

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

**Date:** 13 March 2019

**Subject:** **Capital Programme Update**

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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:		

## 1 Purpose of this report

- 1.1 To update the Committee on progress made on the implementation of the West Yorkshire Combined Authority's capital programme. The report also provides a more detailed update on the Growth Deal programme and the Leeds Public Transport Investment Programme.

## 2 Information

### Capital Programme

- 2.1 The latest forecast outturn for the capital programme 2018/19 was reported to the Investment Committee in January 2019 and to the Combined Authority at its meeting on 14 February 2019. Table 1 below provides the actual expenditure up to the end of quarter 3 2018/19 against the outturn forecast.

Table 1

<b>Capital Programme</b>	<b>2018/19 Outturn Forecast</b>	<b>Actual Expenditure up to Quarter 3 2018/19</b>	<b>%</b>
Growth Deal (including West Yorkshire Transport Fund)	£102,080,000	£47,372,370	46.4%
Leeds Public Transport Investment Programme	£10,115,000	£4,210,152	41.6%
National Productivity Investment Fund	£8,081,000	£6,271,000	77.6%
Highways Maintenance Block and Highways Incentive Fund	£28,442,000	£22,393,000	78.7%
Pothole Action Fund / Highways / Flood Resilience	£9,267,000	£4,310,000	46.5%
Cycle City Ambition Grant	£8,500,000	£7,626,000	89.7%
West Yorkshire Cycling and Walking Fund	£1,304,000	£800,000	61.3%
Cycle Safety Grant	£470,000	£0	0.0%
CCAG Top Up	£210,000	£0	0.0%
Clean Vehicle Technology Fund	£1,368,000	£82,000	6.0%
Ultra Low Emissions Vehicles	£978,000	£15,000	1.5%
West Yorkshire Broadband	£5,769,000	£3,366,100	58.3%
Growing Places Fund	£1,350,000	£1,000,000	74.1%
Warm Homes	£1,369,000	£411,234	30.0%
Corporate Projects - Accommodation	£335,000	£112,272	33.5%
Corporate Projects - Technology Strategy	£1,570,000	£208,608	13.3%
<b>Total</b>	<b>£181,208,000</b>	<b>£98,177,736</b>	<b>54.2%</b>

- 2.2 Total expenditure is currently at 54.2% of forecast outturn and all programmes are currently on track to achieve the revised expenditure forecasts.

### **Growth Deal Programme**

- 2.3 Growth Deal spend at quarter 3 totals £47.37 million representing 46% of the expected outturn. This is the highest level of spend ever achieved by the programme at the end of quarter 3. The Growth Deal dashboard which details each project within the programme is attached at **Appendix 1**.
- 2.4 The programme now includes 128 projects of which: 20 have been completed; 35 are currently in delivery (construction or operation); 64 are in development (transport projects working towards outline and / or full business cases); and nine have not yet started.
- 2.5 Of the 20 projects completed, 11 of these were finished in 2016/17 and 2017/18 these include ten Skills Capital and Innovation projects (ShIPLEY College Mill, Calderdale College, Kirklees College, Selby College, Bradford College, Leeds City College Printworks, Wakefield College, ShIPLEY College Salt Building, Huddersfield Incubation and Innovation Programme and Leeds University Innovation Centre), two rail park and rides (Fitzwilliam and South Elmsall), two other Transport Fund projects (Wakefield Eastern Relief Road and Aire Valley Park and Ride) and the Leeds Flood Alleviation project.

2.6 As part of the assurance process closure reports are undertaken on all projects. The report looks at how the project performed against its business plan and also considers lessons learned. Completed projects will continue to be monitored through PIMS until all outputs and outcomes have been achieved. These will continue to be updated and reported to the Cities and Local Growth Unit (CLOG) until its 2024/25 deadline for achievement of outputs.

2.7 Five projects have been completed so far in 2018/19, they are;

**Skipton Flood Alleviation** - involved the creation of two water storage areas at Eller Beck and Waller Hill Beck, the construction of 300m of flood walls in the town centre, it is now fully operational. £1.5 million of Growth Deal money was invested into this £17.6 million scheme to safeguard 374 homes, 118 businesses and 1,630 jobs, as well as unlocking 11 hectares of floodplain for commercial development in Skipton.

**Mirfield A Rail Park and Ride** – opened in July 2018 at a cost of £0.3 million this project created 25 new parking spaces.

**A629 Phase 1a** - The Calderdale Council scheme included widening Salterhebble Hill to four lanes, installing new traffic light technology and improving facilities for pedestrians and cyclists. 5,000 tonnes of material were removed to broaden the road and create the additional lanes, with over 3,000 metres of steel soil nails screwed into the rock to secure the remaining hillside.

**York Outer Ring Road Phase 1** – this is the first phase of £38 million improvement package to seven roundabouts on the York Northern Outer Ring Road aimed at relieving congestion. Phase 1 involved improvements to the Wetherby Road roundabout involving installation of three lane entrances and two lane exits. Works were completed on time in February 2019 despite discovery of an Iron Age ring ditch during construction.

**Wakefield City Centre Package Phase 1 (Kirkgate)** - Work was completed in August 2018 on this £5.6 million scheme which improved the area for pedestrians, cyclists, buses and motorists. Works included removing a subway and using this for flood water storage, installation of paths and pedestrian crossings, changing road layout. The project improved eight junctions, enhanced 1.2km of carriageway, provided 5,700 sqm of enhanced public space and reduced flood risk.

#### Performance

2.8 The new Portfolio Information Management System (PIMS) records output forecast and achievement and allows project sponsors to update this information at any time. The following programme level outputs have been achieved at quarter 3 2018/19.

Table 2

<b>Output</b>	<b>Target (includes Growth Deals 1, 2 and 3)</b>	<b>Achieved as at December 2018</b>	<b>%</b>
New jobs	19,595	6,246	31.88%
Jobs safeguarded (flood resilience programme)	11,100	22,000	198.20%
Houses	2,300	292	12.70%
Public / private investment (match funding)	£1,031,000,000	£432,261,840	41.93%

Further outputs achieved by the programme include:

- 86 apprentice posts (included with the New Jobs created)
- 50,991m<sup>2</sup> of new or improved floor space for skills
- 7.5 km of new road and 3km of road resurfaced
- 19 km of new cycle ways

2.9 CLoG monitor other outputs, in addition to the programme level outputs, which projects report against. An issue that has been identified is that the outputs monitored by CLoG do not fully reflect the expected achievement of the programme. An example of this is that CLoG monitors only three transport related outputs none of which related to rail. In order to ensure that the recorded outputs fully reflect the achievements of the programme Combined Authority officers and project sponsors are considering a revised list of outputs. Once this is agreed further work will be required to ensure that projects record forecast and performance against these additional outputs on PIMS.

#### Annual Review

2.10 The formal response to the Growth Deal Annual Conversation review, which assessed of the performance of the LEP and the Combined Authority (as accountable body) is awaited. The review assessed all LEP's based on criteria covering governance, delivery and strategy.

#### Independent Evaluation of Growth Deal Interventions

2.11 It was previously reported to the Investment Committee in January 2019 that as part of the Growth Deal an independent review is being undertaken of the Transport Fund. The first five year gateway (also known as the Gateway Review 2019) is currently underway. 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 has recently been issued. 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 report is factual only, with no recommendations or scoring at this stage. Key findings in the report are:

- Generally, the survey responses suggest that different aspects of local economic capacity and partnership activity have improved since the Transport Fund and Growth Deal were approved in 2014. There remains scope for further improvement in the future.
- The consultations with key regional stakeholders demonstrated that the Transport Fund has played a central role in creating the new Combined Authority, shaping long-term economic development strategy and bringing together public and private sector partners from across the city region. With so much happening in the region over the last four years, it is difficult to isolate the specific effects of the Fund. However, the feedback confirmed that the Transport Fund has helped to improve local economic development capacity and partnership working.
- It is currently expected, based on the latest forecasts, that the Transport Fund will spend £200m by March 2020 (Gateway 1 Review). In 2016 project managers had estimated spend of £390m by March 2020 however the Delivery Directorate, which was set up in June 2017, undertook a full review of the timetables for approval, development and commencement of delivery for each project and forecast spend has been amended accordingly.

2.12 There is some early evidence of outputs. Seven of the 19 projects being evaluated have provided some initial information on outputs achieved since projects started in 2015.

#### Next Steps

2.13 SQW are drafting a one-year out report. This report will provide an update on the progress in delivery of the Transport Fund around a year in advance of the Gateway Review (March 2020). It should identify any issues that need to be addressed in advance of the final evaluation and confirms the approach and timing of the research for the final evaluation, which will take place between April and December 2019.

2.14 This work will conclude in December, with a final report to inform the first Gateway Review of the fund. This will be completed by Government by the end of March 2020. Combined Authority Officers attend national quarterly steering group meetings. Through the course of the next couple of meetings, greater clarity should emerge around how the final gateway report will form a part of the overall assessment of performance, together with other evidence such as the annual conversations.

#### Leeds Public Transport Investment Programme

2.15 In April 2017 the Department for Transport (DfT) formally approved funding of £173.5 million to the Combined Authority for the Leeds Public Transport

Investment Programme (LPTIP) to improve access to public transport, the efficiency of the service and to ultimately double bus patronage.

- 2.16 DfT undertake an annual review meeting where progress on the programme is considered. The latest meeting took place on 5 February 2019. An update was provided on the progress made across the programme.

Bus priority corridors	A number of outline business cases have been submitted and made progress through the assurance process. Stakeholder engagement is continuing and design elements progressing well. Delivery partners are appointed and construction is due to start on early interventions over the next 2 months.
Park & Ride	Stourton and the Elland road extension have both obtained OBC approval and planning consent. Delivery partners have been appointed and construction is due to start on Elland Road in April with Stourton following on afterwards.  LCC exec' board have approved land purchase for an extension to the Temple Green land, CA assurance processes to follow.
Gateways	Headrow gateway has been given CA approval, consultation to commence 12 <sup>th</sup> March. Infirmary street designs also being progressed, with Corn Exchange to follow. Delivery partner appointed and making good progress.
Rail	Accessibility – draft agreement with NWR to be progressed.  New Pudsey – Progressing towards OBC, preferred option considered by programme board.  New stations – GRIP stage 3 documents submitted to NWR, working towards OBC submission, public consultation on LBA parkway now launched (White rose and Thorpe park concluded)
Bus Delivery	Realtime – ongoing screen installation, 300 screens already delivered and being installed. A further 190 to arrive in phase 1.  Hubs – OBC submitted, undergoing appraisal.  Low emissions – ULEB bid successful, currently working towards procurement of electric buses for Stourton P&R  Bus station – short term improvement options being progressed and OBC developed.

- 2.17 The progress on the LPTIP programme has been good, and very positive feedback received from DfT. The programme is still under considerable pressure to deliver within a very tight timescale. The team are working well together and there is good evidence of collaboration between the Combined Authority, Leeds City Council and design & delivery partners.

2.18 The DfT has confirmed that the progress made to date is satisfactory but reiterated the funding timescales requiring full spend on the programme by March 2021.

### **3 Financial implications**

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

### **4 Legal implications**

There are no legal implications directly arising from this report.

### **5 Staffing implications**

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

### **6 External consultees**

6.1 No external consultations have been undertaken.

### **7 Recommendations**

7.1 It is recommended that the Investment Committee notes the progress made in implementing the Combined Authority Capital Programme including the Growth Deal and Leeds Public Transport Investment Programmes.

### **8 Background documents**

8.1 None.

### **9 Appendices**

Appendix 1 – Growth Deal Dashboard Quarter 3 2018/19