
Report to: West Yorkshire and York Investment Committee

Date: 12 April 2019

Subject: **Capital Spending and Project Approvals**

Director: Melanie Corcoran, Director of Delivery

Author(s): Craig Taylor / Cath Pinn

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 Investment Committee has delegated decision making authority, this was approved by the Combined Authority on 13 December 2018. Where Investment Committee is asked to make an approval decision this will be highlighted in the summary table and made clear in the recommendations.
- 1.3 This report presents proposals for the progression of 2 schemes through the Combined Authority's assurance process in line with the Leeds City Region Assurance Framework. These schemes have a total combined funding value of 13.867 million when fully approved, of which the total value of £13.867 million will be funded by the Combined Authority. A total expenditure recommendation to the value of £1.306 million is sought as part of this report for the development of these schemes. Further details on the schemes are summarised below and can be found as part of this report.

<u>Scheme</u>	<u>Scheme description</u>
A6177 Great Horton Road / Horton Grange Road Bradford	<p>This scheme is to be delivered through the Corridor Improvement Programme, a programme of low and medium cost highway interventions on strategic highway corridors on the West Yorkshire Key Route Network (WYKRN), which aims to improve connectivity and accessibility to support economic growth.</p> <p>The scheme will primarily provide a new link road between the Horton Park Avenue / Cecil Avenue junction and the All</p>

	<p>Saints Road/Dirkhill Road junction, as well as improvements to the Great Horton Road / Horton Grange Road junction.</p> <p>The new link road will allow traffic movements to bypass the Great Horton Road/ Horton Grange Road/ All Saints Road junction.</p> <p>It is also proposed that All Saints Road is changed to a one way southbound between Great Horton Road and Turner Place. This will reduce traffic conflicts, whilst increasing capacity.</p> <p>The scheme will support SEP Priority 4 Infrastructure for Growth.</p> <p>The scheme is funded by the West Yorkshire plus Transport Fund.</p> <p><u>Impact</u></p> <p>The scheme at this stage reflects a Benefit Cost Ratio of 2.86:1, judged as High Value for Money.</p> <p>The scheme's wider social benefits include a more attractive environment for the local community, and better quality of life, with reduced congestion improving air quality and connectivity to employment and housing.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 3 (outline business case) and work commences on activity 4 (full business case).</p> <p>Total value - £4.205 million</p> <p>Total value of Combined Authority funding - £4.205 million</p> <p>Funding recommendation sought - £584,007</p>
<p><u>Scheme</u></p> <p>A6177 Thornton Road / Toller</p> <p>Location</p>	<p><u>Scheme description</u></p> <p>This scheme is to be delivered though the Corridor Improvement Programme, a programme of low and medium cost highway interventions on strategic highway corridors on the West Yorkshire Key Route Network (WYKRN), which aims to improve connectivity and accessibility to support economic growth.</p> <p>The scheme focuses on traffic improvements at two junctions: the A6177 Whetley Lane / Toller Lane junction and the A6177 Thornton Road / Cemetery Road junction.</p> <p>The improvements will be focused around provision of two lane approaches where feasible, provision of dedicated turning facilities, and improvements for pedestrians and cyclists</p> <p>Following scheme delivery, it is anticipated to improve journey time reliability on the western section of the A6177 Outer Ring Road and reduce congestion along the A6177 Outer Ring Road.</p> <p>The scheme will support SEP Priority 4 Infrastructure for Growth.</p> <p>The scheme is funded by the West Yorkshire plus Transport Fund.</p>

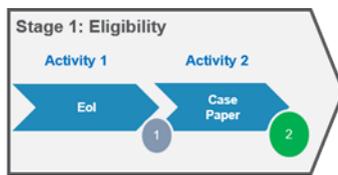
	<p><u>Impact</u></p> <p>The scheme at this stage reflects a Benefit Cost Ratio of 4.29:1, judged as Very High Value for Money.</p> <p>The scheme's wider social benefits include a more attractive environment for the local community, and better quality of life, with reduced congestion improving air quality and connectivity to employment and housing.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 3 (outline business case) and work commences on activity 4 (full business case).</p> <p>Total value - £9.662 million</p> <p>Total value of Combined Authority funding - £9.662 million</p> <p>Funding recommendation sought - £721,670</p>
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2 Information

- 2.1 The background information on the Combined Authority's assurance framework through which each of the schemes outlined in this report are being approved is provided in **Appendix 1**. In addition, this appendix also provides a description of the approach for the future assurance approval pathway and the assurance tolerances for each scheme.

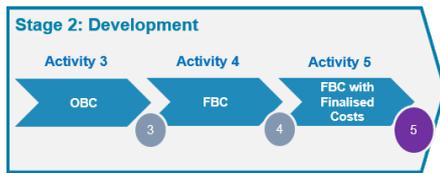
Programmes and projects for consideration

Projects in stage 1: Eligibility



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

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.

Corridor Improvement Programme summary

- 2.4 The Corridor Improvement Programme (CIP) is a programme of low and medium cost highway interventions on strategic highway corridors on the West Yorkshire Key Route Network (WYKRN), which aims to improve connectivity and accessibility to support economic growth. In order to achieve this the programme aims to deliver an 8% reduction in journey times for all traffic, with a higher target of 12% reduction in journey times for buses.
- 2.5 The creation of a West Yorkshire Key Route Network (WYKRN) is designed to facilitate economic growth and job creation by delivering reliable journey times for all modes across the core road network in West Yorkshire, regardless of authority boundaries. Improved reliability of the WYKRN will contribute to goals of the Leeds City Region Strategic Economic Plan (SEP) by improving connectivity and better connecting people, jobs and goods. Such improvements will help to attract investment and facilitate housing growth across the City Region.
- 2.6 The Corridor Improvement Programme will be delivered in three phases. The total forecast cost of the programme is £130.3 million, £125 million of which will be funded from the Combined Authority's West Yorkshire plus Transport Fund.
- 2.7 The Corridor Improvement Programme received decision point 2 (case paper) approval from the Combined Authority in June 2017 for the programme as a whole, as part of this approval it was agreed that the 13 projects within the programme would be progressed on an individual basis to outline business case. At decision point 2, a total forecast cost for phase 1 of the programme received an indicative approval of £67.754 million, £62.441 million West Yorkshire plus Transport Fund and £5.313 million third party contributions. Phase 1 of the CIP has a total development cost approval of £4.483 million in order to progress the schemes to outline business case stage.
- 2.8 Following consultation on the future steps that should be taken to manage the programme, it is proposed that the costs for individual Phase 1 schemes within the Corridor Improvement Programme should remain within the indicative budget allocation for each Partner Council within the CIP Programme. Where the forecast costs of schemes are increasing above the Partner Council indicative budget allocation, the schemes should either:

- be re-designed to meet the indicative budget envelope of the Partner Council or;
- the Partner Council should prioritise which schemes they wish to take forward which fit within the indicative budget envelope.

2.9 As the outline business cases for the individual Corridor Improvement Programme schemes are received and appraised by the Combined Authority, it has emerged that a Change Request for the programme as a whole is required in order to re-baseline individual scheme allocations, funding and tolerances. It is intended that this Change Request will be brought for consideration by Investment Committee and Combined Authority in 2019.

2.10 This report contains proposals for the progression of two schemes through decision point 3 (outline business case). These schemes are being progressed now, as they are judged to be within the principles of the Investment Committee proposals and the intended programme change request. Both of the schemes are located within the Bradford District. At decision point 2, Bradford Council received a Phase 1 allocation of £14.15 million within the West Yorkshire plus Transport fund across three schemes.

2.11 Bradford Council had previously identified 3 CIP schemes as part of Phase 1.

- A6177 Great Horton Road / Horton Grange Road
- A6177 Thornton Road / Toller Lane
- A6177 Horton Grange Road / Cross Lane scheme

2.12 It has been identified that it would require approximately £19 million of West Yorkshire plus Transport Fund funding to deliver all 3 schemes, which would exceed the Phase 1 decision point 2 allocation for Bradford Council.

2.13 As a result Bradford Council will now only take forward two CIP schemes, the “A6177 Great Horton Road / Horton Grange Road” and “A6177 Thornton Road / Toller Lane”. Details of these schemes are provided as part of this report. It should however be noted that outline business case work has been completed for the now omitted A6177 Horton Grange Road / Cross Lane scheme.

Project Title	A6177 Great Horton Road / Horton Grange Road
Stage	2 (Development)
Decision Point	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 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

- 2.14 This scheme will be funded from the West Yorkshire plus Transport Fund. This is a £1 billion fund covering West Yorkshire and York. The objectives of the West Yorkshire plus Transport Fund are to enable key employment and housing development areas and will help to create about 20,000 new jobs over the next 10 years. These strategic transport projects will be delivered to facilitate the growth priorities identified in the Leeds City Region Economic plan.
- 2.15 The A6177 Great Horton Road / Horton Grange Road scheme is part of the Transport Fund's Corridor Improvement Programme (CIP), a programme of low and medium cost highway interventions on strategic highway corridors on the West Yorkshire Key Route Network (WYKRN), which aims to improve connectivity and accessibility to support economic growth.
- 2.16 Due to the immediate constraints at the Great Horton Road / Horton Grange Road junction, this scheme has been developed primarily through building a new link road between the Horton Park Avenue/Cecil Avenue junction and the All Saints Road/Dirkhill Road junction, with priority junctions at both ends. The new link will allow movements to bypass the Great Horton Road/Horton Grange Road/All Saints Road junction.
- 2.17 It is also proposed that All Saints Road is changed to one way southbound between Great Horton Road and Turner Place. This will reduce traffic conflicts, whilst increasing capacity. The right turn from Great Horton Road into All Saints Road will be prevented with right turning traffic using Horton Park Avenue.
- 2.18 Following scheme delivery, it is anticipated to reduce congestion for all modes of traffic, and in the process reduce journey times and improve journey time reliability for all users. Additionally, the scheme will deliver public realm enhancements, making the associated area more attractive, with improvements for walking and cycling to also be made as part of scheme design.
- 2.19 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'.
- 2.20 It should be noted that in relation to the CIP programme's decision point 2 approval, an approval of £277,000 was made to develop an A650 Shipley Airedale/ A647 Leeds Road junction CIP scheme. This scheme was

subsequently replaced by the A6177 Great Horton Road / Horton Grange Road via change request and the development cost approval made for the original scheme was replaced by a reduced approval for £225,000 for scheme development of the replacement scheme (although a funding agreement was not entered into at this time and will instead form part of the recommendations presented in this report). For clarity, the approvals sought as part of this report supersedes all previous approvals relating to the Bradford A6177 Great Horton/ Horton Grange Road and the A650 Shipley Airedale/ A647 Leeds Road schemes.

2.21 A summary of the scheme's business case is included in **Appendix 2**

Outputs, benefits and inclusive growth implications

- To improve journey time reliability for all modes including bus services on the western section of the A6177 Outer Ring Road – reducing variability between peak and inter peak time periods for journeys to/from Bradford, within one year of post scheme completion.
- To reduce congestion along the A6177 Outer Ring Road in order to improve productivity and attract new investment – by reducing business operating costs, improving accessibility, and creating greater confidence in highway provision, within one year of post scheme completion.
- To support housing growth aspirations by reducing transport constraints to development – supporting delivery of 8,000 new residences by 2030.
- To improve air quality by reducing congestion and the number of vehicles idling at the junction, within five years of post-scheme completion.
- To reduce road traffic collisions by 5% within five years of post-scheme completion, making travel safer particularly for pedestrians and cyclists.
- The scheme at this stage reflects a benefit cost ratio (BCR) of 2.86:1, judged as High Value for Money based on the Department for Transport's criteria. This will be confirmed at decision point 5.
- The wider benefits of the scheme include a better quality of life for the local community and residents across Bradford who use this junction, with an improved urban environment, improved accessibility to jobs and housing, and an improvement in air quality.

Risks

2.22 The key risks along with the mitigation are outlined below:

- Risk: Cost of utility works is greater than the current estimates based on returns received from providers and existing information and experience. Mitigation: The promoter to obtain detailed utility survey costs before full business case development, with interface meetings to be held with applicable utilities.

- Risk: Unforeseen tender return costs due to market forces, which could also limit availability of contractors. Mitigation: The promoter to monitor market trends and maintain robust dialogue with strategic partners.
- Risk: Compensation costs such as sound insulation is greater than envisaged. Mitigation: The promoter to consult specialists on noise and land as part of detailed design, to assess likely compensation values.
- Risk: Opposition to scheme is greater than anticipated following consultation, requiring scheme design changes causing delays and additional costs. This could include challenges to Traffic Regulation Orders. Mitigation: The promoter is developing a stakeholder management plan to enable robust engagement with all stakeholders. A public consultation exercise has been completed, (concluded 29 March 2019). Feedback to date indicates public support for the scheme with no significant objections raised to warrant requirement for material changes to scheme design. The promoter to submit a detailed engagement report at full business case (decision point 4).

Costs

- The total forecast scheme cost at outline business case (decision point 3) is £4.205 million,
- This reflects a scheme cost increase of £1.055 million from the indicative estimate of £3.150 million at decision point 2. The promoter has attributed the increase to inclusion of risk, inflation, and scheme design costs following site investigation surveys, as well as a reforecast of estimated project development costs.
- This scheme has been allocated £225,000 of development costs to progress to outline business case (decision point 3). The promoter now seeks approval of a further £584,007 of development costs taking the total approval sought to £809,007.

Timescales

- Forecast decision point 4 approval (full business case) - October 2019
- Forecast decision point 5 approval - (full business case with finalised costs) - February 2020
- Forecast start of construction – March 2020
- Forecast decision point 6 approval (end of construction) - August 2021

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

Assurance tolerances
The scheme costs should remain within the costs set out in this report. That programme timescales should remain within 3 months of the timescales set out in this report.

Project responsibilities

Senior Responsible Officer	Richard Gelder, Bradford Council
Project Manager	Kamal Ubhi, Bradford Council
Combined Authority case officer	Asif Abed

Appraisal summary

- 2.23 The outline business case provides a satisfactory level of detail on the strategic rationale behind the proposed interventions, which will primarily see delivery of a new link road between the Horton Park Avenue/Cecil Avenue junction and the All Saints Road/Dirkhill Road junction, with priority junctions at both ends. It can be seen the proposal seeks to support delivery of the City Region and transport fund objective of addressing constraints to economic growth by reducing congestion and improving connectivity to jobs and housing within Bradford and the associated area.
- 2.24 The scheme however has site constraints, limiting opportunity to incorporate dedicated provision for public transport in to the scheme design. Improvements to active mode travel of walking and cycling have however been included.
- 2.25 The promoter has confirmed there are no land acquisition requirements and therefore no associated risks, given the land for the new link is within the council ownership.
- 2.26 The scheme has demonstrated key stakeholder support through engagement with ward members and delivery partners, and has recently commenced a round of public consultation, which to date has reflected positive feedback. A

detailed engagement report will be submitted at full business case (decision point 4).

- 2.27 The preferred option at outline business case reflects a benefit cost ratio of 2.86:1, judged as high value for money. The appraisal did review the optioneering exercise undertaken that led to the preferred option of delivering a new link road and priority signal junctions. This highlighted that alternative proposals were considered but ruled out on grounds of affordability and deliverability within the scope of the programme.
- 2.28 On the whole, the promoter has demonstrated deliverability of this scheme. Further work is to be undertaken as part of full business case development, at which stage more accurate costs and scheme delivery programme will be known.

Recommendations

- 2.29 That Investment Committee recommends to the Combined Authority that:
- (i) The A6177 Great Horton Road / Horton Grange Road 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 £4.205 million is given from the West Yorkshire plus Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
 - (iii) Additional development costs of £584,007 are approved in order to progress the scheme to full business case with finalised costs (decision point 5), taking the total project approval to £809,007.
 - (iv) The Combined Authority enters in to funding agreement with Bradford Council for expenditure of up to £809,007 from the West Yorkshire plus Transport Fund.
 - (v) Future approvals are made in accordance with the approval pathway and approval route outlined in this report, including at decision points 4 and 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.

Project Title	A6177 Thornton Road / Toller Lane
Stage	2 (Development)
Decision Point	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 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

- 2.30 This scheme will be funded from the West Yorkshire plus Transport Fund. This is a £1 billion fund covering West Yorkshire and York. The objectives of the West Yorkshire plus Transport Fund are to enable key employment and housing development areas and will help to create about 20,000 new jobs over the next 10 years. These strategic transport projects will be delivered to facilitate the growth priorities identified in the Leeds City Region Economic plan.
- 2.31 The A6177 Thornton Road / Toller Lane scheme is part of the Transport Fund's Corridor Improvement Programme (CIP), a programme of low and medium cost highway interventions on strategic highway corridors on the West Yorkshire Key Route Network (WYKRN), which aims to improve connectivity and accessibility to support economic growth.
- 2.32 The scheme focuses on traffic improvements at two junctions and will deliver the following interventions:

A6177 Whetley Lane / Toller Lane

- Two lane approaches to the junction on A6177
- Dedicated left turn lane from A6177
- Two lanes in both directions on Toller Lane from the Carlisle Road junction to existing dual carriageway
- Flare out approaches on Toller Lane and Whetley Hill to provide a short right turn lane
- Improvement for pedestrians and cyclists

A6177 Thornton Road / Cemetery Road

- Formalise right turn lane inbound on Thornton Road into Cemetery Road
 - Widen westbound direction on Thornton Road to have two lanes from the A6177
 - Two lane approach on Allerton Road
 - Two lanes north on Cemetery Road approach and two lanes on Allerton Park exit
 - Improvement for pedestrians and cyclists
- 2.33 Following scheme delivery, it is anticipated to improve journey time reliability on the western section of the A6177 Outer Ring Road and reduce congestion along the A6177 Outer Ring Road. This will support improving productivity and encouraging new business investment, as well as support housing growth aspirations by reducing transport constraints to development. The scheme will also deliver public realm enhancements created through demolition of acquired buildings and improved pedestrian and cycling provision.
- 2.34 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'
- 2.35 Within the decision point 2 CIP Programme approval in June 2017, the A6177 Thornton Road / Toller Lane scheme was originally presented as two separate schemes.
- The A6177 Outer Ring Road/ Thornton Road scheme received an indicative allocation of £5 million towards scheme costs, and
 - The A6177 Outer Ring Road/ Toller Lane scheme received an indicative allocation of £3.39 million towards scheme costs.
- 2.36 The schemes were subsequently merged into the A6177 Thornton Road / Toller Lane scheme with an indicative combined allocation of £8.5 million.
- 2.37 A summary of the scheme's business case is included in **Appendix 3**

Outputs, benefits and inclusive growth implications

- To improve journey time reliability for all modes including bus services on the western section of the A6177 Outer Ring Road – reducing variability between peak and inter peak time periods for journeys to/from Bradford, within one year of post scheme completion.
- To reduce congestion along the A6177 Outer Ring Road in order to improve productivity and attract new investment – by reducing business operating costs, improving accessibility, and creating greater confidence in highway provision, within one year of post scheme completion.

- To support housing growth aspirations by reducing transport constraints to development – supporting delivery of 8,000 new residences by 2030.
- To improve the urban environment and attractiveness through demolition of blighted buildings and the creation of an enhanced public realm – to be achieved through scheme delivery.
- To improve air quality by reducing congestion and the number of vehicles idling at the junction, within five years of post-scheme completion.
- To reduce road traffic collisions by 5% within five years of post-scheme completion, making travel safer particularly for pedestrians and cyclists.

2.38 The scheme at this stage reflects a benefit cost ratio (BCR) of 4.29:1, which would be judged as Very High Value for Money using the DfT criteria. This will be confirmed at decision point 5.

2.39 The wider benefits of the scheme include a better quality of life for the local community and residents across Bradford who use this junction, with an improved urban environment, improved accessibility to jobs and housing, and an improvement in air quality.

Risks

2.40 The key risks along with the mitigation are outlined below:

- Risk: Land acquisition negotiations fail requiring need for a Compulsory Purchase Order (CPO) to acquire buildings for demolition purposes. The promoter has confirmed CPO route is needed to acquire one property, with negotiations underway with proprietors of a further two. Mitigation: The promoter has built in an element of contingency within scheme costs and the delivery programme should a CPO be required on the further two sites.
- Risk: Compensation costs such as land acquisition and sound insulation is greater than envisaged. Mitigation: The promoter to consult specialists on noise and land as part of detailed design, to assess likely compensation values.
- Risk: Cost of utility works is greater than the current estimates based on C1 returns and existing information and experience. Mitigation: The promoter to attain detailed utility survey costs before full business case development, with interface meetings to be held with applicable utilities.
- Risk: Unforeseen tender return costs due to market forces, which could also limit availability of contractors. Mitigation: The promoter to monitor market trends and maintain robust dialogue with strategic partners.
- Risk: Opposition to scheme is greater than anticipated following consultation, requiring scheme design changes causing delays and increased costs. This could include challenges to Traffic Regulation Orders. Mitigation: The promoter is developing a stakeholder management plan to enable robust engagement with all stakeholders. A public consultation exercise has been undertaken, commencing 18

February 2019 and to concluded 29 March 2019. Feedback to date indicates public support for the scheme with no significant objections raised to warrant requirement for material changes to scheme design. The promoter to submit a detailed engagement report at full business case (decision point 4).

Costs

- 2.41 The total forecast scheme cost at outline business case (decision point 3) is £9.662 million, which will be funded from the West Yorkshire plus Transport Fund.
- 2.42 This reflects a scheme cost increase of £1.162 million from the indicative combined allocation of £8.5 million at decision point 2. The promoter has attributed the increase to inclusion of risk, inflation, and forecast land acquisition costs, as well as a reforecast of estimated project development costs. This increase to scheme costs is affordable within the £14.150 million Bradford CIP Phase 1.
- 2.43 The scheme has an existing £225,000 development cost approval. The promoter now seeks approval of a further £721,670 of development costs to fund scheme development to full business case with finalised costs (decision point 5), this will take the total scheme approval £946,670. This reflects 9.8% of total scheme costs (which excludes any land acquisition costs).

Timescales

- Forecast decision point 4 approval (full business case) - November 2019
- Forecast decision point 5 approval - (full business case with finalised costs) - March 2020
- Forecast start of construction – April 2020
- Forecast decision point 6 approval (end of construction) - January 2022

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 4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director

Assurance Tolerances

Assurance tolerances
The scheme costs should remain within the costs set out in this report. That programme timescales should remain within 3 months of the timescales set out in this report.

Project responsibilities

Senior Responsible Officer	Richard Gelder, Bradford Council
Project Manager	Kamal Ubi, Bradford Council
Combined Authority case officer	Asif Abed

Appraisal summary

- 2.44 The outline business case provides a satisfactory level of detail on the strategic rationale behind the proposed interventions, which will support delivery of the City Region and transport fund objective of addressing constraints to economic growth, by reducing congestion and improving connectivity to jobs and housing within Bradford and the associated area.
- 2.45 The scheme however has site constraints, limiting opportunity to incorporate dedicated provision for public transport into the scheme design. Improvements to active mode travel of walking and cycling have however been included.
- 2.46 The scheme will also deliver public realm enhancements through demolition of buildings, improving the urban environment and attractiveness. To deliver this, and the preferred option junction improvements requires purchase of three buildings, with the promoter confirming a Compulsory Purchase Order (CPO) route is needed to acquire one property, with negotiations underway with proprietors of a further two. The outcome to negotiations could have a significant bearing on scheme costs and delivery timescales, although the promoter has indicated an element of contingency has been profiled with the programme to allow for this.
- 2.47 The scheme has demonstrated key stakeholder support through engagement with ward members and delivery partners, and has recently commenced a round of public consultation, which to date has reflected positive feedback. A detailed engagement report will be submitted at full business (decision point 4).
- 2.48 The preferred option at outline business case reflects a benefit cost ratio of 4.29:1, judged as very high value for money. The appraisal did review the optioneering exercise undertaken that led to the preferred option. This highlighted that alternative proposals were considered but ruled out on grounds of affordability and deliverability within the scope of the programme.

2.49 On the whole, the promoter has demonstrated deliverability of this scheme. Further work is to be undertaken as part of full business case development, at which stage more detailed costs and scheme delivery programme will be known.

Recommendations

2.50 That Investment Committee recommends to the Combined Authority that:

- (i) The A6177 Thornton Road / Toller Lane 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 £9.662 million is given from the West Yorkshire plus Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Additional development costs of £721,670 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs) taking the total project approval to £946,670.
- (iv) The Combined Authority enters into an addendum to the existing funding agreement with Bradford Council for additional expenditure of up to £721,670 from the West Yorkshire plus Transport Fund, taking total value of the funding agreements to £946,670.
- (v) Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision points 4 and 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

Projects in Stage 3: Delivery and Evaluation



- 2.51 Once in Delivery and Evaluation the scheme is delivered and Combined Authority funding is drawn down. When delivery is completed a review is carried out to ensure that the scheme has met all its requirements and outputs in accordance with its Funding Agreement. Finally information about a scheme's performance following its completion is collected, in order to evaluate the success of the scheme.

Decisions made through the delegation to the Managing Director

- 2.53 Since Investment Committee's meeting on the 13th March 2019, 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.

Halifax Town Centre - Northgate House

- 2.54 The scheme involves the refurbishment of part of the former Calderdale Council offices at Northgate House to create 4,274m² of office and 1,115m² of retail floorspace. The remainder of the building is being refurbished for a new 6th form centre due to open in September 2019. The 6th form centre does not form part of this proposal.
- 2.55 The expected outputs and benefits of the scheme include creating retail and office space; indirectly creating 166 jobs (when 85% let) within 3 years of completion; and accelerating the development of employment and commercial floorspace in Halifax town centre;
- 2.56 The scheme was approved by the Investment Committee at decision point 4 (full business case) in February 2019. This approval, made by the Combined Authority's Managing Director on 8 March 2019, was for decision point 5 (full business case with finalised costs) for a total project value of £10.655 million and a Combined Authority contribution of £3 million (Local Growth Fund) and for work to commence on activity 6 (delivery).

A650 Bradford to Keighley Corridor (Hard Ings Road)

- 2.57 The project is a proposal to widen the existing carriageway to provide two lanes in each direction for the full extent of the section of Hard Ings Road, Keighley between the junctions with the A629 (Beechcliffe roundabout) and Bradford Road roundabout. The scheme length is approximately 0.7 km
- 2.58 The scheme will relieve traffic congestion through making on street improvements including road widening. The scheme will contribute to the Strategic Economic Plan priority 4: infrastructure for growth.
- 2.59 The wider social benefits include improved air quality and reduced journey times.
- 2.60 The scheme received approval from the Combined Authority at decision point 4 (full business case) in December 2018. This approval, made by the Combined Authority's Managing Director on 15 March 2019, was for decision point 5 (full business case with finalised costs) for a total project value of £9.334 million from the West Yorkshire plus Transport Fund and for work to commence on activity 6 (delivery).

Leeds Enterprise Zone Power Solution

- 2.61 This scheme relates to the identified electrical supply shortage at the appropriate voltage to parts of the Leeds Enterprise Zone (EZ), which is situated within the Aire Valley. The scheme will front fund an upgrade of existing electrical infrastructure to enable an 18 Mega Volt Amp (MVA) supply to the zone. Initially, the resulting supply will be for the exclusive use of developers within the EZ to support new build units, although this position will be reviewed as delivery of the EZ progresses.
- 2.62 The upgrading and expansion of the existing infrastructure to provide an 18 Mega Volt Amp (MVA) supply to the zone will be completed by March 2021. The forecast benefits from this investment are:
- 2,800 Jobs created
 - 10 Businesses created /assisted
 - 1,423,996 sq ft of commercial floorspace to be constructed
 - 100,000 sq ft of learning floorspace to be constructed
 - Through making the site an attractive development prospect, this scheme will contribute to the potential for the Combined Authority to earn income from the collection of business rates
 - Potential repayment of the grant received within a 10 year period through the establishment of a repayment mechanism when individual sites in the Enterprise Zone are taken up
- 2.63 The scheme received approval from the Combined Authority at decision point 4 (full business case) in December 2018. This approval, made by the Combined Authority's Managing Director on 15 March 2019, was for decision point 5 (full business case with finalised costs) for a total project value of £4.589 million and a Combined Authority contribution of £4.589 million (Local Growth Fund) and for work to commence on activity 6 (delivery).

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

A6177 Great Horton Road / Horton Grange Road Corridor Improvement Scheme

- 7.1 That Investment Committee recommends to the Combined Authority that:
- (i) The A6177 Great Horton Road / Horton Grange Road 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 £4.205 million is given from the West Yorkshire plus Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
 - (iii) Additional development costs of £584,007 are approved in order to progress the scheme to full business case with finalised costs (decision point 5), taking the total project approval to £809,007.
 - (iv) The Combined Authority enters in to funding agreement with Bradford Council for expenditure of up to £809,007 from the West Yorkshire plus Transport Fund.
 - (v) Future approvals are made in accordance with the approval pathway and approval route outlined in this report, including at decision points 4 and 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.

The A6177 Thornton Road / Toller Lane Corridor Improvement Scheme

- 7.2 That Investment Committee recommends to the Combined Authority that:
- (i) A6177 Thornton Road / Toller 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 £9.662 million is given from the West Yorkshire plus Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
 - (iii) Additional development costs of £721,670 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs) taking the total project approval to £946,670.

- (iv) The Combined Authority enters into an addendum to the existing funding agreement with Bradford Council for additional expenditure of up to £721,670 from the West Yorkshire plus Transport Fund, taking total value of the funding agreements to £946,670.
- (v) Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision points 4 and 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.

8 Background documents

8.1 None as part of this report.

9 Appendices

Appendix 1 - Background information on the assurance framework

Appendix 2 - Business case summary - A6177 Great Horton Road / Horton Grange Road

Appendix 3 - Business case summary - A6177 Thornton Road / Toller Lane