Authority, in its role as Intermediate Body.

### **8. Background Documents**

- 8.1 None.

### **9. Appendices**

- 9.1 Exempt Appendix 1 – full application

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**MINUTES OF THE MEETING OF THE  
BUSINESS INVESTMENT PANEL  
HELD ON FRIDAY, 31 AUGUST 2018 AT COMMITTEE ROOM A,  
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

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**Present:**

Councillor Judith Blake CBE (Chair)	Leeds City Council
Councillor Graham Swift	Harrogate Borough Council
Michael Allen	NatWest Bank
Simon Wright	Yorkshire Bank

**In attendance:**

Khaled Berroum	West Yorkshire Combined Authority
Neill Fishman	West Yorkshire Combined Authority
Lorna Holroyd	West Yorkshire Combined Authority
Samuel Lewis	West Yorkshire Combined Authority
Lauren Thomas	West Yorkshire Combined Authority
Kate Thompson	West Yorkshire Combined Authority
Janette Woodcock	West Yorkshire Combined Authority

**18. Apologies for absence**

Apologies for absence were received from Cllr Darren Byford, Cllr Shabir Pandor, Cllr Tim Swift, Jonathan King, Marcus Mills and Gareth Yates

**19. Declarations of disclosable pecuniary interests**

Simon Wright declared an interest, not comprising a disclosable pecuniary interest, in Agenda item 6, Appendix 3.

**20. Exempt information - Exclusion of the press and public**

**Resolved:** That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendix 2 of Agenda item 5, Appendix 3 of Agenda item 6 and Appendix 1 of Agenda item 7 on the grounds that they are likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the

report that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**21. Minutes of the meeting of the Business Investment Panel held on 9 August 2018**

At the meeting held on 9 August, members had requested that further consideration be given to the governance arrangements of the Panel including membership and the quorum for meetings.

The Panel suggested that the membership should be equally distributed between local authority and private sector members as in the previous municipal year and that should also be reflected in the quorum requirements.

**Resolved:**

- (i) That the minutes of the Business Investment Panel held on 9 August be approved subject to adding Councillor Tim Swift to the list of attendees.
- (ii) That at its next meeting, the Investment Committee be asked to consider the Panel's suggested governance changes.

**22. Strategic Inward Investment Fund**

The Panel considered a report which outlined the current position regarding committing grants through the Leeds City Region Enterprise Partnership (the LEP) Strategic Inward Investment Fund (SIF) and SIIF Governance Arrangements.

At the Panel Meeting on 9 August 2018 members asked for further information on pipeline projects to the fund and this was provided in exempt Appendix 2.

**Resolved:**

- (i) That the progress on the SIIF be noted.
- (ii) That the information on pipeline projects be noted.

**23. Business Grants Programme**

The Panel considered a report which outlined the current position regarding progress in committing grants through the LEP Business Grants Programme (BGP) and BGP governance arrangements. The Panel also noted the development of a new Productivity Pilot which will launch in September 2018 and the revised inclusive growth criteria for the Programme.

In private session the Panel discussed the update on projects previously recommended for approval.

**Resolved:**

- (i) That the contents of the BGP report be noted.
- (ii) That the views of the Panel on proposed developments to the Programme be noted.

**24. Growing Places Fund loans**

The Panel considered a report which provided an update on progress in committing loans through the LEP Growing Places Fund and was also asked to note exempt Appendix 1 GPF 109, a project with changed circumstances.

**Resolved:** That the contents of the report and exempt Agenda item 1 be noted.

**25. Date of next meeting**

5 October 2018 at 2:00 pm in Committee Room A, Wellington House, Leeds.

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**MINUTES OF THE MEETING OF THE  
BUSINESS INVESTMENT PANEL  
HELD ON FRIDAY, 5 OCTOBER 2018 AT COMMITTEE ROOM A,  
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

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**Present:**

Councillor Judith Blake CBE (Chair)	Leeds City Council
Councillor Darren Byford	Wakefield Council
Councillor Shabir Pandor	Kirklees Council
Councillor Graham Swift	Harrogate Borough Council
Councillor Alex Ross-Shaw	Bradford Council (from Minute 32)
Michael Allen	NatWest Bank
Colin Glass OBE	WGN
Marcus Mills	BigWord

**In attendance:**

Henry Rigg	West Yorkshire Combined Authority
Kate Thompson	West Yorkshire Combined Authority
David Shepherd	West Yorkshire Combined Authority (to minute 31)
Chris Brunold	West Yorkshire Combined Authority
Neill Fishman	West Yorkshire Combined Authority
Lauren Thomas	West Yorkshire Combined Authority
Khaled Berroum	West Yorkshire Combined Authority
Megan Hemingway	West Yorkshire Combined Authority

**26. Apologies for absence**

Apologies for absence were received from Jonathan King, Simon Wright, Gareth Yates and Councillor Tim Swift.

**27. Declarations of disclosable pecuniary interests**

There were no disclosable pecuniary interests declared by Members at the meeting.

**28. Exempt information - Exclusion of the press and public**

**Resolved:** That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendices 2, 3, 4, 5 and 6 of Agenda item 7 on the

grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the report that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**29. Minutes of the meeting of the Business Investment Panel held on 31 August 2018**

**Resolved:** That the minutes of the Business Investment Panel held on 31 August 2018 be approved and signed by the Chair.

**30. Business Grants Programme**

The Panel considered a report which outlined the current position regarding progress in committing grants through the Leeds City Region Enterprise Partnership (the LEP) Business Grants Programme (BGP).

Members were advised that a paper focused on raising the awareness of the capital grants programme to a broader range of businesses, will be submitted to the Panel at the next meeting.

**Resolved:** That the contents of the Business Grants Programme report be noted.

**31. Strategic Inward Investment Fund**

The Panel considered a report which outlined the current position regarding committing grants through the Leeds City Region Enterprise Partnership (the LEP) Strategic Inward Investment Fund (SIIF)

The Panel requested that a more detailed briefing be produced on Leeds City Region's competitive position on inward investment.

**Resolved:**

- (i) That the progress on the Strategic Inward Investment Fund be noted.
- (ii) That a more detailed briefing be produced on Leeds City Region's competitive position on inward investment compared to other regions, where data is available.

**32. Growing Places Fund loans**

The Panel considered a report which provided an update on:

- Progress in committing loans through the LEP Growing Places Fund (GPF).
- The future of the GPF.
- Three projects with changed circumstances.

In respect of Growing Places Fund reinvestment Members discussed the report that had been considered by the LEP Board and was attached as Appendix 1. The Panel asked that a further update report be brought to the December meeting of the Panel.

The Panel considered three projects with changed circumstances which were attached at exempt Appendices 2, 3, 4, 5 and 6.

**Resolved:**

- (i) That the update on progress in committing loans through the GPF be noted.
- (ii) That the report to the LEP Board on Growing Places Fund reinvestment be noted.
- (iii) That a further update report be brought to the December meeting.
- (iv) That the recommendations in exempt Appendices 2 and 3 (project 113) be forwarded to the Managing Director for approval.
- (v) That the information provided in Appendices 4, 5 and 6 (projects 201 & 315) be noted.

**33. Date of next meeting**

6 November at 2:00 pm in Committee Room B, Wellington House, Leeds

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