

Report to: West Yorkshire and York Investment Committee

Date: 8 May 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 provides a more detailed update on the Growth Deal programme and, as part of selected updates on other capital funding programmes, it provides information on the progress made on the City Connect programme.

2 Information

Capital Programme

- 2.1 Table 1 below sets out the latest outturn forecast and actual spend at quarter 3 2018/19 (previously reported to the Investment Committee on 13 March 2019). Significant expenditure is forecast in the final quarter of the financial year, this is typical of local authority capital programmes where expenditure tends to be heavily weighted to the end of the year.

Table 1

Capital Programme	2018/19 Outturn Forecast	Actual Expenditure up to Quarter 3 2018/19	%
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%
Local Transport Plan Integrated Transport Block and 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%
Total	£181,208,000	£98,177,736	54.2%

Growth Deal Programme

Expenditure

- 2.2 A full review of Growth Deal spend forecasts is being undertaken for this financial year and the remaining two years of the Growth Deal. All project sponsors have been requested to provide this information and responses are currently being collated.
- 2.3 Quarter four claims are currently being processed, it is expected that the final expenditure and final outturn figures will achieve circa 90% of the spend target of £102 million.

Performance

- 2.4 The attached **Appendix 1** provides a breakdown of all projects within the programme identifying those completed by the end of 2018/19 and those due to start in 2019/20. To date 22 projects have been completed 14 (64%) of these are economic development projects, the remaining eight (36%) are Transport Fund projects.
- 2.5 Quarter four claims are currently being processed, it is expected that the final expenditure and final outturn figures will achieve circa 90% of the spend target of £102 million.

- 2.6 It is currently expected that 24 Growth Deal projects will commence delivery in 2019/20, these have a combined project value of £258 million. As the Growth Deal programme moves forward spend swings from being mostly on economic development projects over to Transport Fund projects. 16 of the 24 projects due to commence in 2019/20 are Transport Fund projects, these have a total value in excess of £210 million (81% of the total £258 million of projects due to commence in 2019/20).
- 2.7 Activity on the Enterprise Zones is also beginning to increase with three sites expecting to start on site in 2019/20. These are the Aire Valley Power Enhancement as well as two sites in the M62 Enterprise Zone: Gain Lane and Parry Lane. These projects have a combined total value of £15.7 million (also included in the £258 million total).

Outputs

- 2.8 Table 2 below details the target outputs for the Growth Deal programme and summarises the forecast outputs across projects (it should be noted that outputs have not been forecast by all projects currently within the programme, projects will finalise output forecasts as they reach decision point 4 of the Assurance Framework).

Table 2

Output	Target (includes Growth Deals 1, 2 and 3)	Achieved to date	Remaining forecast 2018/19	2019/20	2020/21	2021-25	Total
New jobs	19,595	6,246	300	2,210	10,443	7,361	26,560
Jobs safeguarded (flood resilience programme)	11,100	22,000	0	2,732	1,116	2,769	28,617
Houses	2,300	254	0	285	854	1,305	2,698
Public / private investment (match funding)	£1,031,000,000	£432,261,840	£91,845,292	£224,407,858	£185,871,468	£0	£934,386,458

- 2.9 Based on current project forecasts new jobs is expected to be achieved by the monitoring deadline of 2024/25. The jobs safeguarded target relates only to the flood resilience programme. This target has already been achieved in full by the Leeds Flood Resilience projects. Whilst public/private investment (match funding) is not currently forecast to achieve the target there is confidence that once further project forecasts are added to the above table this target will be achieved in full.
- 2.10 The target for new houses is 2,300 the achievement of this is more challenging within the timescale. This is because whilst housing sites are being enabled using the Growth Deal monies these sites still need to be developed with new housing and this is subject to private sector delivery. Whilst the forecast achievement by March 2025 from current projects is 2,698, slippage is expected against the annual forecasts. Only 77 houses been built so far by existing housing projects, the remaining 177 have been achieved by unlocking housing sites through schemes funded by the Transport Fund. In order to address concerns Combined Authority officers are currently reviewing individual sites along with district partners to establish the clear milestones and re-profiling of outputs. Further housing sites will be enabled through Transport Fund projects but as many of these projects are yet to progress through the assurance process full forecasts have not been included in the above table.

Annual Review

- 2.11 The formal response to the Growth Deal Annual Conversation review, which assessed the performance of the LEP and the Combined Authority (as accountable body) has now been received. Government changed the performance categories this year and has indicated that the scores cannot therefore be compared with those from 2017. The LEP scored 'Good' across all three categories of governance, strategy and delivery.

City Connect

- 2.12 The City Connect programme was developed in response to the strong desire for greater participation in cycling across the region. Two successful bids to the Department for Transport (DfT) for Cycle City Ambition Grant Fund (CCAG), secured £40 million for investment in high quality cycling and walking infrastructure across West Yorkshire and York. Further applications for funding through, for example, DfT's Cycling and Walking Grant, Cycle Safety Fund, Cycling and Walking to Work Fund and allocation of Local Transport Plan (LTP) funding increased the available budget to just over £59 million. Indicative approval has recently been granted for a further £14 million extension to the programme to deliver eight projects to be funded from the West Yorkshire plus Transport Fund and residual CCAG budget.
- 2.13 The full programme is branded as CityConnect and is being delivered in three phases:
- **Phase 1:** Leeds Bradford Cycle Superhighway – a 23km mostly segregated cycle route; implementation of 20mph zones along the Cycle Superhighway corridor; Leeds Liverpool Canal Towpath – towpath surface improvements between Kirkstall (Leeds) and Shipley.
 - **Phase 2:** Introduction of on-highway segregated cycle routes in Leeds City Centre; Canal Road in Bradford along with improvements to stretches of four canal towpaths and delivery of stretches of the Castleford to Wakefield greenway; Airedale (Leeds Liverpool); Calder Hebble; Huddersfield Narrow Canal; Rochdale Canal Phases 1 and 2; Significant surface upgrades to Castleford to Wakefield Greenway Phases 2 and 3 and installation of a new bridge over the Hallam railway line west of Castleford; Installation of a replacement shared-use bridge at Scarborough Bridge, York.
 - **Phase 3 (to be funded through West Yorkshire plus Transport Fund):** On-highway improvements in Leeds at Claypit Lane, Dewsbury Road, Elland Road; Huddersfield Town Centre; Surface upgrade to Castleford to Wakefield Greenway; improvements to canal towpaths: Leeds Liverpool Canal (Shipley); Huddersfield Narrow Canal (Phase 2); and Brighouse to Bradley (Cooper Bridge).
- 2.14 The programme includes comprehensive pre and post-scheme monitoring of pedestrian and cyclist levels for benefits realisation including user surveys, significant consultation, engagement and behaviour change programme to support new/improved infrastructure including work with local schools and

businesses. It also involves dedicated walking activity including work with community groups, schools and businesses.

- 2.15 Whilst there has been some slippage the programme is delivering within budget. Phase 1 schemes are all complete and operational, phase 2 schemes are either on site or complete with further completions due in the next two to three months. Cycling and walking levels show significant increases in places.
- 2.16 Phase 3 schemes are currently progressing through the assurance process. The Rochdale Phase 2 project has been approved for delivery and milestones for OBC/FBC submission have been produced for the other projects. The Phase 3 projects are currently within budget.

3 Financial implications

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

4 Legal implications

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

5 Staffing implications

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

6 External consultees

- 6.1 No external consultations have been undertaken.

7 Recommendations

- 7.1 It is recommended that the Investment Committee notes the progress made in implementing the Combined Authority Capital Programme including the Growth Deal and City Connect.

8 Background documents

- 8.1 None.

9 Appendices

Appendix 1 – Growth Deal Projects due to commence in 2019/20