

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

**MEETING TO BE HELD AT 11.00 AM ON WEDNESDAY, 9 JANUARY  
2019 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 Appendices 1 and 2 to Agenda Item 8 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 4.1 of Agenda Item 8.
  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 Appendices 1 and 2 to Agenda Item 8 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 DECEMBER 2018**  
(Pages 1 - 8)
  - 5. GOVERNANCE ARRANGEMENTS**  
(Pages 9 - 18)
  - 6. CAPITAL PROGRAMME THREE YEAR BUDGET AND UPDATE**  
(Pages 19 - 24)
  - 7. CAPITAL SPENDING & PROJECT APPROVALS**  
(Pages 25 - 62)
  - 8. GROWING PLACES FUND**  
(Pages 63 - 72)
- For Information**
- 9. DRAFT MINUTES OF THE BUSINESS INVESTMENT PANEL HELD ON 5 DECEMBER 2018**  
(Pages 73 - 76)

Signed:

A handwritten signature in black ink, consisting of the letters 'BSM' in a stylized, cursive font, with a horizontal line underneath.

**Managing Director  
West Yorkshire Combined Authority**



**MINUTES OF THE MEETING OF THE  
WEST YORKSHIRE AND YORK INVESTMENT COMMITTEE  
HELD ON WEDNESDAY, 5 DECEMBER 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 Ian Gillies	City of York Council
Councillor Denise Jeffery	Wakefield Council
Councillor Alex Ross-Shaw	Bradford Council

**In attendance:**

Councillor Eric Firth	Deputy Chair, Transport Committee
Professor Lisa Roberts	University of Leeds
Professor Peter Woodward	University of Leeds
Melanie Corcoran	West Yorkshire Combined Authority
Dave Haskins	West Yorkshire Combined Authority
Lorna Holroyd	West Yorkshire Combined Authority
Andrew Norman	West Yorkshire Combined Authority
Megan Hemingway	West Yorkshire Combined Authority
Ben Kearns	West Yorkshire Combined Authority

**33. Apologies for Absence**

Apologies for absence were received from Councillors Barry Collins and Peter McBride.

**34. Declarations of Disclosable Pecuniary Interests**

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

**35. Exclusion of the Press and Public**

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

**36. Minutes of the Meeting of the West Yorkshire and York Investment Committee held on 7 November 2018**

**Resolved:** That the minutes of the West Yorkshire and York Investment Committee held on 7 November 2018 be approved and signed by the Chair.

**37. Capital Spending & 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 progression of the following seven schemes which were detailed in the submitted report:

- Investor Readiness Support Programme
- Transformational – A1620 Leeds Northern Outer Ring Road Improvements
- Corridor Improvement Programme Phase 1 – A647 Dawsons Corner
- Corridor Improvement Programme Phase 1 – Dyneley Arms
- Corridor Improvement Programme Phase 1 – Fink Hill scheme
- Corridor Improvement Programme Phase 1 – A650 Newton Bar scheme
- Institute of High Speed Railways and System Integration – Phase 1

The meeting was attended by Professors Lisa Roberts and Peter Woodward from Leeds University who gave a presentation on the Institute of High Speed Railways and System Integration scheme.

All schemes presented to the Investment Committee were recommended for approval by the Combined Authority.

In addition to the recommendations made regarding the High Speed Rail Institute, the meeting also wished it to be noted that the Combined Authority's contribution to the scheme will be capped at £13.047 million regardless of any future increases to the total scheme costs.

The Committee also considered the Business Growth Programme (BGP) which has had a change request report assessed in line with the Combined Authority's assurance process. This was for an extension to the expenditure approval of the BGP to capitalise on the on-going successful uptake of the scheme by businesses across the region and further details were provided in the submitted report.

The Committee was also provided with details of the following two decisions made through delegations to the Combined Authority's Managing Director since the last meeting:

- Wyke Beck Flood Alleviation scheme

- Mytholmroyd Station Park & Ride

Summaries of the schemes' business cases were attached as Appendices 2 – 8 of the submitted report.

**Resolved:**

- (i) In respect of the Investor Readiness Support Programme, the Investment Committee recommends to the Combined Authority:
  - (a) That the Investment Readiness project proceeds through decision point 2 and work commences on activity 5 (full business case with finalised costs).
  - (b) That an indicative approval to the Combined Authority's contribution of £1.429 million is given (which will be funded from £714,500 from the Leeds City Region Business Rates Pool and £714,500 from ESIF), with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5. The total project value is £1.429 million with funding already secured.
  - (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 subject to the scheme remaining within the assurance tolerances outlined within the report.
- (ii) In respect of Transformational – A1620 Leeds Northern Outer Ring Road Improvements, Leeds, the Investment Committee recommends to the Combined Authority:
  - (a) That the A6120 Leeds Northern Outer Ring Road Improvements (A647 to A65) proceeds through decision point 2 and work commences on the feasibility study.
  - (b) That an expenditure approval is given to the total value of £392,500 to Leeds City Council to fund a feasibility study.
  - (c) That the Combined Authority enter into a funding agreement with Leeds City Council for expenditure of up to £392,500 to be funded from the West Yorkshire plus Transport Fund.
  - (d) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report 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 report.

- (iii) In respect of Corridor Improvement Programme – Dawsons Corner, the Investment Committee recommends to the Combined Authority:
  - (a) That the Dawson’s Corner 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 £20.159 million, with the Combined Authority’s contribution of £19 million (which will be funded through £15 million from the CIP Phase 1 fund and £4 million from the LPTIP 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). The total project value is £20.159 million.
  - (c) That development costs of £1.59 million, (including £499,000 additional development costs and £1.1 million land assembly costs) are approved in order to progress the scheme to decision point 5 (full business case with finalised costs), taking the approval to £2.598 million
  - (d) That the Combined Authority issue an addendum to the existing funding agreement with Leeds Council for additional expenditure of up to £1.59 million from the West Yorkshire plus Transport Fund taking the total value to £2.598 million.
  - (e) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report 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 report.
  
- (iv) In respect of Corridor Improvement Programme Phase 1 - Dyneley Arms, the Investment Committee recommends to the Combined Authority:
  - (a) That the Dyneley Arms junction project proceeds through decision point 3 and work commences on activity 4 (full business case) and 5.
  - (b) That an indicative approval to the total project value of £2.747 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 additional development costs of £373,000 (which include £250,000 for land assembly) are approved in order to progress

- the scheme to decision point 5 (full business case with finalised costs) taking the total approval to £775,000.
- (d) That the Combined Authority issues an addendum to the existing funding agreement with Leeds Council for additional expenditure of up to £373,000 from the West Yorkshire plus Transport Fund (giving a total funding agreement value of £775,000).
  - (e) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report 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 report.
- (v) In respect of the Corridor Improvement Programme Phase 1 – Fink Hill, the Investment Committee recommends to the Combined Authority:
- (a) That the Corridor Improvement Programme Phase 1 Fink Hill project proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case).
  - (b) That an indicative approval to the total project value of £4.150 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 additional development costs of £404,000 are approved in order to progress the scheme to decision point 4 (full business case) taking the total project approval to £519,000.
  - (d) That the Combined Authority enter into an addendum to the existing funding agreement with Leeds City Council for additional expenditure of up to £404,000 from the West Yorkshire plus Transport Fund taking the total value to £519,000.
  - (e) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject remaining within the tolerances outlined in the report.
- (vi) In respect of Corridor Improvement Programme Phase 1 – A650 Newton Bar, the Investment Committee recommends to the Combined Authority:

- (a) That the Corridor Improvement Programme Phase 1 A650 Newton Bar project proceeds through decision point 3 and work commences on activity 4 (full business case).
  - (b) That an indicative approval to the total project value of £6.752 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 £129,800 are approved in order to progress the scheme to decision point 4 (full business case) taking the total project approval to £204,800.
  - (d) That the Combined Authority enters into an addendum to the existing funding agreement with Wakefield Council for additional expenditure of up to £129,800 from the West Yorkshire plus Transport Fund taking the total value to £204,800.
  - (e) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report (including through delegation to the Combined Authority's Managing Director at decision points 4 and 5) 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 report.
- (vii) In respect of Institute of High Speed Railways and System Integration – Phase 1, the Investment Committee recommends to the Combined Authority:
- (a) That 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).
  - (b) That 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). The Combined Authority's contribution is capped at £13.047 million regardless of any future increases to the total scheme costs.
  - (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 (full business case with finalised costs) through a delegation to the Combined

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

- (viii) In respect of Business Growth Programme, the Investment Committee recommends to the Combined Authority:
  - (a) That the change request to the Business Growth Programme is approved to provide additional £7 million of funding to the Business Growth Programme. This will be funded from over programming against the Local Growth Fund. This would take the expenditure approval for the total programme to £34 million.
  - (b) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report. This will be subject to the scheme remaining within the tolerances outlined within the report.

**38. Minutes of the Business Investment Panel held on 6 November 2018**

**Resolved:** That the minutes of the Business Investment Panel held on 6 November 2018 be noted.

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

**Date:** 9 January 2019

**Subject:** **Governance arrangements**

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

**Author(s):** E Davenport

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

- 1.1 To note changes to the terms of reference for the Investment Committee, which authorise the Committee to make specified decisions to progress schemes under the Leeds City Region Assurance Framework.

## **2. Information**

- 2.1 At its meeting on 13 December 2018, the Combined Authority approved amendments to the terms of reference for the Investment Committee. These are attached for information as appendix 1 to this report, with the amendments highlighted. The revised terms of reference provide for the Investment Committee to make decisions to progress any scheme under the Leeds City Region Assurance Framework, (including determining change requests), in accordance with any bespoke assurance pathway and approval route for the scheme. This should streamline decision-making, facilitating the delivery of schemes within funding programme timescales.
- 2.2 In practice, this means that the Combined Authority will continue to set the pathway and approval route for each scheme at decision point 2, but an approval route may now include approval of specified decisions by the Investment Committee, (including decisions at decision point 4 (final business case)), which to date have been taken by the Combined Authority. The Investment Committee's authority to make decisions does not, however, extend to making any decision which would result in a revised financial approval which exceeds the cumulative total of the financial approval and tolerance threshold agreed by the Combined Authority by more than 25%; any such decisions would be referred back to the Combined Authority. The Investment Committee may also refer back any decision to the Combined Authority for determination, for example, should any other significant change be proposed to a scheme (for example, in terms of scope, outputs, benefits risks or timescales).

- 2.3 The Combined Authority has also revised the existing approval routes for specific schemes to provide for decision-making by the Investment Committee in relation to these schemes, as set out in appendix 2 to this report.
- 2.4 The revised arrangements are of immediate effect, maximising the benefits that flow to all partners from more expeditious decision-making. As members are aware, to further streamline decision-making, the Investment Committee is now meeting monthly or as required, which has been welcomed by partners and scheme sponsors. Further changes to the Investment Committee's role and composition will be reviewed ahead of the annual meeting as part of the wider review of decision-making associated with the proposed LEP merger.

### **3. Financial Implications**

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

### **4. Legal Implications**

- 4.1 The change from advisory committee to decision-making does not affect the committee's current arrangements in terms of membership, voting or quorum.
- 4.2 Decisions now falling to the Committee in relation to schemes will be eligible for call-in, as they are when determined by the Combined Authority. The terms of reference for the Committee have therefore been further amended to reflect that the committee may need to respond to reports or recommendations from the Overview and Scrutiny Committee, should any of its decisions be called-in.

### **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 That the revised terms of reference for the West Yorkshire and York Investment Committee, attached as appendix 1 to this report be noted.
- 7.2 That the changes to the bespoke assurance pathways and approval routes for the schemes set out in appendix 2 to this report be noted.

### **8. Background Documents**

None.

## **9. Appendices**

Appendix 1 - Revised Terms of Reference for the West Yorkshire and York Investment Committee.

Appendix 2 – Amendments to approval routes

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## Terms of Reference

### West Yorkshire and York Investment Committee

In relation to any function of the Combined Authority relating to:

- **economic development** and
- **economic and transport led regeneration**

the West Yorkshire and York Investment Committee is authorised:

1. To advise the Combined Authority on scheme management and delivery arrangements, including the adoption, application and review of the Leeds City Region Assurance Framework for schemes seeking funding from (or funded by) the Combined Authority or the Leeds City Region Enterprise Partnership.
2. To make any decision to progress a scheme<sup>1</sup> under the Leeds City Region Assurance Framework<sup>2</sup> in accordance with any bespoke approval pathway and approval route for the scheme<sup>3</sup>.
3. To make recommendations to the Combined Authority<sup>4</sup> about any decision to progress a scheme under the Leeds City Region Assurance Framework.
4. To review the impact of schemes funded by the Combined Authority or the Leeds City Region Enterprise Partnership and make recommendations to the Combined Authority as appropriate.
5. To advise the Combined Authority in relation to any other function of the Combined Authority relating to its role as accountable body for funding received for the Leeds City Region.
6. To liaise with the Transport Committee to promote the strategic alignment of regional transport funding investment.<sup>5</sup>

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<sup>1</sup> Including determining change requests

<sup>2</sup> After decision point 2 only

<sup>3</sup> With the exception of those cases where the decision would result in a revised financial approval which exceeded the cumulative total of the financial approval and tolerance threshold agreed by the Combined Authority at decision point 2 (or decision point 3) by more than 25%, in which case the decision must be taken by the Combined Authority.

<sup>4</sup> Or any relevant officer with delegated authority.

<sup>5</sup> This may be through holding joint meetings with the Transport Committee.

7. To respond to reports and recommendations from an overview and scrutiny committee.<sup>6</sup>
8. To consider and advise the Combined Authority about any other issue affecting the discharge of these functions.

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<sup>6</sup> Of the Combined Authority, (in accordance with Scrutiny Standing Orders), or of any constituent council

## Amendments to the approval route for specified schemes

### Background

Where a scheme has been considered by the Combined Authority at an earlier Decision Point (or equivalent Gateway from the previous assurance process) decisions due to be taken by the Combined Authority further to recommendations from the Investment Committee, may in future be delegated to the Investment Committee.

However, where at Decision Point 2 (case paper) approval has been given to a programme as opposed to an individual scheme, each individual scheme will continue to be considered by the Combined Authority, further to recommendations from the Investment Committee, at a subsequent decision point. This approach applies in relation to programmes such as Leeds Public Transport Investment Programme (LPTIP), the Corridor Improvement Programme (CIP) and Flood relief programme.

The Managing Director will continue to exercise any authority already delegated to him under an approval route.

### Changes to approval route

A summary of the schemes due to be considered for approval at decision points three, four and five in the next six months are provided below, with the schemes in respect of which the approval route has been amended by the Combined Authority at its meeting on 13 December 2018, highlighted in yellow.

Current proposed approval route and dates	Scheme name	Decision Point Approval Sought	Approval Route
<b>Recommendation from Investment Committee - 9 Jan</b> <b>Decision from Combined Authority - 14 Feb</b>	Headrow City Centre Gateway (Leeds Public Transport Investment Programme)	3 - Outline business Case	Existing approval route
	Leeds City Region Enterprise Zone - Gain Lane	3 - Outline business Case	Existing approval route
<b>Recommendation from Investment Committee - 6 Feb</b> <b>Decision from Combined Authority - 14 Feb</b>	A647 Bus Priority Corridor (Leeds Public Transport Investment Programme)	3 - Outline business Case	Existing approval route
	Wakefield City centre package phase 2	3 - Outline business Case	Investment Committee decision
	Corridor Improvement Programme Phase 1 - Bradford - A6177 ORR/Great Horton Road/Horton Grange Road	3 - Outline business Case	Existing approval route
	Corridor Improvement Programme Phase 1 - Bradford - A6177 ORR/Thornton Road/Toller Lane	3 - Outline business Case	Existing approval route

Current proposed approval route and dates	Scheme name	Decision Point Approval Sought	Approval Route
	CIP Phase 1 - Kirklees - Huddersfield Southern Gateways	3 - Outline business Case	Existing approval route
	A629 Phase 4	3 - Outline business Case	Investment Committee decision
	Leeds Flood Alleviation scheme-2	3 - Outline business Case	Existing approval route
	Castleford Growth Corridor	3 - Outline business Case	Investment Committee decision
	York Central Access	4 - full business case	Investment Committee decision
	Local Growth Fund:PA4 - Halifax Northgate House	4 - full business case	Investment Committee decision
	Normanton Rail Station Park and Ride	4 - full business case	Investment Committee decision
<b>Recommendation from Investment Committee - 13 March</b> <b>Decision from Combined Authority - 25 April (This meeting will be in purdah)</b>	Lawnswood Bus Priority Corridor (Leeds Public Transport Investment Programme)	3 - Outline business Case	Existing approval route
	Woodhouse Lane/Albion St City Centre Gateway (Leeds Public Transport Investment Programme)	3 - Outline business Case	Existing approval route
	A660 Innovation Quarter (Leeds Public Transport Investment Programme)	3 - Outline business Case	Existing approval route
	A61N Bus Priority Corridor (Leeds Public Transport Investment Programme)	3 - Outline business Case	Existing approval route
	Corridor Improvement Programme Phase 1 Holmfirth Town Centre	3 - Outline business Case	Existing approval route
<b>Recommendation from Investment Committee - 8 May</b> <b>Decision from Combined Authority - 27 June</b>	Rail Accessibility Programme – Horsforth (Leeds Public Transport Investment Programme)	3 - Outline business Case	Existing approval route
	New Pudsey P&R (Leeds Public Transport Investment Programme)	3 - Outline business Case	Existing approval route
	A58 Bus Priority Corridors (Leeds Public Transport Investment Programme)	3 - Outline business Case	Existing approval route
	Corn Exchange City Centre Gateway (Leeds Public Transport Investment Programme)	3 - Outline business Case	Existing approval route
	Bradford-Shipley Corridor	3 - Outline business Case	Investment Committee decision

Current proposed approval route and dates	Scheme name	Decision Point Approval Sought	Approval Route
	A629 Phase 1b	3 - full business Case	Investment Committee decision
	Infirmiry Street City Centre Gateway (Leeds Public Transport Investment Programme)	3 - Outline business Case	Existing approval route
	New Station – Millshaw (Leeds Public Transport Investment Programme)	3 - Outline business Case	Existing approval route
	Alwoodley Gates P&R (Leeds Public Transport Investment Programme)	3 - Outline business Case	Existing approval route
	Thorpe Park station (Leeds Public Transport Investment Programme)	3 - Outline business Case	Existing approval route

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

**Date:** 9 January 2019

**Subject:** **Capital Programme Three Year Budget and Update**

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

**Author(s):** Lynn Cooper

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

- 1.1 To provide the Committee with the draft indicative three year capital programme that will be considered by the West Yorkshire Combined Authority at its meeting in February 2019.
- 1.2 The report also includes an update on actions to be undertaken to achieve the Growth Deal target spend, notes the review of the Growth Deal that is currently underway and provides an update on the independent evaluation of the Transport Fund.

## **2. Information**

- 2.1 In February each year the Combined Authority considers a three year forecast budget for both capital and revenue expenditure. This report details the proposed capital programme budget that will be presented to the Combined Authority and which is required to inform the treasury management strategy and set the required prudential indicators.
- 2.2 The Combined Authority has been successful in securing significant external funding to support its delivery of the ambition set out in the Strategic Economic Plan. The number of projects funded through these programmes is currently in the region of 250 but it continues to rise.
- 2.3 **Appendix 1** summarises the Combined Authority's expected outturn for 2018/19 and three year forecast capital programme to 2021/22. The amount received in each year on each programme is either agreed with Government in advance or is claimed in arrears (after the money has been paid out by the Combined Authority). Where capital funding is received in accordance with an agreed profile there is often a balance of funding held within the Combined Authority's accounts and these figures are included in the brought forward and carried forward columns. The figures included in the table are currently in draft and further work will be required to finalise these before they are submitted for consideration to the Combined Authority meeting in February 2018.

- 2.4 In the Combined Authority budget report approved in February 2018 a profile of income had been agreed with Government for the Local Public Transport Investment Fund (LPTIP). The Combined Authority has now been notified that the funding will not be paid in accordance with this profile and that instead the funding paid will reflect the expected spend profile. This means that income will not be received on this programme in 2018/19. The Department for Transport has also confirmed that all expenditure must be achieved by March 2021.

### **Borrowing**

- 2.5 The emphasis of the Growth Deal is on delivering job and housing outputs. Whilst the current Growth Deal is largely fully allocated against specific schemes it is recognised that over time additional projects will emerge and the current projects may change in scope and timing. The call for projects earlier in the year identified new projects that could contribute further to the jobs and housing outcomes and with the inclusion of these in the programme. With additional projects entering the programme there is a risk that the Growth Deal funding available may be insufficient to cover our commitments. This will be closely monitored and at the meeting of the Combined Authority on 28 June 2018 it was recognised that further funding of up to £90 million may be required to meet this risk.
- 2.6 This potential borrowing requirement will be monitored and reported as the Call for Projects and further funding for existing projects receive approval.
- 2.7 The West Yorkshire plus Transport Fund involves a local contribution of £217 million to support the delivery of the full programme of over £1 billion. The level of borrowing required by the partnership in the final two years of the current Growth Deal for the Transport Fund was always expected to be circa £40 million. Forecasts across the Transport Fund projects currently show a level of borrowing requirement significantly higher than this amount. Discussions are currently ongoing with district partner finance officers to establish the level of required borrowing. In the meantime the assumption is that the borrowing required on the programme by March 2021 will be circa £60 million.

### **Growth Deal Annual Conversation**

- 2.8 The Growth Deal Annual Conversation took place on 13 December 2018. This involved a full review of the progress of the programme. All Local Enterprise Partnerships are assessed against set criteria which cover governance, delivery and strategy. A formal response is expected in February 2019.

### **Independent Evaluation of Local Growth Interventions**

- 2.9 As part of the terms of the Growth Deal award to the Leeds City Region, an independent review of the impact of locally appraised interventions is to be

undertaken at the first five year gateway (also known as the Gateway Review 2019). Leeds City Region is one of four areas subject to this evaluation in 2019 – the other areas are Glasgow, Manchester and Cambridge.

- 2.10 Economic consultants SQW Limited are leading the National Evaluation Panel responsible for the monitoring and evaluation of investment funds across the UK. SQW have been commissioned to evaluate the Transport Fund and the first output of the research is a baseline report, which is expected to be issued in January 2019. Several strands of activity fed into the baseline report, including survey work and strategic interviews to establish a local capacity and partnership working baseline, work to look at how the economy was expected to develop since the launch of the Transport Fund in 2014, and progress to date on the delivery of transport funded schemes. The baseline report draft is currently being finalised, and a summary of the findings will be presented at the next meeting.
- 2.11 SQW are now starting work on a one-year out report, which is due early in 2019. This will assess progress of individual transport fund interventions, in terms of spend to date, outputs and when they will be realised relative to the position 12 months ago. This work will conclude in December 2019, with a final report to inform the first gateway review of the fund. The first gateway review will be completed by Government by the end of March 2020.

### **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 indicative three year capital programme that will be considered by the Combined Authority at its meeting in February 2019.

### **8. Background Documents**

- 8.1 None.

## **9. Appendices**

Appendix 1 – West Yorkshire Combined Authority Forecast Capital Programme

Appendix 1 West Yorkshire Combined Authority Forecast Capital Programme 2019 – 2022

(All figures in £000's)	2018/19			2019/20			2020/21			2021/22			
Capital Programme	Balance brought forward from 2017/18	Income	Forecast Expenditure	Balance Carried Forward	Income	Forecast Expenditure	Balance Carried Forward	Income	Forecast Expenditure	Balance Carried Forward	Income	Forecast Expenditure	Balance Carried Forward
Growth Deal (including West Yorkshire Transport Fund) <i>Note: income from 2021/22 onwards relates to Transport Fund only (£30 million gainshare and estimated £20 DfT transport majors)</i>	£55,705	£74,349	£102,080	£27,974	£73,510	£105,960	£-4,476	£100,338	£152,973	£-57,111	£50,000	£200,696	£-207,807
Leeds Public Transport Investment Programme	£17,622	£0	£10,115	£7,507	£65,511	£73,018	£0	£88,081	£88,081	£0	£0	£966	£-966
Local Transport Plan Integrated Transport Block and National Productivity Investment Fund	£7,862	£13,104	£8,081	£12,885	£13,104	£20,000	£5,989	£13,104	£21,873	£-2,780	£13,104	£13,104	£-2,780
Highways Maintenance Block and Highways Incentive Fund	£0	£28,442	£28,442	£0	£23,507	£23,507	£0	£23,507	£23,507	£0	£23,507	£23,507	£0
Pothole Action Fund / Highways / Flood Resilience	£3,850	£4,647	£9,267	£-770	£3,108	£3,108	£-770	£3,108	£3,108	£-770	£3,108	£3,108	£-770
Cycle City Ambition Grant	£10,801	£0	£8,500	£2,301	£0	£2,301	£0	£0	£0	£0	£0	£0	£0
West Yorkshire Cycling and Walking Fund	£664	£640	£1,304	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Cycle Safety Grant	£0	£1,470	£470	£1,000	£0	£1,000	£0	£0	£0	£0	£0	£0	£0
CCAG Top Up	£0	£700	£210	£490	£0	£490	£0	£0	£0	£0	£0	£0	£0
Steeton and Silsden Active Travel Access	£700	£0	£0	£700	£0	£700	£0	£0	£0	£0	£0	£0	£0
Clean Vehicle Technology Fund	£1,368	£0	£1,368	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Ultra Low Emissions Vehicles	£466	£500	£978	£-12	£990	£978	£0	£0	£0	£0	£0	£0	£0
West Yorkshire Broadband	£3,235	£5,651	£5,769	£3,117	£0	£1,157	£1,960	£0	£172	£1,788	£0	£1,072	£716
Growing Places Fund	£12,593	£0	£1,350	£11,243	£0	£2,100	£9,143	£0	£2,105	£7,038	£0	£2,110	£4,928
One Public Estates	£750	£320	£1,070	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Warm Homes	£0	£1,000	£1,369	£-369	£620	£251	£0	£0	£0	£0	£0	£0	£0
Corporate Projects - Accommodation	£0	£0	£335	£-335	£0	£5,237	£-5,572	£0	£427	£-5,999	£0	£0	£-5,999
Corporate Projects - Technology Strategy	£0	£0	£1,570	£-1,570	£0	£1,734	£-3,304	£0	£284	£-3,588	£0	£119	£-3,707
Capital Receipts	£652	£0	£0	£652	£0	£0	£652	£0	£0	£652	£0	£0	£652
<b>Total</b>	<b>£116,268</b>	<b>£130,823</b>	<b>£182,278</b>	<b>£64,813</b>	<b>£180,350</b>	<b>£241,541</b>	<b>£3,622</b>	<b>£228,138</b>	<b>£292,530</b>	<b>£-60,770</b>	<b>£89,719</b>	<b>£244,682</b>	<b>£-215,733</b>

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

**Date:** 9 January 2019

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

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

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

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## **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 The report presented in Item 5 of this Investment Committee meeting outlines the revisions to the Investment Committee's terms of reference that were approved by the Combined Authority on 13 December 2018. This revision authorises the Investment Committee to make decisions on behalf of the West Yorkshire Combined Authority, in relation to progressing the schemes under the Leeds City Region Assurance Framework (the Assurance Framework) in accordance with each scheme's bespoke assurance pathway and approval route. Appendix 2 of the report in Item 5 also sets out amendments to the current bespoke assurance pathway and approval routes for specified schemes, so that the Investment Committee may now make decisions in respect of those schemes.
- 1.3 This is the first report considered by Investment Committee that can now make use of this delegation. Where Investment Committee are asked to make an approval decision, this will be highlighted in the summary table, and made clear in the recommendations.
- 1.4 This report presents proposals for the progression of one scheme through the Combined Authority's assurance process in line with the Leeds City Region Assurance Framework. This scheme has a total combined funding value of £20.7 million when fully approved, of which the total value of £20.7 million will be funded by the Combined Authority. A total expenditure recommendation to the value of £500,000 is sought as part of this report for the development and

delivery of this scheme. Further details on the scheme are summarised below and can be found as part of this report.

Scheme	Scheme description	Decision sought
Headrow City Centre Gateway Leeds	<p>The scheme comprises a set of significant on-street enhancements to bus, pedestrian and cycling infrastructure and public realm in Leeds City Centre to the north of the city centre's main pedestrian area.</p> <p>Improvements will be made to the Headrow, Westgate, Vicar Lane, New Briggate, Cookridge Street, Harrison Street, Eastgate and parts of some adjacent streets.</p> <p>The scheme is to be funded through the devolved Department for Transport funding forming the Leeds Public Transport Investment Programme.</p> <p>The benefit cost ratio (BCR) is 1.14:1, with an adjusted BCR of 1.26:1 taking in to account bus based wider economic impacts.</p> <p>The scheme's wider social benefits include improved public health and quality of life through delivering better connectivity, reducing journey times, encouraging active travel, and reducing carbon emissions.</p>	<p>Approval to proceed through decision point 3 and work commences on activity 4 full business case.</p> <p>Total value - £20.7 million</p> <p>Total value of Combined Authority funding - £20.7 million</p> <p>Funding recommendation sought - £500,000</p> <p><b>A recommendation to the Combined Authority is sought as part of this report</b></p>

- 1.5 This report also presents recommendations for the following schemes that have had change requests assessed in line with the Combined Authority's assurance process. These schemes have a total combined funding value of £22,961 million when fully approved, of which £22.711 million will be funded by the Combined Authority. A total expenditure recommendation to the value of £113,000 is sought as part of this report for the development and delivery of this scheme. Further details on the schemes summarised below can be found as part of this report.

Scheme	Scheme description	Decision sought
Bradford Interchange Station Gateway – Phase 1	To deliver an improved gateway environment at Bradford Interchange which	Activity 3 (outline business case) change request to approve an increase in

Scheme	Scheme description	Decision sought
	<p>will improve the customer experience and the pedestrian environment.</p>	<p>development costs from £180,000 to £293,000. There is no change to the total project costs.</p> <p>To approve a timeframe extension for the delivery of this project from September 2020 to October 2021.</p> <p>As a result of the timeframe change the scheme has now exceeded its defined tolerances.</p> <p>Total Value - £5.65million</p> <p>Total value of Combined Authority funding - £5.65million</p> <p>Funding Recommendation sought - £113,000</p> <p><b>A decision by the Investment Committee using the delegated authority from the Combined Authority is sought as part of this report</b></p>
<p>Bradford Forster Square Station Gateway</p>	<p>To deliver an improved gateway environment at Bradford Forster Square which will improve the customer experience and the pedestrian environment.</p> <p>For information, DfT have requested “small bid” submissions to the Transforming Cities Fund and a bid of £4m is proposed to be submitted for Bradford Forster Square Station Gateway to enhance accessibility and therefore enable the delivery of the Bradford Forster Square masterplan ambition.</p>	<p>Activity 4 (full business case) change request to approve an increase the delivery timeframe from March 2021 to December 2021.</p> <p>As a result of this change the scheme has now exceeded its defined tolerances.</p> <p>There is no change to the total project costs.</p> <p>Total Value - £17.311million</p> <p>Total value of Combined Authority funding - £17.061million</p> <p>Funding Recommendation sought - None</p> <p><b>A decision by the Investment Committee using the delegated authority from the Combined Authority is sought as part of this report</b></p>

- 1.6 Since the Investment Committee’s meeting on 5 December 2018, 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 £32,500 has been approved.

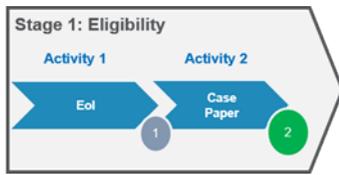
Scheme	Scheme description	Decision
Kirklees College - Dewsbury Learning Quarter	The Kirklees College: Dewsbury Learning Quarter scheme consists of the refurbishment and fit out of Pioneer House in Dewsbury to provide new teaching space, plus a new build Springfield Centre at the former Safeway site, close to Pioneer House, which will provide additional new purposely built teaching facilities, comprising of a 16-18 provision centre and a construction and motor vehicle training facility.	Activity 6 (delivery) change request to increase the timeframe for delivery from September 2018 to September 2020.  There is no change to the total project costs.
Bradford Odeon	To enable the transformation of the vacant Bradford Odeon building in Bradford City Centre into a 3,000 capacity world class live music/ performance venue through funding enabling demolition works.	Change request to increase the Combined Authority grant funding from £325,000 to £357,500 (additional £32,500).  The Combined Authority contribution is £357,500.

## 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.

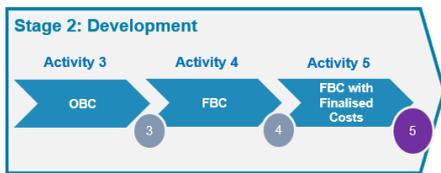
## Programmes and projects for consideration

### Projects in stage 1: Eligibility



2.2 No projects at stage 1.

### Projects in Stage 2: Development



2.3 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.

<b>Project Title</b>	<b>Headrow City Centre Gateway, Leeds</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	3 (Outline business case)

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

### **Background**

2.4 This scheme presented for decision point 3 approval (outline business case) forms 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.

2.5 The programme is comprised of the following packages:

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

2.6 The Headrow Gateway scheme is one of four projects proposed for delivery within the LPTIP City Centre Gateway package. The proposal seeks to make required changes to the current transport network and public realm provisions to ensure economic potential of the city is not held back. By addressing the identified shortcomings, will enhance the sustainable transport offer in the city centre and improve public realm which will foster economic growth and improve the environment.

2.7 The scheme comprises of the following interventions:

- Changes to highway geometry with removal of central reserve.
- Applying general restrictions to traffic moving through the gateway.
- Footway widening.
- Provision of new green infrastructure.
- Provision of new public open spaces.
- Improved pedestrian crossings.
- Provision of new protected cycle lanes.
- Removal or relocation of some on-street parking, loading and taxi provision.
- Public realm enhancement.
- Bus re-routing.

2.8 As part of the scheme, improvements will be made to the Headrow, Westgate, Vicar Lane, New Briggate, Cookridge Street, Harrison Street, Eastgate and parts of some adjacent streets.

2.9 The scheme supports delivery of Priority 4 'Infrastructure for Growth' of the Leeds City Region Strategic Economic Plan (SEP), by creating additional capacity to enable development, and helping to achieve the Leeds City Region SEP principle of 'Good Growth'.

2.10 The LPTIP programme was given decision point 2 (case paper) approval by the Combined Authority in June 2017, with an indicative LPTIP programme approval of £183.266 million and £15.310 million to fund project development

costs of individual schemes as they come forward at outline business case (decision point 3).

- 2.11 Within the aforementioned programme approval, the City Centre Gateway package received an indicative allocation of £29 million towards scheme costs, with approval of £600,000 towards Headrow Gateway project development costs to outline business case (decision point 3).
- 2.12 The Headrow Gateway scheme is now presented at outline business case (decision point 3) and seeks to progress to full business case (decision point 4).
- 2.13 Given the Headrow Gateway scheme is requesting £20.7 million of the allocated £29 million, the scheme promoter has provided a statement on LPTIP Programme affordability - stating it is not feasible to develop all projects concurrently, therefore prioritised schemes have been brought forward. In addition feedback from the extensive consultation undertaken has driven which schemes come forward first. With respect to the City Centre Gateway package, the Headrow Gateway scheme received a greater positive reaction than the other corridor proposals and is seen as the core Gateway scheme.
- 2.14 A summary of the scheme's business case and location map is included in **Appendix 2**.

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

- 2.15 The forecast outputs, benefits and inclusive growth implications are:
- Increase overall bus patronage by 100% by 2026.
  - Improve end to end bus journey times and bus punctuality through reducing cross-city journey times through the Gateway by 20% by 2020.
  - 50% improvement to bus punctuality through the Gateway.
  - Improve air quality in the Gateway through reducing carbon emissions - indicator to be tracked.
  - Improve facilities for cyclists and pedestrians.
  - Improve connectivity between bus and rail services in the city.
  - A value for money benefit to cost ratio of 1.14:1 with an adjusted benefit to cost ratio of 1.26:1 taking in to account bus based wider economic impacts.
  - Through improving the transport network and connectivity, will better connect people to job and education across the city.
  - Through enhancements to public realm and green infrastructure, improved facilities for cyclists and pedestrians encouraging active travel, and reduced bus journey times, will improve quality life.

## **Risks**

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

- Unanticipated statutory diversions causing additional costs and delays to the delivery programme, to be mitigated through early information gathering and research relating to utilities.
- Objections from the Hackney Carriage trade to the removal of their ranks are upheld, requiring changes to scheme design. Additional costs will be incurred to cover changes to design and mitigation measures. Early engagement has been had with further consultation scheduled for early 2019.

## **Costs**

2.17 The project costs can be summarised as:

- The current total cost forecast for the scheme at decision point 3 is £20.7 million.
- The Combined Authority will fund £20.7 million from the devolved Department for Transport Leeds Public Transport Investment Programme Fund.
- The Combined Authority of June 2017 at decision point 2 (case paper) approved £600,000 to fund project development costs to Outline Business Case (decision point 3).
- The scheme now seeks a further £500,000 at outline business case (decision point 3) to fund project development costs to full business case with finalised costs (decision point 5) taking total project development costs funding sought to £1.1 million, which represents 5.3% of total scheme costs.
- The Combined Authority will need to enter in to an addendum to the existing Funding Agreement to the value of £1.1 million.

## **Timescales**

- Outline business case (decision point 3) - February 2019.
- LCC executive board approval - March 2019.
- Full business case (decision point 4) - April 2019.
- Full business case with finalised costs (decision point 5) - July 2019.
- Construction commences - August 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 Decision: Combined Authority
Decision point 4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director
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
<p>Combined Authority costs should remain within 10% of the costs set out in this report.</p> <p>That programme timescales should remain within 3 months of the timescales set out in this report.</p>

## Project responsibilities

<b>Senior Responsible Officer</b>	Gary Bartlett, Leeds City Council
<b>Project Manager</b>	Gwyn Owen, Leeds City Council
<b>Combined Authority case officer</b>	Asif Abed

## Appraisal summary

- 2.18 The strategic case for the Headrow Gateway scheme has a clear fit with the Leeds City Region Strategic Economic Plan, specifically in delivery against Priority 4 'Infrastructure for Growth' - improving connectivity by enhancing the transport network, reducing congestion and carbon emissions, and encouraging active travel through improved cycling and pedestrian facilities. This 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.
- 2.19 The core benefit to cost ratio of 1.14:1 and the adjusted benefit to cost ratio of 1.26:1 both indicate a low value for money scheme. The scheme however as alluded to above will deliver a number of wider outputs and benefits, which reflects the need to consider the strategic context of the scheme as important.

- 2.20 It is recommended the scheme promoter at full business case (decision point 4) demonstrates a robust strategy with board approval to delivering the other three schemes profiled within the LPTIP City Centre package, given the Headrow Gateway scheme will expend £20.7 million of the £29 million allocated.
- 2.21 The Combined Authority will act as the accountable body, providing approval to fund the scheme through the Leeds Public Transport Investment Fund.
- 2.22 Leeds City Council will be the delivery lead with WSP as development partner, and Sisk+Capita appointed as delivery partners (detailed design and delivery).
- 2.23 The scheme will continue reporting to the Leeds Public Transport Investment Programme Board, managed by the Combined Authority.

### **Recommendations**

- 2.24 That Investment Committee recommends to the Combined Authority that:
- (i) The Headrow Gateway scheme proceeds through decision point 3 and work commences on activity 4 (full business case).
  - (ii) An indicative approval to the total project value of £20.7 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) Development costs of £500,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs) taking the total project approval to £1.1 million.
  - (iv) The Combined Authority enters into an addendum to the existing Funding Agreement with Leeds City Council for expenditure of up to £1.1 million from the Leeds Public Transport Investment Fund.
  - (v) 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.

<b>Project Title</b>	<b>Bradford Interchange Station Gateway – Phase 1</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	Change Request - activity 3 (outline business case) <b>A decision by the Investment Committee using the delegated authority from the Combined Authority is sought as part of this report</b>

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

## Background

- 2.25 Approximately 9 million passenger journeys pass through Bradford Interchange annually with 6 million bus passengers and 3 million rail users using the station. The site, particularly in the area of the rail station element, the shared concourse and main point of entry from Bridge Street is unattractive and not fit for purpose as the gateway into the city of Bradford. Further the ability for passengers to interchange between the two transport modes is impeded by the multi-level nature of the site.
- 2.26 Since 2014 Bradford Council has engaged in masterplanning exercises to attempt to determine the best way to improve this station environment. This masterplanning work has produced suggested schemes that can be broken down into three long term programme areas:
- Phase 1 (up to 2026) - proposals that would be both appropriate spend of West Yorkshire plus Transport Fund monies (circa £10-£15million) and non-abortive works prior to any more ambitious works as part of Phases 2 and 3 below. The intent of Bradford Council is for Phase 1 works to be funded and delivered as part of the West Yorkshire plus Transport Fund.
  - Phase 2 (2026 to 2035) – A more comprehensive reorientation of the interchange environment. Whilst option development for this phase is ongoing, the goal is to create a high quality gateway into the city that enhances the user experience and merits a station of this size and a city as large as Bradford.
  - Phase 3 (2035+) – Northern Powerhouse Rail (NPR). The masterplanning work has made a significant contribution towards the

advocacy work to bring a NPR station to Bradford city centre. As such this phase is dependent upon the outcome of national discussions as to the future and routing of NPR and has been produced based on assumptions of major national level infrastructure funding coming to the city. Phase 3 is not the subject of the expression of interest.

2.27 This project focuses on phase 1 in order to deliver an improved gateway environment on arrival into the City of Bradford.

2.28 A location map for the scheme is included in Appendix 3.

### **Description of Change Request**

2.29 Due to the complexity of the scheme and due to previous spend of £45,000 not being included in the original request made to the Combined Authority, an increase in development costs has been requested as the £180,000 of development funds approved in 2017 has now been spent. Bradford Council are requesting an additional £113,000 to re-cover the funds spent in 2016/17 (£45,000) and an additional £68,000 to complete the feasibility study for the relocation of vehicular movements and to conclude the intermodal survey.

2.30 Due to a shortage of resource the outline business case submission has been delayed by nine months. This has also affected the full business case and full business case cost submissions by twelve months which has in turn meant a thirteen month delay in the completion of this project (from September 2020 to October 2021).

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

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

- Pedestrianisation of the station frontage and creation of improved public realm.
- Improved station concourses.
- Creation of a new taxi turn-around.
- Creation of a new drop off area.
- Accessibility improvements and an enhanced user experience.

### **Risks**

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

- Unable to obtain full funding. This will be mitigated by close monitoring of project costs to ensure they do not exceed the allocation from the Transport Fund.
- Urgent maintenance is necessary to the bus station to maintain safety or structural integrity. This will be mitigated through early investigations into the designs.

## Costs

2.33 The project costs can be summarised as:

- The expression of interest for this project provided an estimated cost of £5.65 million.
- An original allocation of £80,000 was provided to Bradford Council as requested in the expression of interest to develop the outline business case.
- A further £100,000 was provided in March 2018.
- This change request asks for an additional £113,000 to be provided to cover an increase in development costs and to enable the completion of the feasibility study and outline business case. This funding will be taken from the original £5.65 million allocation.

## Timescales

- The outline business case for this project was originally estimated to be submitted in September 2018. The new estimate for the outline business case is June 2019 for submission.
- This delay has led to an overall completion delay of 13 months, from September 2020 to October 2021.
- Further information regarding the timescales for this project will be provided with the outline business case.

## Assurance pathway and approval route

Assurance pathway	Approval route
Activity 3 change request (outline business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Investment Committee
Activity 3 (outline business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Investment Committee
Activity 4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director
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 Combined Authority costs should remain within 10% of the costs outlined in this report.
That timescales should remain within 1 month of the timescales identified within this report.

## Project responsibilities

Senior Responsible Officer	Richard Gelder, Bradford Council
Project Manager	Simon Collingwood, Combined Authority
Combined Authority case officer	Heather Briggs

## Appraisal summary

- 2.34 This project has a clear rationale and strategic fit with the Leeds City Region Strategic Economic Plan and local policies and strategies.
- 2.35 The change request asks for further development funding of £113,000 to enable studies to be concluded and to cover the increase in development costs. The development funds will be taken from the allocated £5.65 million budget for this project.
- 2.36 Due to a lack of resources the programme timeframe has been delayed which has resulted in a thirteen month delay in the completion of the project.

## Recommendations

- 2.37 That Investment Committee approves that:
- (i) The change request to the Bradford Interchange Phase 1 project to increase development funds by £113,000 from £180,000 to give a total of £293,000 is approved.
  - (ii) The Combined Authority enters into an addendum to the existing funding agreement with City of Bradford Metropolitan District Council for additional expenditure of up to £293,000 from the West Yorkshire plus Transport Fund.
  - (iii) The project delivery completion date timeframe extension from September 2020 to October 2021 (thirteen months) is approved.
  - (iv) Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report to include delegation to Investment Committee at decision point 3, and delegation to the Combined Authority's Managing Director at decision points 4 and 5. This will be subject to the scheme remaining within the tolerances outlined in this report.

<b>Project Title</b>	<b>Bradford Forster Square Station Gateway</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	Change Request - activity 4 (Full business case) <b>A decision by the Investment Committee using the delegated authority from the Combined Authority is sought as part of this report</b>

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

## Background

2.38 Bradford Forster Square station serves the Airedale and Wharfedale lines with services running from the station to Leeds, Skipton and Ilkley including the key heritage visitor destinations of the Saltaire World Heritage Site, Keighley and Worth Valley Railway and Haworth.

2.39 The station has limited facilities, comprising:

- Three rail platforms which are electrified.
- A small newsagent's.
- A waiting area and ticket office in one building.
- A lift tower and stairwell providing access to the City Centre.
- A station car park with 84 parking spaces.

2.40 Bradford Council, the Combined Authority and Network Rail have been working in partnership to deliver the Bradford Forster Square redevelopment project. The partnership has ensured funding availability and land ownership can be used collaboratively to regenerate the site and will work together to ensure highway, planning and rail operational controls and requirements are managed and effectively resolved to bring this comprehensive regeneration and enhancement project to fruition.

2.41 This project aims to provide:

- An enclosed station with green roof.

- Configuration of the turning loop and drop-off/ pick-up space to provide enhanced circulation space for pedestrians.
- Reconfiguration of the train station car park with relocation of accessible parking.
- A secure waiting environment for passengers.
- Waiting space on the concourse for passengers.
- Two lifts connecting to School Street to ensure connectivity to the city centre.
- Toilet facilities within the main station building.

2.42 For information, DfT have requested “small bid” submissions to the Transforming Cities Fund by 04 January 2019. Therefore, a bid of £4m is proposed to be submitted for Bradford Forster Square Station Gateway to enhance accessibility and therefore enable the delivery of the Bradford Forster Square masterplan ambition.

2.43 A location map for the scheme is included in Appendix 3

### **Description of Change Request**

2.44 A change request is sought for a delay to the programme from March 2021 to December 2021. This is based on the worst case estimated construction period of 18 months. The Design and Build contract will be tendered with a completion date of June 2021, based on an estimated 12 month construction period but the change request is to account for the worst case of 18months.

2.45 Although the FBC submission has slipped by 14 months the overall programme to completion has slipped by 4 months due to the decision to contract through “Design and Build” which will facilitate overall delivery as there will be no tendering of the main construction contract

2.46 The delay is due to additional time required to develop and agree the procurement route. There was insufficient expertise to write the Invitation to tender (ITT) at CBMDC, which has had to be procured externally. The decision to procure and appoint a consultant to write the ITT took approx. 4 months which has impacted on the programme overall.

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

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

- Create an attractive gateway and welcoming atmosphere and environment.
- Provide a modern station building with all the associated facilities.
- Improve security at the station.
- Provide better connectivity with the city centre and the wider city environment.

## Risks

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

- Potential for disruption during construction works. This will be mitigated by detailed planning being performed and include the involvement of the Councils Highways department to agree traffic management.
- Award of planning consent. This will be mitigated by early submissions being fulfilled.

## Costs

2.49 The project costs can be summarised as:

- The outline business case for this project provided an estimated total cost of £17.311 million.
- The Combined Authority are funding £17.061 million from the West Yorkshire-plus Transport Fund for this project.
- Bradford Council have contributed £250,000 for this project.
- This change request does not ask for additional funding to be provided.

## Timescales

- The outline business case for this project estimated that delivery would be completed by March 2021.
- The delay has caused the delivery completion date to be readjusted to December 2021.

## Assurance pathway and approval route

Assurance pathway	Approval route
Activity 4 change request (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Investment Committee
Activity 4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Investment Committee
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 Combined Authority costs should remain within 5% of the costs outlined in this report.  
That timescales should remain within 1 month of the timescales identified within this report.

### **Project responsibilities**

<b>Senior Responsible Officer</b>	Richard Gelder, Bradford Council
<b>Project Manager</b>	Simon Collingwood, Combined Authority
<b>Combined Authority case officer</b>	Heather Briggs

### **Appraisal summary**

- 2.50 There is a clear and concise need for this scheme to meet rising passenger use and to providing a welcoming and secure environment.
- 2.51 The delays have impacted on the full business case and full business case with finalised costs being submitted which has impacted on the overall delivery timeframe.

### **Recommendations**

- 2.52 That Investment Committee approves that:
- (i) The change request to the Bradford Forster Square Station Gateway project to increase delivery timeframe from March 2021 to December 2021 is approved.
  - (ii) The Combined Authority enters into an addendum to the existing funding agreement with City of Bradford Metropolitan District Council amending the programme dates as detailed.
  - (iii) Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

## Projects in Stage 3: Delivery and Evaluation



2.53 There are no projects for consideration at stage 3 for this meeting.

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

- 2.54 Since Investment Committee's meeting on the 5 December 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.

### **Kirklees College - Dewsbury Learning Quarter**

- 2.55 The Kirklees College: Dewsbury learning Quarter is a Skills Capital Growth Deal funded Scheme. The scheme is currently in delivery (activity 6) and has constructed a new build learning facility called Springfield Centre (officially opened on the 15th November 18) and will refurbish and fit-out the nearby Pioneer House in Dewsbury, providing over 8,000 m<sup>2</sup> of new teaching facilities when completed. The scheme received the equivalent of decision point 5 (full business case with finalised costs) approval from the Combined Authority on the 23 June 2016.

- 2.56 This change request approved:

- Delay of the completion date of Pioneer House from September 2018 to September 2020.
- Changed learner number targets across the learner levels, leading to a net increase to total learner numbers.
- Amendment to the total loan amount required by the college from £4million to £850,000.
- Amendment to the timescales within the loan agreement for drawing-down and repaying the loan with full repayment now required by March 2021.
- Removal of the Combined Authority charges on a number of properties secured against the loan.

- 2.57 This change request was approved through a delegation to the Combined Authority's Managing Director on 16th November 2018.

### **Bradford Odeon**

- 2.58 The activity 6 (delivery) change request related to the Combined Authority funded element (enabling demolition works only) of the wider scheme to transform the vacant Bradford Odeon building in Bradford city centre into a 3,000 capacity world class live music/performance venue. Tenders have now been received and the cost of the strip-out works has increased. The scheme was first approved by Combined Authority in 2016. The Managing Director approved the change request to increase Combined Authority grant funding from £325,000 to £357,000 (within a 10% tolerance) on 14 December 2018.

- 2.59 For information, the full redevelopment works (not funded by the Combined Authority) are expected to be completed by June 2020. This is a 12 month delay and is due to the project being more complex than initially anticipated. The scheme has progressed significantly over the last few months and a full planning application is due to be submitted in the next month. Work is expected to commence on the refurbishment of the Odeon from summer 2019. The full redevelopment project costs have also increased from a total project cost of £15.6 million to £22.795 million.

### **3 Financial implications**

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

### **4 Legal implications**

- 4.1 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.

### **5 Staffing implications**

- 5.1 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.

### **6 External consultees**

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

### **7 Recommendations**

#### **Headrow City Centre Gateway, Leeds**

- 7.1 That Investment Committee recommends to the Combined Authority that:
- (i) The Headrow Gateway scheme proceeds through decision point 3 and work commences on activity 4 (full business case).
  - (ii) An indicative approval to the total project value of £20.7 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) Development costs of £500,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs) taking the total project approval to £1.1 million.

- (iv) The Combined Authority enters into an addendum to the existing Funding Agreement with Leeds City Council for expenditure of up to £1.1 million from the Leeds Public Transport Investment Fund.
- (v) 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.

### **Bradford Interchange Station Gateway – Phase 1**

7.2 That Investment Committee approves that:

- (i) The change request to the Bradford Interchange Phase 1 project to increase development funds by £113,000 from £180,000 to give a total of £293,000 is approved.
- (ii) The Combined Authority enters into an addendum to the existing funding agreement with City of Bradford Metropolitan District Council for additional expenditure of up to £293,000 from the West Yorkshire plus Transport Fund.
- (iii) The project delivery completion date timeframe extension from September 2020 to October 2021 (thirteen months) is approved.
- (iv) Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report to include delegation to Investment Committee at decision point 3, and delegation to the Combined Authority's Managing Director at decision points 4 and 5. This will be subject to the scheme remaining within the tolerances outlined in this report.

### **Bradford Forster Square Station Gateway**

7.3 That Investment Committee approves that:

- (i) The change request to the Bradford Forster Square Station Gateway project to increase delivery timeframe from March 2021 to December 2021 is approved.
- (ii) The Combined Authority enters into an addendum to the existing funding agreement with City of Bradford Metropolitan District Council amending the programme dates as detailed.
- (iii) Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

## **8 Background documents**

8.1 None as part of this report.

## **9 Appendices**

9.1 Appendix 1 – Background to the Combined Authority’s assurance framework

9.2 Appendix 2 – Business case summary – Headrow City Centre Gateway, Leeds

9.3 Appendix 3 – Location maps for schemes which are the subject of change requests in this report

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## 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**

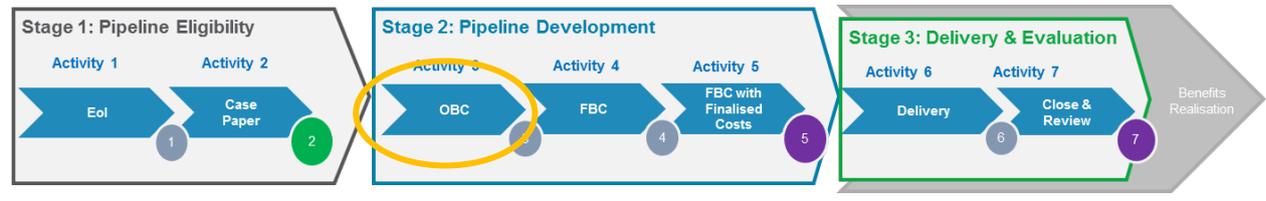
- 1.4 In order for the scheme to follow the assurance pathway and approval route that is proposed in this report, it should remain within the tolerances outlined for each scheme. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or the Combined Authority for further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

## Scheme Summary

<b>Name of Scheme:</b>	<b>LPTIP: Headrow City Centre Gateway</b>
<b>PMO Scheme Code:</b>	DFT-LPTIP-004e
<b>Lead Organisation:</b>	Leeds City Council
<b>Senior Responsible Officer:</b>	Gary Bartlett, Leeds City Council
<b>Lead Promoter Contact:</b>	Gwyn Owen
<b>Case Officer:</b>	Asif Abed
<b>Applicable Funding Stream(s) – Grant or Loan:</b>	Grant - Leeds Public Transport Infrastructure Programme (LPTIP)
<b>Growth Fund Priority Area (if applicable):</b>	Priority 4 Infrastructure for Growth
<b>Approvals to Date:</b>	<p><b>Decision Point 2</b></p> <p>Indicative approval of £183.266 million at Combined Authority on 29 June 2017 for the Leeds Public Transport Infrastructure Programme (LPTIP)</p> <p>With each scheme to individually come forward through the assurance process at Decision Point 3 (outline business case).</p>
<b>Forecasted Full Approval Date (Decision Point 5):</b>	July 2019
<b>Forecasted Completion Date (Decision Point 6):</b>	June 2020
<b>Total Scheme Cost (£):</b>	£20.7 million
<b>Combined Authority Funding (£):</b>	£20.7 million - LPTIP
<b>Total other public sector investment (£):</b>	£0
<b>Total other private sector investment (£):</b>	n/a
<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 - LPTIP, City Centre Gateway Package

**Current Assurance Process Activity:**



**Scheme Description:**

The Headrow Gateway scheme is located in Leeds city centre to the north of the pedestrianised core. The scope of the scheme includes The Headrow, Westgate, Vicar Lane between the Headrow and North Street, New Briggate, Cookridge Street between the Headrow and Great George Street, Harrison Street, and small lengths of streets that intersect with these links (see

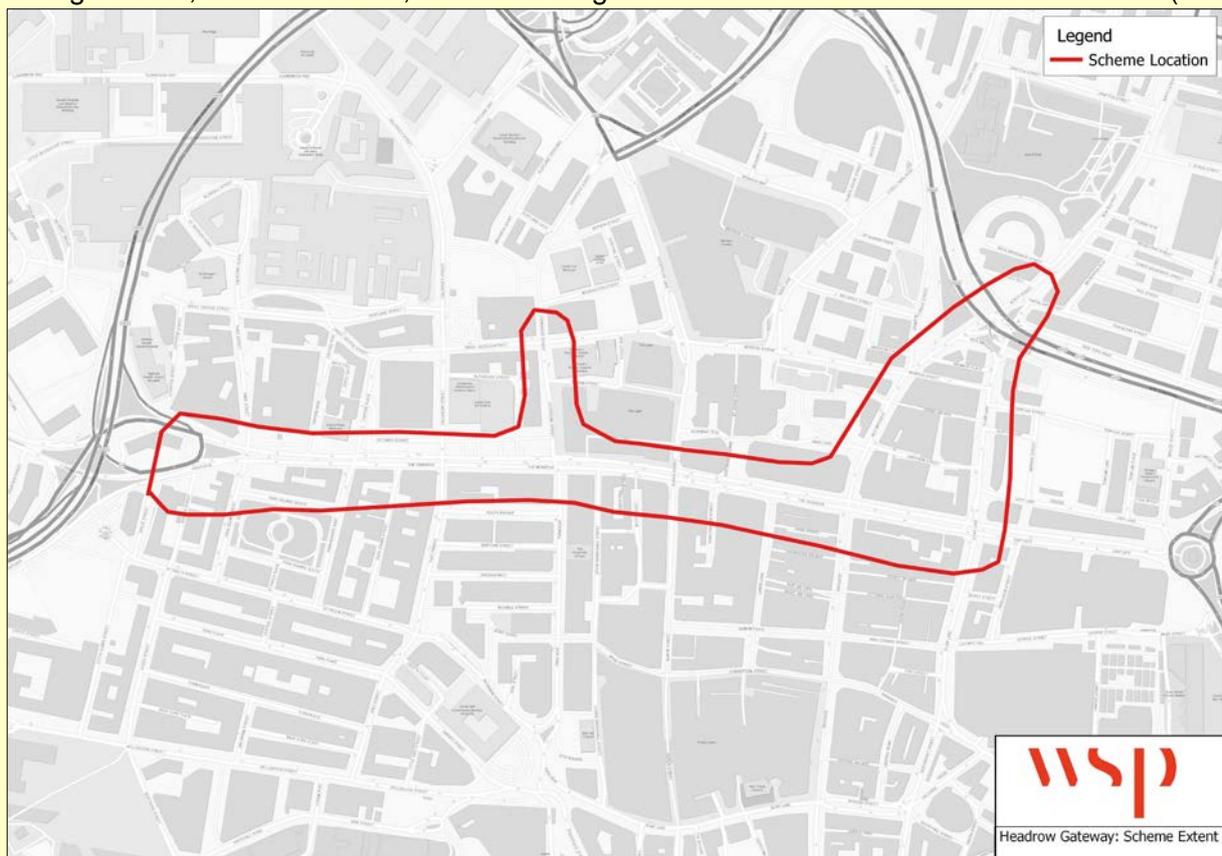


Figure 1).

The Gateway is a major route for buses, pedestrian and cycle users in Leeds city centre and it is home to a range of important commercial and cultural buildings. The scheme will deliver a

series of improvements to bus infrastructure, public realm, pedestrian infrastructure and cycling infrastructure.

The scheme will transform the area into a World-Class Gateway to Leeds city centre for bus users, pedestrians and cycle users. This will enable bus services to operate with fewer delays and provide high standard waiting facilities for bus users. Connectivity for pedestrians and cycle users will be enhanced, making the area safer and more inclusive. It will feature high quality public realm, which improves the cityscape and enhances the setting of heritage assets, which will make the centre more welcoming and attractive for visitors, residents and employees.

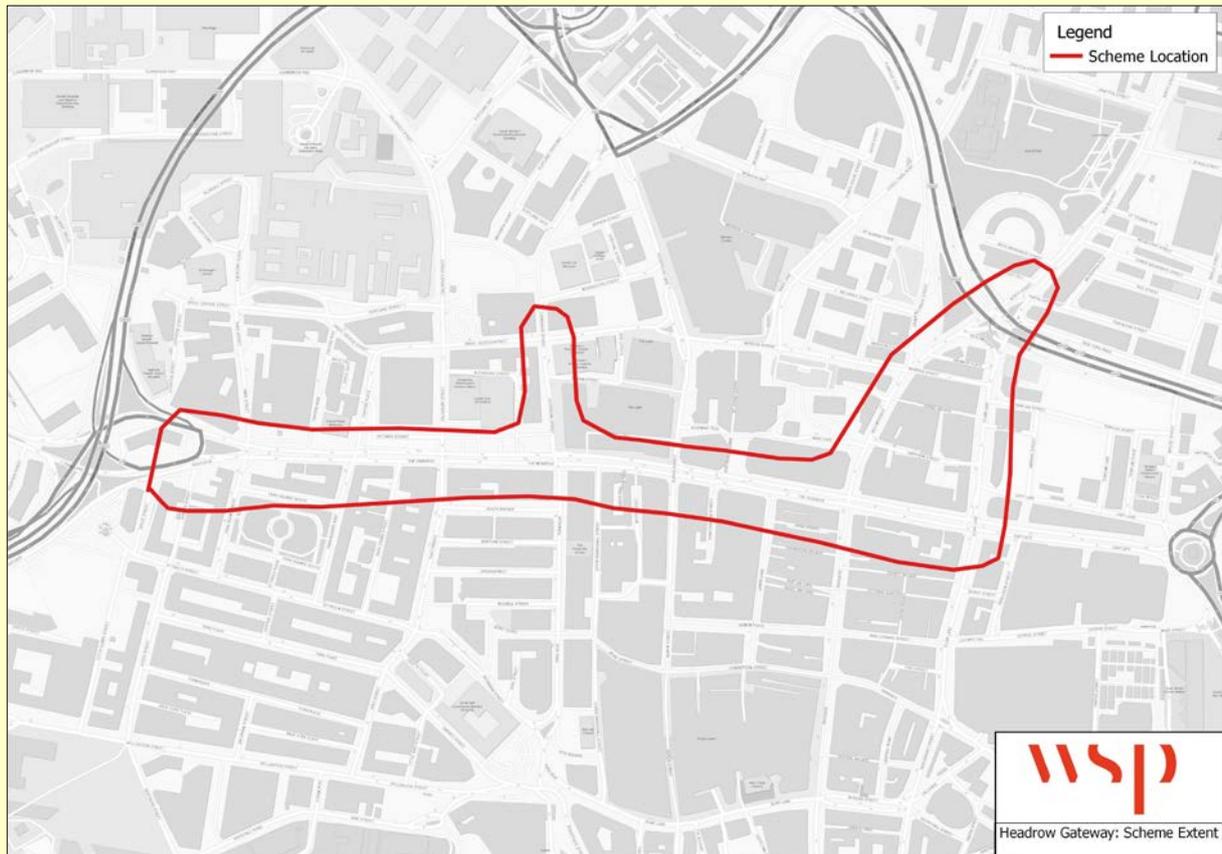


Figure 1: Headrow Gateway: Scheme Extent

The scheme will strengthen the provision for sustainable transport modes in the city centre and the wider Leeds district. It will also improve the city centre as a place to work, live, shop and entertain. The Headrow Gateway will strengthen the position of Leeds as a core city with a dynamic economy, an appealing environment and a vibrant cultural life. Figure 2 and Figure 3 illustrate the benefits the scheme will deliver in one part of the Gateway. While these visuals provide an excellent flavour of the scheme, it should be noted that these visuals do not reflect precisely the current scheme designs.



Figure 2: Artist's impression of the junction of New Briggate and the Headrow after the delivery of the scheme



Figure 3: Artist's impression of Dortmund Square after the delivery of the scheme

The scheme comprises the following interventions:

- Changes to highway geometry;
- General traffic restrictions;
- Footway widening;
- Provision of new green infrastructure;
- Provision of new public open spaces;
- Improved pedestrian crossings
- Provision of new protected cycle lanes;
- Removal or relocation of some on-street parking, loading and taxi provision;
- Public realm enhancement;
- Bus re-routing.

These interventions are designed to address the following problems (a selection of which are shown in Figure 4):

- Delays to bus services caused by highway geometry;

- Delays to bus services caused by general traffic;
- Footway congestion;
- Lack of safe routes for cycling;
- Lack of green infrastructure;
- Inconvenient pedestrian crossings;
- Lack of pedestrian crossings on desire lines;
- Low quality bus shelters;
- Low quality public realm;
- Lack of public open space.



Figure 4: A selection of problems on the Headrow Gateway (clockwise from top-left: inadequate bus lay-bys; outdated landscaping and surfacing materials; buses delayed by general traffic; staggered pedestrian crossings and guard rails)

### Business Case Summary:

#### Strategic Case

The strategic case sets out the 'case for change, by explaining the strategic drivers for making investment and presenting evidence on the policy fit of the proposed scheme. It establishes the strategic economic importance of Leeds city centre and its role within the city region, the UK economy, the residential and employment markets and the education and healthcare sectors.

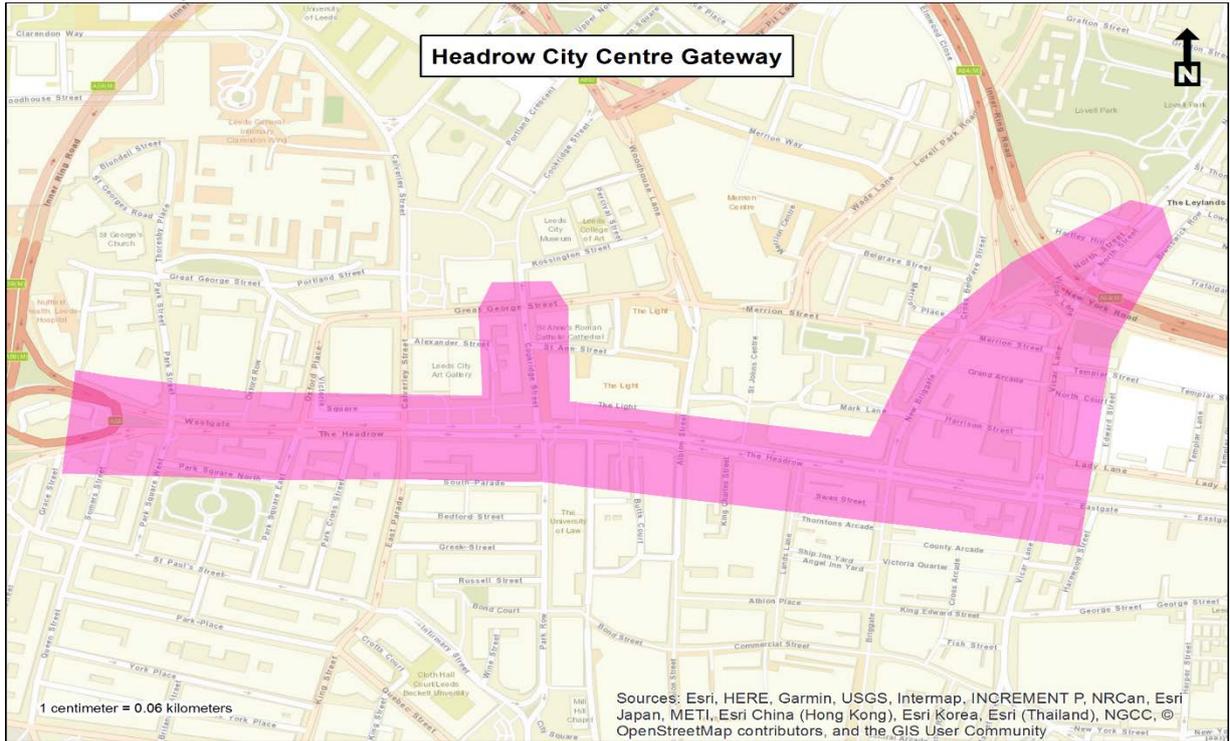
It provides an analysis of the current situation, in the light of strategy and issues and enables a case for change to be made and for scheme objectives to be developed. It also highlights the importance of transport links for Leeds city centre and the role of sustainable transport in supporting future economic growth.

	<p>Leeds city centre requires investment because the existing situation no longer meets the transport and economic needs of the city. The existing transport network:</p> <ul style="list-style-type: none"> <li>• Cannot accommodate an increase in car users;</li> <li>• Struggles to meet the expectations of some bus users in terms of journey time and journey time reliability;</li> <li>• Creates environmental problems such as air pollution and greenhouse gas emissions;</li> <li>• Does not support high quality public realm;</li> <li>• Does not provide enough safe and attractive walking and cycling options.</li> </ul> <p>The strategic case demonstrates that a set of changes are required to ensure the transport system and public realm do not hold back the economic potential of the city centre or cause environmental problems. By addressing the shortcomings of the existing situation, the Headrow Gateway scheme will enhance the sustainable transport offer in the city centre and improve public realm, which will foster economic growth and improve the environment.</p>
<p><b>Commercial Case</b></p>	<p>The commercial case for the Headrow Gateway provides evidence that the proposed scheme can be procured, implemented and operated in a viable and sustainable way.</p> <p>The Headrow Gateway procurement strategy builds on existing experience in the development, design, construction and management of highway, corridor and public realm improvement schemes in Leeds. Providing reassurance that Leeds City Council is well placed to deliver the facilities, and their commercial procurement and delivery on time and within budget, ensuring final designs emerge that can identify mutually beneficial designs, deliver multiple objectives and can be managed and delivered in the least disruptive way.</p> <p>The aim of the commercial case is to achieve best value during the process, by engaging with the commercial market and demonstrating a demand for the project. The commercial case for the Headrow Gateway identifies market growth in Leeds as a clear driver for investment.</p> <p>The infrastructure improvements along the Headrow Gateway will facilitate multi-modal journeys using public transport, walking and cycling. Improving the quality of the city centre transport network will lead to increases in the proportion of trips using public transport, walking and cycling as a mode of travel. This is supported by a series of exemplar case studies from other UK cities, including Leeds, all of which attribute demand uplift resulting from investment in sustainable transport.</p> <p>The commercial case defines the selection of the contractor/ delivery partner through an OJEU-led procurement exercise, the identification of the procurement lead contact who will actively manage the risk and seek to promote value engineering through the NEC3 contract and risk allocation and transfer.</p>
<p><b>Economic Case</b></p>	<p>The economic case provides evidence of how the scheme is predicted to perform, in relation to its stated objectives, identified problems and targeted outcomes. It also defines the options development and further options sifting/ packaging process. The options proposed for testing in the economic case are the most preferable against the current evidence base,</p>

	<p>scheme objectives and the underpinning scheme logic map, forming a key foundation for planning, appraisal and scheme delivery.</p> <p>The economic case also determines whether the proposed Headrow Gateway scheme is a viable investment, describing the common appraisal criteria and assumptions used to determine the scheme’s economic worth and value for money (VfM). The scheme appraisal focuses on those aspects of scheme performance that are relevant to the nature of the intervention. The approach therefore quantifies the following:</p> <ul style="list-style-type: none"> <li>• Existing bus user benefits – travel time;</li> <li>• New bus benefits from bus prioritisation, demand uplift and fares/charges;</li> <li>• Improved journey time reliability;</li> <li>• Decongestion benefits and vehicle journey time changes (time and VOC/ indirect taxation);</li> <li>• Bus user benefits (waiting environment);</li> <li>• Walking/ cycling benefits;</li> <li>• Accident savings/ benefits;</li> <li>• Public realm benefits (user benefits only);</li> <li>• Noise/ air quality, and carbon benefits.</li> </ul> <p>The economic appraisal for the Headrow Gateway comprises an assessment of the overall, net, monetised, economic worth of the scheme. As a result of the economic assessment the preferred option has been selected on the basis of cost and delivery, value for money performance, wider economic benefits, and the ability of the preferred option to best meet social and environmental objectives.</p> <p>The current adjusted Benefit Cost Ratio (BCR) for the preferred option is 1.26, which in traditional terms this represents low value for money. However, the preferred option meets the full range of the scheme objectives with a range of further wider economic benefits such as Gross Value Added impacts, additional retail spend, heritage benefits not currently included in the adjusted BCR.</p>
<p><b>Financial Case</b></p>	<p>The financial case examines the affordability, funding arrangements and technical accounting issues of the Headrow Gateway scheme.</p> <p>The financial case for the Headrow Gateway provides a breakdown of the expected project cost components and the time profile for the transport investment. It considers whether these capital costs are affordable from public accounts at the times when the costs will arise. It also identifies where contributions of anticipated funding will be obtained, to meet the scheme costs, it assesses the breakdown of funds between available sources and by year and it considers how secure these funds are likely to be.</p> <p>The total project outturn capital cost for the preferred option and outline business case stage is £20.7 million, to be wholly funded through the Combined Authority LPTIP funding stream. The scheme cost includes inflation to the year of spend, and 5% contingencies in the build-up of the base cost- in addition to the addition of quantified risk to inform the final cost for the financial case. An additional cost has also been included for monitoring and evaluation and is based on 1.5% of the scheme costs.</p>

	<p>Finally, the financial case reviews the risks associated with the scheme investment and examines possible mitigation.</p>
<p><b>Management Case</b></p>	<p>The management case outlines how the proposed scheme and its intended outcomes will be delivered successfully. It emphasises the successful delivery of previous schemes and drawing on significant gained experience in contract management and project delivery.</p> <p>The management case also gives assurances that the scheme content, programme, resources, impacts, problems, affected groups and decision makers, will all be handled appropriately, to ensure that the scheme is ultimately successful. The project will be managed as part of an overarching programme of work known as the Leeds Public Transport Investment Programme (LPTIP). The Headrow Gateway Scheme sits within the management- and governance structures- established to support the delivery of the LPTIP programme, therefore comprising both programme and scheme management procedures and processes to ensure effective, on-time, on-budget scheme delivery.</p> <p>The management case outlines the scheme programme which scopes and defines key project elements, allowing the project manager to ensure important milestones, key tasks on critical path and any project dependencies/ constraints do not hinder the delivery of the scheme.</p> <p>The management case demonstrates that the following components have been appropriately assessed at this outline business base (OBC) stage:</p> <ul style="list-style-type: none"> <li>• Project planning;</li> <li>• Governance structure;</li> <li>• Delivery constraints and risk management;</li> <li>• Communications and stakeholder management;</li> <li>• Monitoring and evaluation;</li> <li>• Benefits realisation and assurance.</li> </ul> <p>Alongside this, scheme risks are continuously monitored throughout the project lifetime. Risks identified are updated on a minimum monthly basis at Package Board meetings, as the project progresses. Each identified risk is assessed in terms of its impact on cost, time and quality. The probability of the risk occurring was also estimated. Where possible risks identified have risk allowances determined and these have been used in the costing exercise to determine an appropriate level of contingency.</p>

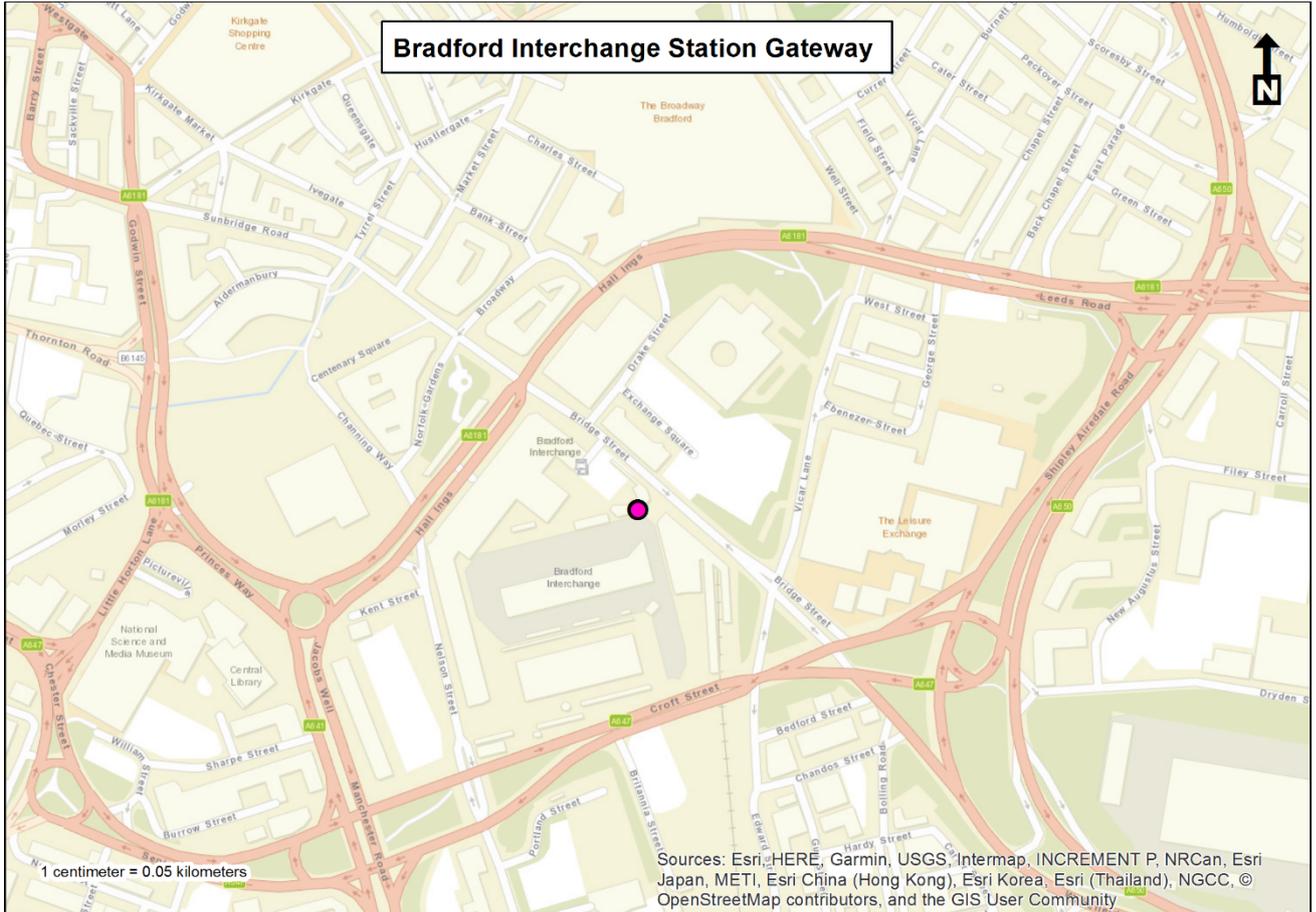
Location map:



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# Agenda Item 7

## Location Maps for schemes which are the subject of change requests Appendix 3



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**Report to:** Investment Committee

**Date:** 9 January 2019

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

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

**Author(s):** Leanne Walsh, Programme Manager

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

- 1.1 To provide Investment Committee with a position statement on a Growing Places Fund Loan with changed circumstances.

## **2. Information**

- 2.1 The Growing Places Fund (GPF) has operated since 2012 offering loans to support projects that require additional capital funding to deliver jobs and economic growth and unlock stalled developments. The fund is open to all businesses and organisations of any size based in or looking to invest in the Leeds City Region. Applications from small and medium-sized enterprises, employing up to 250 staff, are particularly welcome.
- 2.2 The total original GPF allocation from Government was £35.5 million of which approximately £4.0 million currently remains unallocated.
- 2.3 One of the loan recipients - GPF Project 315, is subject to changed circumstances. Further details are provided in **Exempt Appendices 1 and 2**.

## **3. Financial Implications**

- 3.1 Financial implications associated with these changed circumstances are set out in **Exempt Appendices 1 and 2**.

## **4. Legal Implications**

- 4.1 The information contained in **Appendices 1 and 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 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 No external consultations have been undertaken.

**7. Recommendations**

7.1 That the information provided in **Exempt Appendices 1 and 2** be noted.

**8. Background Documents**

None.

**9. Appendices**

**Exempt Appendix 1 – Loan 315 Position Statement**

**Exempt Appendix 2 - Loan 315 Background Information**

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**MINUTES OF THE MEETING OF THE  
BUSINESS INVESTMENT PANEL  
HELD ON WEDNESDAY, 5 DECEMBER 2018 AT COMMITTEE ROOM A**

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**Present:**

Councillor Judith Blake CBE (Chair)	Leeds City Council
Simon Wright (Deputy Chair)	Yorkshire Bank
Councillor Shabir Pandor	Kirklees Council
Councillor Alex Ross-Shaw	Bradford Council
Colin Glass OBE	WGN
Jonathan King	Meusa Holdings Ltd
Marcus Mills	BigWord

**In attendance:**

Kate Thompson	West Yorkshire Combined Authority
Henry Rigg	West Yorkshire Combined Authority
Chris Brunold	West Yorkshire Combined Authority
Neill Fishman	West Yorkshire Combined Authority
Lorna Holroyd	West Yorkshire Combined Authority
Lauren Thomas	West Yorkshire Combined Authority
Phil Cole	Leeds City Council
Megan Hemingway	West Yorkshire Combined Authority

**43. Apologies for absence**

Apologies for absence were received from Councillor Graham Swift, Councillor Tim Swift, Councillor Darren Byford, Michael Allen and Gareth Yates.

**44. Declarations of disclosable pecuniary interests**

Simon Wright disclosed a disclosable pecuniary interest in relation to Growing Places Fund Loans exempt Item 7, Appendix 1.

**45. 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 1 and 2 of Agenda Item 6 and Appendix 1 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.

**46. Minutes of the meeting of the Business Investment Panel held on 6 November 2018**

**Resolved:** That the minutes of the Business Investment Panel held on 6 November 2018 be approved and signed by the Chair.

**47. Strategic Inward Investment Fund**

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

The Panel was updated on the project application (SIIF 006) which it had recommended for approval at its last meeting on 6 November 2018. The application had now been considered at Investment Committee on 7 November 2018, where it was also recommended that the project be approved.

A final decision will be made by the Combined Authority on 13 December 2018.

At the Panel meeting on 5 October 2018, Members asked for a more detailed report on the Leeds City Region's comparative performance on inward investment to be produced. This has now been circulated to Members and it was noted that a briefing is offered to Members should they so require.

**Resolved:**

- (i) That the update on the progress of the Strategic Inward Investment Fund (SIIF) be noted.
- (ii) That the Panel noted progress on SIIF 006 and awaits an update at the next meeting.

**48. 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 informed that there are two projects in the pipeline which may come forward to the next meeting.

The Panel was asked to consider the grant application (project reference 1099606) which was attached at exempt Appendices 1 and 2.

**Resolved:**

- (i) That the update on progress on the Business Grants Programme (BGP) be noted.
- (ii) That the panel recommends approval for a lower grant award for project reference 1099606, subject to the amended terms as discussed.

**49. Growing Places Fund loans**

The Panel considered a report which provided an update on the progress in committing loans through the Leeds City Region Enterprise partnership (the LEP) Growing Places Fund (GPF).

Members were informed that there are three projects due to successfully conclude their payments by the end of this Financial Year, with upward of £10m income anticipated.

The Panel was also updated on one project (project reference 315) with changed circumstances which was attached at exempt Appendix 1.

Simon Wright left the room during discussion of Appendix 1.

**Resolved:**

- (i) That the update on progress on the Growing Places Fund (GPF) be noted.
- (ii) That the update on the changed circumstance of Project 315 be noted and comment from the Panel be taken into account in respect of further discussions.

**50. Date of next meeting**

The next meeting is 10 January 2019 at 2pm in Committee Room A, Wellington House, Leeds

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