
Report to: West Yorkshire and York Investment Committee

Date: 11 June 2019

Subject: **Capital Spending and Project Approvals**

Director: Melanie Corcoran, Director of Delivery

Author(s): Craig Taylor / Cath Pinn

1 Purpose of this report

- 1.1 To put forward proposals for the progression of, and funding for, a number of West Yorkshire Combined Authority supported projects, including West Yorkshire plus Transport Fund (Transport Fund) and Growth Fund, for consideration by the Investment Committee at stages 1, 2 and 3 of the Combined Authority's assurance process.
- 1.2 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 6 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 £118,815 million (plus a substantial private sector investment for Gain Lane Enterprise Zone) when fully approved, of which the total value of £82.858 million will be funded by the Combined Authority. Further details on the schemes are summarised below and can be found as part of this report.

<u>Scheme</u>	<u>Scheme description</u>
<p>Mirfield to Dewsbury to Leeds (M2D2L) Kirklees</p>	<p>The Mirfield to Dewsbury to Leeds (M2D2L) corridor forms a Key Route running through the heart of West Yorkshire and serving a direct catchment of around 600,000 residents as well as several existing and planned major employment, retail and housing sites.</p> <p>Initial work at this stage has identified a list of options which have forecasted values up to £37.250 million. These options will be shortlisted as part of the outline business case development in activity 3 to fit within the identified £13 million funding envelope (£12.5 million Combined Authority funding, £500,000 Leeds City Council Section 106 funding). This £13</p>

	<p>million prioritised package will constitute the Phase 1 of M2D2L, with any subsequent phases currently unfunded and to be the subject of separate business cases if a funding source is identified.</p> <p>Options include improvements to the highway including major and side-road junction upgrades, pedestrian crossings and footways, bus lanes and high quality stops, cycle tracks, and highway space reallocations.</p> <p><u>Impact</u></p> <p>The value for money (VfM) of a selection of individual intervention options has been initially estimated during feasibility work and estimated benefit cost ratios (BCRs) for scheme options range from 2:1 and above.</p> <p>Whilst at this stage sufficient data is not available to provide an informed BCR statistic for the cumulative M2D2L scheme, it is estimated that the full scheme BCR will be a high value for money rating as per DfT's criteria.</p> <p>The proposed M2D2L scheme provides a series of transport inventions within the public highway to improve travel opportunities, reliability and the local environment, which in turn promote development viability, access to jobs, education and services, and a step-change in health.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 2 (case paper) and for work to commence on activity 3 (outline business case).</p> <p>Total value: £13 million (Phase 1)</p> <p>Total value of Combined Authority funding: £12.5 million</p> <p>Funding recommendation sought: £325,000</p> <p>A recommendation to the Combined Authority is sought as part of this report.</p>
<p><u>Scheme</u></p> <p>South East Bradford Link Road (SEBLR)</p> <p>Bradford</p>	<p><u>Scheme description</u></p> <p>The South East Bradford Link Road (SEBLR) will deliver an improved transport corridor via the construction of a new road to the east of Holme Wood and north of the A650 Westgate Hill Street. The corridor will support housing and regeneration targets by unlocking growth sites and improving access to Holme Wood. It will also help address congestion on existing routes and contribute to improved connectivity in south east Bradford and neighbouring areas. The scheme will encourage Public Transport usage in the corridor.</p> <p>The scheme aligns to the strategic priorities within the Leeds City Region Strategic Economic Plan (SEP) by improving connectivity and network reliability in south east Bradford and unlocking land for future development. This scheme delivers infrastructure for growth and helps support growing businesses.</p> <p>The scheme will be funded from the West Yorkshire plus Transport Fund, however, Bradford Council will pursue third party/developer contributions for the scheme through discussions with developers and land owners.</p> <p><u>Impact</u></p>

	<p>At this stage (decision point 2) the value for money / benefit to cost ratio is unknown. This will be assessed during option appraisal at outline business case.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 2 and work commences on activity 3 (outline business case).</p> <p>Total value of scheme is up to £64.2 million.</p> <p>Total value of Combined Authority funding – £46.3 million</p> <p>Funding recommendation sought: £1.213 million (for development costs to OBC)</p> <p>A recommendation to the Combined Authority is sought as part of this report.</p>
<p><u>Scheme</u></p> <p>Halifax Living</p> <p>Calderdale</p>	<p><u>Scheme description</u></p> <p>The scheme will enable the development of up to 110 new homes at Cow Green, Halifax town centre and assess potential residential development sites in the Eastern Gateway area. It supports Priority 4 (Infrastructure for Growth) of the SEP and is funded by the Local Growth fund (LGF)</p> <p><u>Impact</u></p> <p>The scheme will enable the delivery of 110 new homes in a key town centre location, with a target of 30% affordable, and developing a pipeline of town centre housing schemes on key brownfield sites.</p> <p>The development of Cow Green has the potential to leverage over £17.5 million of private sector investment and generate up to 157 temporary construction jobs.</p> <p>The scheme will facilitate the delivery of new homes at a cost to the Combined Authority of £7,545 per home. This compares favourably with the average cost per new home (currently £13,907) across the Housing and Regeneration programme. Therefore, on this basis would appear to offer good value for money.</p> <p>The scheme will help to address low levels of house building across Calderdale, where the demand for new homes currently outstrips supply, and complement existing and planned schemes to revitalise the town centre and its transport infrastructure.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 3 and work commences on activity 5 (full business case with finalised costs).</p> <p>Total value - £18.387 million</p> <p>Total value of Combined Authority funding - £830,000</p> <p>Funding recommendation sought - £0</p> <p>A decision by the Investment Committee using the delegated authority from the Combined Authority is sought as part of this report.</p>

<p><u>Scheme</u></p> <p>City Connect Phase 3 Leeds</p> <p>Leeds</p>	<p><u>Scheme description</u></p> <p>The City Connect phase 3 programme builds on the work completed through phases 1 and 2, to develop a high quality, strategic, cycle and walking network to encourage more people to switch to travel by active modes, and make cycling the natural choice, especially for short journeys.</p> <p>The phase 3 programme comprises of eight schemes, with three of these schemes included in phase 3 Leeds:</p> <ul style="list-style-type: none"> • The 3km Elland Road Cycle superhighway • The 1.5km (each way) Dewsbury Road scheme • The 0.5km (each way) Claypit Lane scheme <p><u>Impact</u></p> <p>Scheme delivery is forecast to grow cycling trips in Leeds by 33% and improve access to employment, skills and education, especially in areas of economic and social deprivation.</p> <p>The scheme will also support delivery of social and health benefits, encouraging active mode travel and in the process reducing vehicle traffic on the roads, leading to decrease in carbon emissions and improved air quality.</p> <p>The value for money assessment presents a benefit cost ratio of 1.68:1, judging the scheme at outline business case as medium value for money.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 3 and work commences on activity 4 (full business case).</p> <p>Total value - £6.504 million</p> <p>Total value of Combined Authority funding - £6.504 million</p> <p>Funding recommendation sought - £15,000</p> <p>A decision by the Investment Committee using the delegated authority from the Combined Authority is sought as part of this report.</p>
<p><u>Scheme</u></p> <p>Gain Lane Enterprise Zone</p> <p>Bradford</p>	<p><u>Scheme description</u></p> <p>The scheme is to be delivered as part of the Leeds City Region Enterprise Zone (EZ) Programme which has an overarching objective of “unlocking, enabling, and accelerating site development to deliver local economic growth”.</p> <p>The City Region EZ programme is a package of EZ sites to be delivered across two phases:</p> <ul style="list-style-type: none"> • Phase 1 – East Leeds Enterprise Zone currently underway (Leeds City Council). • Phase 2 - Nine sites across the M62 EZ corridor (Bradford, Calderdale, Wakefield, and Kirklees Council). <p>Gain Lane, Bradford is a vacant site located 3.5 miles south east of Bradford city centre. The Gain Lane scheme seeks Local Growth funding to be approved for a private sector developer to support site access and infrastructure works including earthworks, retaining walls attenuation and</p>

	<p>connections to existing, landscaping and new access road to unlock the site.</p> <p><u>Impact</u></p> <p>The benefit cost ratio (BCR) is 8.58:1, judged to be very high value for money.</p> <p>The scheme as part of the wider EZ programme will deliver wider social benefits include helping people in an area of deprivation find jobs and develop new skills.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 3 and work commences on activity 5 full business case with finalised costs.</p> <p>Total value – Combined Authority funding plus substantial private sector investment</p> <p>Total value of Combined Authority funding – up to £9.877 million, subject to due diligence</p> <p>Funding recommendation sought - £0</p> <p>A recommendation to the Combined Authority is sought as part of this report.</p>
<p><u>Scheme</u></p> <p>West Yorkshire Combined Authority Head Office Accommodation Project</p> <p>Leeds</p>	<p><u>Scheme description</u></p> <p>To refurbish and modernise Wellington House and address a number of identified building condition issues, to maximise the office accommodation provided and as a result enable the City Exchange lease to be terminated and staff to be relocated to Wellington House.</p> <p><u>Impact</u></p> <p>To bring the organisation together and create fit for purpose facilities for staff, members, visitors and partners. In line with the approach adopted by partner councils in recent years, the accommodation project will deal with a clearly identified gap in terms of office quality and facilities, as well as a consolidation of offices</p> <p>Provide a highly accessible site to support partnership working.</p> <p>Future proof office accommodation to accommodate the future needs of the organisation – ideally with all head office staff at a single location.</p> <p>Supporting Clean Growth and active travel objectives through the provision of a more energy efficient building, PV panels and cycle facilities including parking and showers.</p> <p>Remove the need for City Exchange, with associated rental savings.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 4 (full business case) and for work to commence on activity 5 (full business case with finalised costs).</p> <p>Total value: £6.847 million</p> <p>Total value of Combined Authority funding: £6.847 million (approved budget for corporate projects)</p> <p>Funding recommendation sought: £0</p>

	A decision by the Investment Committee using the delegated authority from the Combined Authority is sought as part of this report.
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1.4 Since the Investment Committee’s meeting on 8 May 2019, the following decision points and change requests 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 £3.490 million has been approved.

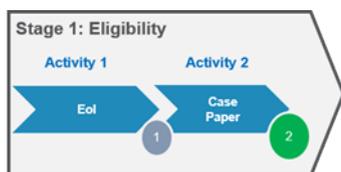
<p><u>Scheme</u> Project Lapwing Leeds</p>	<p><u>Scheme description</u> A £1 million grant to bring forward an investment in Leeds City Region</p> <p><u>Impact</u> Safeguarding 450 jobs and creating an additional 400 new jobs at city region level</p> <p><u>Decision sought</u> To proceed through decision point 5 (full business case with finalised costs) and proceed into activity 6 (delivery)</p>
<p><u>Scheme</u> Leeds City Region Growth Service Leeds City Region</p>	<p><u>Scheme description</u> Flexible business support service for the Leeds City Region’s larger SMEs, delivered by a team of 19 SME Growth Managers located within the City Region’s districts.</p> <p><u>Impact</u> Support of 690 SMEs to become more resilient, sustainable and productive</p> <p><u>Decision sought</u> To proceed through decision point 5 (full business case with finalised costs) and proceed into activity 6 (delivery)</p>
<p><u>Scheme</u> Garforth Rail Station Park and Ride Leeds City Region</p>	<p><u>Scheme description</u> The Garforth car park extension is part of the rail park and ride programme – a programme of car park extensions on rail station land owned by Network Rail or district partners, to meet increased user parking demand and enhance connectivity to, from and within West Yorkshire.</p> <p><u>Impact</u> Scheme delivery will comprise of an extension and reconfiguration of the car park, to deliver in total an additional 85 spaces (increasing total capacity from 252 to 337), a widened access to reduce vehicle congestion, and an enhanced pedestrian access to the platform.</p> <p><u>Decision sought</u> Activity 6 Change Request approved to enter into a Basic Asset Protection Agreement with Network Rail for £25,000. This is included in the overall scheme cost of £1,129,278.</p>

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.

Project Title	Mirfield to Dewsbury to Leeds (M2D2L)
Stage	1 (Eligibility)
Decision Point	2 (Case paper)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input 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

- 2.3 This first phase 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 Strategic Economic Plan.
- 2.4 The case for intervening was shown to be strong in respect of supporting planned strategic housing and employment sites, and in addressing pronounced inequality, deprivation and health issues in parts of the corridor. The delivery of better public transport services throughout is critical to overcoming these issues.

- 2.5 Significant sections of the A644, A638 and A653 are congested during the morning and afternoon peaks and often within the inter peak period, which also leads to poor bus service reliability and journey times along the corridor. Particular hotspots exist in Dewsbury Town Centre, Mirfield, Ravensthorpe and the approaches to Leeds and Tingley Roundabout (M62). Perpetual delays and unreliable journey times are inhibiting current labour movement and investment viability, and will exacerbate if left untreated. Increasing network congestion will also constrain the planned growth and development set out in the Kirklees and Leeds Local Plans, and Leeds City Region Strategic Economic Plan, including Dewsbury Riverside, Chidswell, Capitol Park, White Rose and Leeds South Bank.
- 2.6 The M2D2L scheme is complimentary, and has close benefit synergies, with a number of related major transport projects and programmes including the Trans Pennine Rail Upgrade, Cooper Bridge (A62/A644), North Kirklees Orbital Route, A6110 Leeds Outer Ring Road, Dewsbury Town Centre Strategic Development Framework, Leeds Public Transport Improvements (LPTIP) and Dewsbury Road and Elland Road 'CityConnect' cycle highways. The scheme has been jointly developed by both Leeds City Council and Kirklees Council.
- 2.7 Initial work at this stage has identified a long list of interventions which have forecasted values up to £37.250 million. These will be shortlisted and developed into a set of options as part of the outline business case development in activity 3. The scheme has an indicative allocation of £12.5 million Combined Authority funding and £500,000 Leeds City Council Section 106 funding. This £13 million prioritised package will constitute the Phase 1 of M2D2L, with any subsequent phases currently unfunded and to be the subject of separate business cases if a funding source is identified.
- 2.8 The 2016 mandate gained an approval of £210,000 of funding to progress to outline business case stage. The initial funding has been fully utilised and developed an expression of interest, with the request for an additional £325,000 to complete the outline business case. Despite the higher than usual costs to expression of interest stage (for a scheme of this value), Kirklees Council have developed more depth and range of information for the expression of interest than would usually be provided/available at this point. The submission is part way between expression of interest/strategic outline business case and outline business case in the level of information provided. Kirklees Council, as sponsors, need to manage within approved spend to develop an outline business case.
- 2.9 A summary of the scheme's business case and location map is included in **Appendix 2**.

Outputs, benefits and inclusive growth implications

- 2.10 The forecast outputs, benefits and inclusive growth implications are:
- To better manage congestion on the M2D2L corridor within the City Region- SEP period;

- To enhance public transport operations and infrastructure along the M2D2L corridor;
- To facilitate and support the growth in employment, housing and economy along the M2D2L corridor within current SEP and Kirklees and Leeds Local Plan periods;
- To improve the quality of the local environment and public realm to help support regeneration in Dewsbury Town Centre in line with Dewsbury Development Framework; and
- To reduce adverse impacts of transport on the environment and public health.

2.11 The value for money (VfM) of a selection of individual intervention options has been initially estimated during feasibility work using either comparator schemes or a basic TUBA (Transport User Benefits Analysis) assessment. Estimated benefit cost ratios (BCRs) for scheme options range from 2:1 and above. Whilst at this stage sufficient data is not available to provide an informed BCR statistic for the cumulative M2D2L scheme, it can be estimated (based on tests and independent advice) that the full scheme BCR will be a 'high' value for money rating as per the department of transport's (DfT's) criteria.

Risks

The key risks along with the mitigation are outlined below:

- Risk: Bus operators do not run the stated high speed, limited stop bus service. Mitigation: Early stakeholder engagement will be undertaken with bus operators on the feasibility and commercial terms of the stated high speed, limited stop bus service. Note, if the risk occurred, the scheme would still result in benefits for existing bus services, as shown in the assessment work.
- Risk: That the shortlisting exercise fails to identify which elements of the existing £37.250 million list of options will be included in Phase 1 to deliver the £13 million scheme with a good BCR by the outline business case decision point. Mitigation: That the existing list of options to a current value of £37.250 million undergo a shortlisting exercise and evaluation early in the outline business case development to ensure Phase 1 demonstrates value for money and has a BCR that is over 2:1.

Costs

- The scheme has indicative funding of £13 million. This is comprised of
 - £12.5 million Combined Authority contribution
 - £500,000 to be funded from Leeds City Council from the Section 106 fund
- The precise scope of the £13 million scheme will be finalised at outline business case (decision point 3) as part of the shortlisting exercise

- The Combined Authority funding contribution will be £12.5 million and will be funded from the West Yorkshire plus Transport Fund. The Combined Authority contribution is affordable within the West Yorkshire plus Transport Fund allocation for this scheme
- The Section 106 monies may be payable to Kirklees Council for the delivery of the Leeds element of the scheme depending how the project will be structured for delivery.
- An existing expenditure approval of £210,000 for development costs has now been fully utilised and developed an Expression of Interest. The promoter now seeks approval of a further £325,000 of development costs, £285,000 are development costs to outline business case (decision point 3) and £40,000 are accrued costs for additional expression of interest preparation costs. Development work has been to a greater level of development than required for an expression of interest which is why additional costs are required. This will take the total expenditure approval on the scheme to £535,000.
- This will take the total project approval to £535,000. This reflects 4% of total scheme costs.

Timescales

- Forecast decision point 3 approval (outline business case) - June 2020
- Forecast decision point 4 approval (full business case) - July 2020
- Forecast decision point 5 approval - (full business case with finalised costs) - October 2020
- Forecast start of construction – November 2020
- Forecast decision point 6 approval (end of construction) - 2022

Assurance pathway and approval route

Assurance pathway	Approval route
Decision point 2 (case paper)	Recommendation: Investment Committee Decision: Combined Authority
Decision point 3 (outline business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Investment Committee
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
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Assurance Tolerances

Assurance tolerances
The Combined Authority contribution should remain no higher than 10% of the costs set out in this report
That the timescales should remain within 3 months of the timescales set out in this report.

Project responsibilities

Senior Responsible Officer	Simon Taylor, Kirklees Council
Project Manager	Robert Stanley, Kirklees Council
Combined Authority case officer	James Bennett

Appraisal summary

- 2.12 Regarding the strategic case, the M2D2L corridor forms a key route running through the heart of West Yorkshire and serving a direct catchment of around 600,000 residents as well as several existing and planned major employment, retail and housing sites. The scheme has a strategic fit with Priority 4 of the SEP, Infrastructure for Growth, Transport infrastructure and services. Regarding the Economic Case, there are quite big ranges in the BCR values, but all are over 2 (which are considered high value for money).
- 2.13 Overall, there is a good strategic, commercial, economic and management case for the M2D2L scheme. The financial case is more challenging with an aspirational list of interventions which total £37 million, but an identified funding envelope of £13 million. A prioritisation exercise will now take place during the development of the outline business case stage in order to identify a deliverable scheme which is affordable within the available funding. The £13 million prioritised package will constitute the Phase 1 of M2D2L, with any subsequent phases currently unfunded and to be determined / seek a new approval.

Recommendations

- 2.14 That Investment Committee recommends to the Combined Authority that:
- (i) The M2D2L project proceeds through decision point 2 and work commences on activity 3 (outline business case).
 - (ii) An indicative approval of the Combined Authority's contribution of £12.5 million (which will be funded through the West Yorkshire plus Transport 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 will be £13

million, this will be funded from a Combined Authority contribution plus £500,000 from the Leeds City Council Section 106 fund)

- (iii) Costs of £325,000 are approved in order to progress the scheme to decision point 3 (outline business case) taking the total project approval to £535,000.
- (iv) The Combined Authority enters into an addendum to the existing funding agreement with Kirklees Council for additional expenditure of up to £325,000 from the West Yorkshire plus Transport Fund, taking the total funding agreement value to £535,000.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 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	South East Bradford Link Road (SEBLR)
Stage	1 (Eligibility)
Decision Point	2 (Case paper)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input 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

- 2.15 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.
- 2.16 The South East Bradford Link Road (SEBLR) will deliver an improved transport corridor via the construction of a new road to the east of Holme Wood and north of the A650 Westgate Hill Street. The corridor will support housing and regeneration targets by unlocking growth sites and improving access to Holme Wood. It will also help address congestion on existing routes and contribute to improved connectivity in south east Bradford and neighbouring areas. The scheme will encourage public transport usage in the corridor.
- 2.17 As part of the initial prioritisation work for the West Yorkshire plus Transport Fund, a corridor was identified between the end of Drighlington by-pass and Dick Lane. Further feasibility work has now been completed to identify potential alignment options, including Leeds / Bradford cross boundary routes and shorter routes contained wholly within Bradford that would help address existing transport and connectivity constraints and support housing growth plans.
- The scheme is of strategic significance and supports the aspirations of Bradford Council's (CBMDC) Local Plan including the target of delivering

6,000 homes in South East Bradford. Transport improvements along this corridor have the potential to unlock over 2,500 homes;

- The scheme will provide a transport corridor to help reduce traffic flows and delay on key routes. The scheme will also increase the resilience of the road network by providing additional capacity and route options.
- The scheme will reduce local traffic impacts, including air quality impacts, in neighbouring residential areas e.g. Holme Wood
- The scheme will support regeneration and economic development in Bradford and Leeds through addressing existing capacity constraints and improving connectivity to areas of employment including Bradford city centre and Leeds Bradford Airport

2.18 A summary of the scheme's business case and location map is included in **Appendix 3**.

Outputs, benefits and inclusive growth implications

2.19 The scheme aligns to the Strategic Economic Plan (SEP) strategic priorities by improving connectivity and network reliability in south east Bradford and unlocking land for future development. This scheme delivers infrastructure for growth and helps support growing businesses.

2.20 The following objectives, outputs and outcomes are a long list which will be evaluated as the scheme progresses through the assurance process. There will be more detail in the outline business case which will determine the best preferred option against these criteria.

2.21 SEBLR Objectives.

- Enable land to be unlocked to enable additional housing and employment sites to be delivered and to support wider economic development
- Provide enhanced reliability and predictability for journeys on the transport network;
- Provide improved journey times at key pinch points (including junction of A647 Leeds Road and Dick Lane, and junction of Tong Street and A651 Bradford Road);
- Provide additional route options and network resilience in south east Bradford; and
- Support improvements to quality of life factors in south east Bradford.

2.22 SEBLR Outputs (to be delivered by 2025)

2.23 A range of options are being developed which could provide:

- A new transport corridor to the east of Holme Wood and north of Westgate Hill providing additional route options for commuters and local journeys;

- Reductions in journey times across the range of options that include both strategic and shorter options contained within the district area, all of which support strategic housing.
- 2 new highway upgrades from the SEBLR to tie in with existing links in Holme Wood. This includes a potential new link to tie into Ned Lane and the upgrading of Raikes Lane;
- Complementary measures to discourage 'rat running' in Holme Wood;
- A new shared pedestrian / cycle route to run parallel to the SEBLR corridor, which can complement existing routes including the Leeds-Bradford Cycle Superhighway and which would connect with the SEBLR corridor at either Dick Lane or Bradford Road;
- Ecological mitigation and landscaping to enhance the quality of the environment, provide green infrastructure and provide a visual barrier alongside the alignment of the SEBLR.

2.24 SEBLR outcomes (to be delivered from 2025)

- Reductions in journey times and improved journey time reliability across all the long and short corridor options;
- Improved reliability on local and strategic routes to support housing growth and investment;
- Reductions in queue lengths at congested junctions in South East Bradford including junctions within the corridor associated with local and strategic trips;
- Improved network resilience with the corridor providing an alternative route when there are incidents on the strategic route network and major route network in south east Bradford;
- Improved journey time reliability for public transport services as a result of reduced congestion on existing links and potential use of the new transport corridor;
- Reductions in the number and severity of collisions on parallel routes;
- Improvements to air quality on congested links in the area; and
- Improvements to pedestrian access in the vicinity of Holme Wood.
- At this stage, the value for money / benefit to cost ratio is unknown. This will be assessed during option appraisal at outline business case.

Risks

2.25 As part of developing an outline business case, the risks associated with each potential option can be fully explored and potential mitigation understood. At this current decision point, the current key risks are;

- Planning approvals: The proposed alignment is on land currently designated as Green Belt. CBMDC is currently consulting on the methodology for a review of the Green Belt. The scheme and release of

housing is dependent on revisions to the Green Belt boundary and designation as part of the Local Plan. If the scheme does not proceed the funding agreement allows for grant funding to be clawed back and therefore repaid by CBMDC.

- Stakeholder acceptance: Delays in obtaining necessary stakeholder approvals to progress the scheme (e.g. Network Rail, Environment Agency, third party Approvals). This includes in relation to sections of the scheme that may cross into the administrative area of Leeds City Council. One of the options will consider an alignment of the road which is wholly within the CBMDC boundary which aims to mitigate any conflict in stakeholder positions.
- Public and political acceptability of proposals: potential impacts on Holme Wood area and Green Belt sensitivities. Effective customer engagement will be required to address the concerns of stakeholders and to manage the acceptability of the proposals.
- Environmental Approvals: Outcomes of any Environmental Impact Assessment including any unforeseen environmental approvals required to progress the scheme (e.g. flooding, air quality). These will be further explored as part of the outline business case and will help determine the preferred option.
- Land ownership: Delay and costs associated with land ownership which impact on construction. These will be further explored as part of the outline business case and will help determine the preferred option.

Costs

- 2.26 The total cost of the scheme, at this very early stage, ranges from £43.3 to £64.2 million. An indicative allocation of £46.3 million has been identified from the West Yorkshire plus Transport Fund. To date no match funding has been confirmed, however, CBMDC have stated they will pursue options for other sources of funding, including third party/developer contributions, for the scheme through discussions with developers and land owners relating to the urban extension enabled through the new link road, and other public sources.
- 2.27 An expenditure approval to be funded from the West Yorkshire plus Transport Fund of £1.213 million is now sought. This is in addition to the £91,000 previously approved, which will take the total expenditure approval to £1.304 million. The funding will be used to develop an outline business case at activity 3.
- 2.28 An addendum to the existing funding agreement will be required between the Combined Authority and the City of Bradford Metropolitan District Council for up to £1.213 million from the West Yorkshire Transport Fund.

Timescales

- Forecast decision point 3 approval (outline business case) – January 2021

- Forecast decision point 4 approval (full business case) – July 2022
- Decision point 5 (full business case with finalised costs) is anticipated in October 2022, with scheme construction from 2023-2025.
- Forecast decision point 6 approval (end of construction) – April 2025

2.29 Other significant milestones include consultation and publication of the green belt review and the Local Plan to be completed by winter 2021.

Assurance pathway and approval route

Assurance pathway	Approval route
Decision point 2 (case paper)	Recommendation: Investment Committee Decision: Combined Authority
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
That the Combined Authority contribution should remain up to 10% of the indicative budget identified within this report
That the project delivery timescale remains within three months of the timescales identified within this report
That the benefits to cost ratio of the project is at or above 2:1

Project responsibilities

Senior Responsible Officer	Julian Jackson, Bradford Council
Project Manager	Phil Wagstaff, Bradford Council
Combined Authority case officer	Sarah Ratcliffe

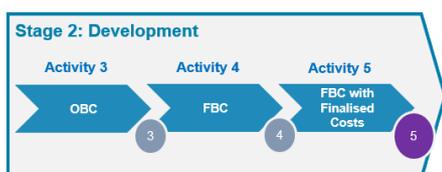
Appraisal summary

- 2.30 The strategic and commercial cases for the SEBLR appear to be robust. Transport improvements along this corridor have the potential to unlock over 2,500 homes, moreover the scheme has the capacity to support regeneration and economic development in Bradford and potentially Leeds through addressing existing capacity constraints and improving connectivity to areas of employment. However, there are a number of significant risks to the scheme that could have an impact on option development and potentially delivery. Progression of this scheme is dependent upon the outcome of the greenbelt review means. If the scheme does not progress, or is not forecast to deliver the housing and regeneration objectives, under the terms of the funding agreement the Combined Authority will be repaid, by CBMDC, any grant payments made.

Recommendations

- 2.31 That Investment Committee recommends to the Combined Authority that:
- (i) The South East Bradford Link Road scheme proceeds through decision point 2 and work commences on activity 3 (outline business case)
 - (ii) An indicative approval to a maximum Combined Authority's contribution of £46.3 million (which will be funded through the West Yorkshire plus Transport Fund) is given with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
 - (iii) Additional development costs of £1.213 million are approved in order to progress the scheme to decision point 3 (outline business case), taking the total project approval to £1.304 million.
 - (iv) The Combined Authority enters in to an addendum to the existing funding agreement with Bradford Council for expenditure of up to £1.304 million from the West Yorkshire plus Transport Fund
 - (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report, including at decision 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 outline in this report

Projects in Stage 2: Development



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

Project Title	Halifax Living
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

- 2.33 This scheme is funded through the Local Growth Fund (LGF). The purpose of this funding is to attract the next generation of jobs and deliver a step change to the growth of the City Region. The Growth Deal enables implementation of the priorities set out in the Strategic Economic Plan (SEP) including the development of housing and commercial sites, expansion of a skilled workforce, support to growing businesses, promotion of resource efficiency and investment in integrated transport (through the West Yorkshire plus Transport Fund).
- 2.34 This scheme forms part of the Housing and Regeneration programme. The objectives of this programme are to deliver commercial floor space and homes in the Leeds City Region and the LGF available to support this programme has to be spent by 31 March 2021.
- 2.35 The Halifax Living scheme will facilitate the development of up to 110 new homes on the 0.34 hectare (ha) Cow Green car park site in Halifax town

centre. It also involves an assessment of the potential to bring forward future residential development on a series of other sites in the town centre in the Eastern Gateway area, including at Cripplegate. The Combined Authority funding will be used to prepare the Cow Green site in Halifax Town Centre for housing development through remediation and enabling works and also to undertake feasibility studies on the Eastern Gateway, including Cripplegate.

- 2.36 The primary objective of the scheme is to bring forward the delivery of new homes in Calderdale to address identified housing need in the district, with a focus on the revitalisation of the town centre alongside other recent/planned transport and place making initiatives including the A629 Phase 2 scheme and the refurbishment of Northgate House.
- 2.37 The scheme supports Priority 4 (Infrastructure for Growth) of the SEP and Halifax Town Centre, as a designated Spatial Priority Area, is a focus for investment to maximise economic, housing and regeneration potential.
- 2.38 Calderdale had the lowest level of annual housing completions in West Yorkshire over the period 2010-2018, with a lack of suitable residential development sites in the district and ongoing market challenges - typically where the costs of residential development exceed their potential value in the market.
- 2.39 The focus of the scheme is two-fold;
- Cow Green - bridging the forecast funding requirements to facilitate the development of the Cow Green site for residential development by the private/third sector. Funding will be used for groundworks and remediation.
 - Eastern Gateway - assessing the residential development potential of a series of sites with the potential to establish a pipeline of future schemes. Funding will be used for detailed feasibility and land assessment.
- 2.40 The Cow Green site is owned by Calderdale Council and they intend to procure a development partner to deliver the new homes under the terms of a development agreement. This agreement will confirm the funding requirements for the scheme. The Combined Authority funding is intended to bridge this gap to enable the scheme to proceed. At that stage the Council may consider the disposal of the site to the development partner at below market value if this is required to ensure the scheme is viable. This approach has been adopted by the Council for other schemes, recognising the prevailing challenges associated with residential development on brownfield sites in the district.
- 2.41 Halifax Living received decision point 2 approval from the Combined Authority on 28 June 2018. That approval also included the remediation of the Beech Hill site, which has subsequently been brought forward as a separate scheme in the Combined Authority's Housing and Regeneration programme.
- 2.42 A summary of the scheme's business case and location map is included in **Appendix 4**.

Outputs, benefits and inclusive growth implications

- The forecast outputs, benefits and inclusive growth implications are:
- 0.34 hectares of brownfield land brought forward to housing development
- 110 new homes in a key town centre location with a target of 30% affordable
- 157 temporary construction jobs
- £17.557 million private sector investment
- Addressing low levels of housing completions across Calderdale and developing a pipeline of town centre housing schemes
- Enhancing and complementing existing and planned schemes to revitalise the town centre and associated infrastructure investment

Risks

2.43 The key pre and post-delivery risks to the scheme, focusing on the Cow Green element, and associated mitigating measures are:

- Procurement Risk: Failure to secure a development partner – mitigated by early market testing with potential development partners
- Funding Risk: Funding requirement exceeds Combined Authority funding – mitigated by the potential disposal of the Cow Green site to a development partner at below market value if this can be justified
- Demand Risk: Lack of market demand for new homes – mitigated by on-going market assessments which will underpin the scheme development appraisal put forward by the Council's development partner
- Funding/Programme Risk: LGF available to support this scheme has to be spent by 31 March 2021 – mitigated by an accelerated programme, agreed by Calderdale Council, including the submission of the scheme FBC plus costs by no later than January 2020.
- Benefits Risk: Failure to achieve 30% affordable new homes – mitigated by setting affordability targets in the tender process for the selection of a development partner by Calderdale Council.

Costs

2.44 The forecast total cost of the scheme is £18.387 million. The Combined Authority contribution sought at decision point 3 (outline business case) is £830,000. This is £66,000 higher than forecast at decision point 2 (28 June 2018) but is within the 10% tolerance approved at that time.

2.45 £780,000 of the grant sought will be used by Calderdale Council to fund the development of the Cow Green site and the remainder (£50,000) will fund the Eastern Gateway site assessments. The remaining scheme delivery costs (£17.557 million) will be met by the appointed development partner under the terms of a development agreement.

- 2.46 At this stage there is no additional public sector funding going into this project. Future requirement is dependent upon the successful developer partner bid. For example, land value/ capital receipt may be lower than best value which in effect would result in the Council subsidising the scheme (subject to Cabinet approval) or if additional grant is required then other public funding sources will be explored which could be Homes England (if appropriate funding programmes match the requirement) otherwise a request to the Council may need to be considered. Further detail on public sector intervention will be known when the full business case is submitted-scheduled for January 2020.

Timescales

- 2.47 Development partner procured – November 2019
- 2.48 Full business case with finalised costs (decision point 5) approval – January 2020
- 2.49 Planning approval – July 2020
- 2.50 Start of construction – November 2020
- 2.51 Construction completion (decision point 6) – March 2023

Assurance pathway and approval route

Assurance pathway	Approval route
Decision point 3 (outline 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
Decision point 6 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director

Assurance Tolerances

Assurance tolerances
<p>Combined authority costs should remain not more than the costs set out in this report</p> <p>The programme timescales should remain within 3 months of the timescales set out in this report</p> <p>Measurable benefits/outcomes should remain within 20% of the forecasts set out in this report</p>

Project responsibilities

Senior Responsible Officer	Karen Lythe, Calderdale Council
Project Manager	Steph Furness, Calderdale Council
Combined Authority case officer	Ian McNichol

Appraisal summary

- 2.52 The scheme promoter has presented a clear assessment of the strategic drivers for change and the need for public sector investment to bring forward the delivery of new homes on the Cow Green site and to develop a pipeline of future potential housing schemes in the Eastern Gateway.
- 2.53 The delivery of the new homes at Cow Green is dependent on the procurement of a development partner by Calderdale Council. Under the terms of a development agreement, the development partner will receive a grant of up to £780,000 from the Council to address the forecast funding requirements. The Council may consider the disposal of the site to the development partner at a price below open market value should the grant not be sufficient to bridge this gap.
- 2.54 The scheme will facilitate the delivery of new homes at a cost to the Combined Authority of £7,545 per home. This compares well with the average cost per new home (currently £13,907) across the Housing and Regeneration programme, and on this basis would appear to offer good value for money. Given the uncertainties over the economic appraisal of schemes of this nature further work will be required at decision point 5 to assess the potential economic benefits of the scheme, supported by a development agreement for the Cow Green site and an associated development appraisal which establishes the financial/delivery structure of the scheme and underpins the delivery of new homes in the timeframe required to meet the Growth Deal requirements.
- 2.55 The Eastern Gateway site assessments and feasibility studies could potentially help to establish a pipeline of schemes to deliver new homes elsewhere in the town centre and build on other recent and planned investment in sites and infrastructure including the A629 corridor improvements. However, there is no guarantee at this point that any scheme would come forward for delivery on any of these sites or that public funds would be available to support this if required.

Recommendations

- 2.56 That Investment Committee approves that:
- (i) The Halifax Living scheme proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).

- (ii) An indicative approval capped at £830,000 is given from the Local Growth Fund (Growth Deal 3) towards a total scheme cost of £18.387 million with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 (full business case with finalised costs) through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

Project Title	City Connect Phase 3 Leeds
Stage	2 (Development)
Decision Point	3 (Outline business case)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input 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

- 2.57 The scheme will be funded from the West Yorkshire plus Transport Fund and the Leeds Public Transport Investment Programme (LPTIP).
- 2.58 The Transport Fund is a £1 billion fund covering West Yorkshire and York, with objectives to enable key employment and housing development areas, helping 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 Strategic Economic Plan.
- 2.59 This scheme also forms part of the LPTIP £183.5 million programme, using devolved Department for Transport funding and contributions from Leeds City Council and the Combined Authority. This programme aims to support economic growth by unlocking transport constraints, improve public transport journey times and usage and improve health outcomes by reducing overall transport emissions.
- 2.60 The City Connect phase 3 programme builds on the work completed through phases 1 and 2, to develop a high quality, strategic, cycle and walking network to encourage more people to switch to travel by active modes, and make cycling the natural choice, especially for shorter journeys.
- 2.61 The City Connect programme is complementary to other schemes which support delivery of local and regional transport strategies and policies, including:
- The wider Leeds Public Transport Investment Programme (LPTIP) within which corridor and city centre gateway proposals are to deliver elements of cycling infrastructure to complement the overarching Leeds cycle network;

- The Corridor Improvement Programme (CIP) funded by the transport fund, and;
- The city centre Clean Air Zone to be introduced in January 2020.

2.62 The outline business case presented in this report brings forward three of these schemes, packaged as Phase 3: Leeds:

- The 3km Elland Road Cycle superhighway, a complete route from the football stadium and Park and Ride, linking areas of south Leeds to the city centre via Holbeck.
- The 1.5km (each way) Dewsbury Road scheme, a continuation of a road safety scheme to provide a missing link to existing segregated provision towards Middleton and direct link to employment areas.
- The 0.5km (each way) Claypit Lane scheme, linking the Sheepscar Junction with the Civic Quarter, to significantly upgrade the existing infrastructure that currently consists of an outbound cycle lane and an inbound substandard cycle track.

2.63 Delivery of the three schemes will fundamentally offer an uplift in the cycling environment and enhance the safety provision through segregated facilities including 6km of segregated cycle tracks, signalised junctions, continuous footway over junctions, modal filters at junctions, and signal controlled pedestrian and cycle crossings.

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

Outputs, benefits and inclusive growth implications

2.65 The scheme supports delivery of priority area 4 'Infrastructure for Growth' of the City Region Strategic Economic Plan, with enhanced cycling infrastructure improving access to employment, skills and education, especially in areas of economic and social deprivation.

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

- Delivery of 6km of high quality segregated cycle infrastructure.
- Grow number of cycle trips by 33% and make cycling the natural choice especially for shorter journeys.
- Make cycling more accessible to everyone through upgrading the quality of cycling infrastructure.
- Increase the cycling infrastructure and safety satisfaction rating from the current level of 5% for the Leeds Inner South Community area (from the 2016 Leeds Transport Conversation survey) to the average satisfaction level from this survey for Leeds as a whole of 39%.
- Improve access to employment, skills and education, especially in areas of social and economic deprivation, to achieve 70%+ modal share of sustainable transport in accessing schools and colleges.

- The value for money assessment presents a benefit cost ratio of 1.68:1, judging the scheme at outline business case as medium value for money based on the Department for Transport's criteria.
- The scheme will also support delivery of social and health benefits, encouraging active mode travel and in the process reducing vehicle traffic on the roads, leading to decrease in carbon emissions and improved air quality.

Risks

- Regulatory / Legal - including time needed to process Traffic Regulation Orders, traffic management and statutory undertakers work permits, and need for temporary bus stops, culminating in delay to the programme and possibly incur additional costs, to be funded from the Transport Fund or LPTIP programme. Mitigation: Leeds City Council are undertaking initial stakeholder engagement e.g. business frontages prior to public engagement and there will be a contingency available to address issues such as this.
- Partnership / Commercial - including cost escalation and contractual delays, impacting scheme affordability and deliverability within programme timescales. Mitigation: Procurement options are being explored now through Leeds City Council commercial team.
- Environmental - primarily concerning unchartered statutory undertakers utilities and contaminated land, which could impact on scheme costs and cause delay to the programme. Mitigation: Surveys being undertaken prior to final designs at construction phase, value engineering regarding stats are also to be undertaken.

Costs

- The City Connect phase 3 programme secured indicative approval of £14.824 million at decision point 2, at the Combined Authority meeting of 28 June 2018, with £14.424 million of this to be funded from the West Yorkshire plus Transport Fund. Within the programme approval, the phase 3 Leeds package based on initial cost estimates was allocated £7.985 million.
- The Leeds package has now come forward at outline business case (decision point 3), with a total scheme cost of £6.504 million, of which £6.14 million to be funded from the Transport Fund, and £360,000 from the Leeds Public Investment Programme (LPTIP). The total scheme cost reflects a reduction of £1.481 million, attributed to reduction in scope and adjustments to the initial design.
- The programme secured approval of £350,000 development costs through delegated approval from the Managing Director on 14 December 2018, to progress all eight schemes to outline business case, with £85,000 of this approval allocated to the Leeds package. This scheme now seeks approval of a further £15,000, taking total approval (via allocation to this scheme) to £100,000 to progress to full business with

finalised costs (decision point 5). Total development costs of £100,000 reflects 1.5% of total scheme costs.

Timescales

- Outline business case approval (decision point 3) - 11 June 2019
- Detailed design - July 2019
- Executive board report - July 2019
- Public consultation - August 2019
- Full business case approval (decision point 4) - August 2019
- Full business case with finalised costs approval (decision point 5) - January 2020
- Construction commence - February 2020
- Construction complete (decision point 6) - January 2021

Assurance pathway and approval route

Assurance pathway	Approval route
Decision point 3 (outline business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Investment Committee
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
That any scheme cost increase remains up to 10% of costs as set out in this report. That any programme delay remains within 3 months of timescales set out in this report.

Project responsibilities

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

Appraisal summary

- 2.67 The strategic drivers behind the City Connect phase 3 programme are well presented and clear, given phase 3 is fundamentally an extension to the City Connect phase 1 and 2 programme, with the promoter demonstrating the success already being realised on city connect cycle routes. This bodes well for the three Leeds schemes to be delivered in phase 3, with acknowledgement that full benefits will be realised once completion of the Leeds cycle network is accomplished, given elements of cycle infrastructure within Leeds are also being delivered through other projects, primarily through the LPTIP programme.
- 2.68 Demand for cycling in Leeds and the opportunity to encourage new cyclists is also evident through the commercial case, with scheme delivery and anticipated outputs well aligned to support local and regional transport strategies, as well as the City Region Strategic Economic Plan principles.
- 2.69 The financial case provides the required information as expected at outline business case, with phase 3 programme affordability also demonstrated - although it has been acknowledged the Leeds package is the first to come forward, with scheme costs for the other schemes still reflecting decision point 2 estimates at this stage.
- 2.70 The value for money assessment concludes a benefit cost ratio of 1.68:1, judging the scheme as a medium value for money investment, and given the nature of the scheme interventions and desired outputs, this would be a fair reflection.
- 2.71 At outline business case, it can be recommended the scheme progress to activity 4 full business case.

Recommendations

- 2.72 The Investment Committee through delegated approval approves:
- (i) The City Connect Phase 3 Leeds project proceeds through decision point 3 and work commences on activity 4 (full business case).
 - (ii) An indicative approval to the total project value of £6.504 million is given, with £6.14 million to be funded from the West Yorkshire plus Transport Fund, and £360,000 from the Leeds Public Transport Investment Programme (LPTIP), 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 £15,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs), taking the total project approval to £100,000.
 - (iv) The Combined Authority enters into an addendum to the existing funding agreement with Leeds City Council for expenditure of up to £100,000 from the Transport Fund.

- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

Project Title	Gain Lane Enterprise Zone
Stage	2 (Development)
Decision Point	3 (Outline business case)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input 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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	Paragraph 3	

Background

- 2.73 This scheme is funded through the Local Growth Fund. The purpose of this funding is to attract the next generation of jobs and deliver a step change to the growth of the City Region. The Growth Deal enables implementation of the priorities set out in the Strategic Economic Plan including the development of housing and commercial sites, expansion of a skilled workforce, support to growing businesses, promotion of resource efficiency and investment in integrated transport (through the West Yorkshire plus Transport Fund).
- 2.74 The Gain Lane Enterprise Zone forms part of the Leeds City Region Enterprise Zone Programme (City Region EZ), which is a package of Enterprise Zones (EZ) to be delivered in two phases across 10 sites in West Yorkshire. The programme will help to deliver additional employment across the Spatial Priority Areas and will facilitate the “acceleration of development and delivery of high quality employment floor space in the advanced and innovative manufacturing and complementary sectors” in alignment with partner councils’ Local Plans. Once built out, each Enterprise Zone site will generate business rates income for the Leeds Enterprise Partnership.
- 2.75 The principal aim of the EZ Programme is to achieve accelerated delivery of sites and high quality employment floor space and where a private sector developer partner is willing and able to take the scheme forward (subject to thorough legal and financial due diligence and progression through the Combined Authority’s assurance process) this should be maximised. The Combined Authority acts as the accountable body for the EZ Programme.
- 2.76 Due to its location being on the boundary between Leeds and Bradford, Gain Lane is seen as a key strategic location as it can serve the demands of business from both cities. Whilst it has been allocated for employment use

since 1993, the costs of redevelopment have always been prohibitive. The Bradford district also currently has a severe shortage of readily available modern single storey accommodation, which the development of the Gain Lane site will deliver.

- 2.77 The Gain Lane scheme is now presented at outline business case (decision point 3) and seeks to progress to full business case with finalised costs (decision point 5).
- 2.78 The Gain Lane scheme seeks approval for Growth Deal funds to be paid to a developer to support site access and infrastructure works including earthworks, retaining walls attenuation and connections to existing, landscaping and new access road to unlock the site. Given the restrictive access and topography of the site, currently makes site development challenging. Once developed it is anticipated the site will accommodate 29,404sqm of commercial floor space, capable of accommodating 8 units to deliver 550 jobs, generate £11,000,000 Gross Value Added (GVA) annually, and a business rate income of £900,000 per annum.
- 2.79 As part of the ongoing discussions with the developer, to ensure adequate security arrangements to protect public sector investments, the structure of the funding agreement will capture robust and reflective overage clauses to ensure the public sector investment is considered alongside that of the private sector. In addition to overage clauses, the funding agreement will ensure there are mechanisms for clawback linked to performance of delivery against agreed milestones.
- 2.80 The Combined Authority has introduced comprehensive financial due diligence processes whereby private sector organisations who are potential recipients of grant funding will need to complete assessments and provide company and personnel information in order that their financial standing and organisational structure are clarified and any areas of concern raised and mitigated. It is also proposed that a monitoring surveyor will be appointed in due course, to oversee the scheme, should the scheme be successful in securing approval at FBC+. The developer for the Gain Lane, Bradford OBC has completed the required assessment and the information received will be considered and evaluated as part of the Full Business Case submission to ensure any areas for additional security are incorporated into the Funding Agreement.
- 2.81 To ensure value for money is being considered and achieved throughout construction, the Combined Authority will implement an open book approach for delivery.
- 2.82 This project is commercially sensitive and confidentiality has been requested by the developer. Information has been provided as part of this report which was considered to be commercially sensitive. This information is provided at **Appendix 6**.
- 2.83 Initial State Aid advice has been sought in relation to the grant application and has determined that at this stage the grant application is compliant with the regulations.

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

Outputs, benefits and inclusive growth implications

2.85 The scheme will support delivery of Priority 4 'Infrastructure for growth' of the Leeds City Region Strategic Economic Plan.

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

- 29,404sqm of industrial floor space.
- Deliver 8 commercial units
- Create 550 jobs
- Generate £11 million GVA annually
- A business rate income of £900,000 per annum to the Leeds Enterprise Partnership once the site is fully occupied

2.87 The scheme will support the wider City Region EZ Programme objectives of:

- 750,000sqm of new industrial floor space
- Creation of 15,000 jobs
- 230 hectares of new employment land
- Up to £5 billion GVA by 2025
- The scheme's wider benefits include supporting residents within a deprived area of Bradford in finding new job opportunities and develop new skills.
- The development will provide high quality employment facilities and allow for new and expanding businesses. It will provide a platform within Bradford to attract innovative and underrepresented sectors to the City Region.

Risks

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

- Delay to the scheme due to delay in the relocation of power lines by Northern Power Grid (NPG). The developer has liaised directly with NPG to agree the designs and delivery programme for the relocation works. A wayleave agreement has been entered into and NPG will start works on site in the summer 2019.
- Unknown ground condition issues lead to higher development costs. The desktop study undertaken shows no issues but this will be reviewed through a further intrusive survey.
- Difficulty in finding occupants causing a reduction in rent expectations and slowdown of overall unit development programme. The developer

has good market intelligence on demand and will begin to market as soon as the site is viable.

2.89 Programme risk

- Need to ensure safeguarding of public funds when providing grants to private Enterprise Zone developers. This will be mitigated by the LEP Board endorsing the Combined Authority's Enterprise Zone approach; ensuring if profit higher than forecast grant funding can be repaid and a legal agreement with the developer including overage and clawback clauses.

Costs

- 2.90 The City Region EZ Programme was given decision point 2 (case paper) approval by the Combined Authority in December 2017 with an indicative Local Growth Fund allocation of £20 million, and £302,000 to fund project development costs of individual schemes to outline business case (decision point 3).
- 2.91 Following a 'Call for Projects' by the Combined Authority, the City Region EZ Programme was given approval in June 2018 for a further £24.939 million through over programming against the Local Growth Fund, with a further £1.541 million to fund project development costs of individual schemes to outline business case (decision point 3).
- 2.92 In addition, the programme has been allocated £75,000 of Ministry of Housing, Communities and Local Government Grant funding and £30,000 of other Combined Authority budget funding.
- 2.93 In summary, the City Region EZ Programme to date has secured indicative approval of £45.044 million from the Local Growth Fund, with £1.923 million towards project development costs.
- 2.94 The project costs can be summarised as:
- The Combined Authority will fund up to £9.877 million (26% intervention rate) from the Local Growth Fund, subject to further due diligence. A substantial private sector investment has been secured from the developer.
 - £1.923 million has already been secured for City Region EZ programme development costs. The programme does not seek any further development cost funding at this stage.

Timescales

- Outline business case decision point 3 - June 2019
- Full business case with finalised costs - September 2019
- Complete access road - May 2020
- Complete infrastructure works - July 2020

- Construct two speculative units - March 2021
- Complete remaining units - March 2025

Assurance pathway and approval route

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

Assurance Tolerances

Assurance tolerances
<p>Combined Authority costs should remain no more than 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

Senior Responsible Officer	Kate Thompson, Combined Authority
Project Manager	Private sector developer
Combined Authority case officer	Asif Abed

Appraisal summary

- 2.95 The strategic case for the Enterprise Zone (EZ) Gain Lain scheme has a clear fit with the Leeds City Region Strategic Economic Plan, specifically in delivery against Priority 4 'Infrastructure for Growth' - with the proposal to complete site access and infrastructure works supporting the overarching EZ Programme objective of "unlocking, enabling, and accelerating site development". This will allow opportunity for the delivery of high quality employment floor space in the advanced and innovative manufacturing and complementary sectors, supporting local economic growth.
- 2.96 The economic case could be enhanced with a further sensitivity analysis undertaken, with inclusion of results to demonstrate the scheme still offers a good value for money assessment under a less ambitious scenario. The current benefit cost ratio of 8.58:1 is based on best case assumptions.
- 2.97 A policy approach to funding private sector schemes for the EZ Programme as a whole has been agreed at the Local Enterprise Partnership (LEP) Board meeting on 26th March 2019. In collaboration with colleagues in Policy, the EZ

delivery team have secured LEP Board endorsement to a set of principles and parameters which allow for accelerated delivery of the EZ Programme.

- 2.98 These principles and parameters acknowledged a number of the EZ sites are constrained by a range of physical challenges and market failures. The impact on delivery and distortions to the operations when market failure is present, provide the rationale for the public sector to intervene.
- 2.99 The developer will be the delivery lead and will manage all aspects of contract and project management, with reserved planning matters approval to be overseen by Bradford and Leeds City Council. For day to day management, a dedicated wider EZ Programme team has been established within Combined Authority.
- 2.100 The scheme will continue reporting to the EZ Programme Board for strategic direction and decision making, chaired by the Senior Responsible Officer, with an EZ Project Board also established to provide an open forum for supportive discussions with the partner councils, chaired by the Combined Authority EZ programme manager.
- 2.101 Traditionally, the Combined Authority has in the main, engaged with the private sector on capital and construction based schemes, through funding on a 'Loans first' principal. This option has been considered on the Gain Lane, Leeds City Region EZ Programme, yet, the nature of the sites in terms of access, utility and topography challenges, the development appraisal viability and market demand present delivery challenges. These issues impact on the attractiveness and profit levels that the private sector developer would expect to secure which effectively removes the ability to generate sufficient profit and return that could meet loan repayment obligations.
- 2.102 Alternative options and delivery scenarios were considered for the Gain Lane site, yet, in reflection of the identified site challenges there remains a considerable risk to the City Region EZ Programme, that without the ability to grant fund project viability gaps as per the request under this outline business case, delivery will not be achieved. An external independent assessment of the development appraisal and cost plan of the Gain Lane scheme has concluded that the majority of the assumptions are reasonable and the level of grant request is justified, albeit further due diligence will be undertaken to determine the actual level of grant applicable.
- 2.103 To ensure appropriate and thorough financial due diligence principals are developed and undertaken along with the approach towards grants for the EZ programme, a paper identifying options to consider a new LEP Grant to provide grant / 'returnable investment' support to the private sector on projects with a demonstrable viability gap as a funding option for the Leeds City Region Enterprise Zone Programme (EZ) was presented to, and the approach was endorsed by, the LEP Board on 26th March 2019.

Recommendations

- 2.104 That Investment Committee recommends to the Combined Authority that:

- (i) The Enterprise Zone Gain Lane project proceeds through decision point 3 (outline business case) and work commences on activity 5 (full business case with finalised costs).
- (ii) An indicative approval of up to £9.877 million for the Combined Authority contribution to the scheme (subject to finalised due diligence) is given from the Local Growth Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 through a delegation to the Investment Committee 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	West Yorkshire Combined Authority Head Office Accommodation Project
Stage	2 (Development)
Decision Point	4 (Full business case)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input 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

2.105 The West Yorkshire Combined Authority and the Local Enterprise Partnership (LEP) are currently delivering a 'Transformation Programme'. This is a corporate change programme to create a unified Authority with a strong identity to:

- Deliver innovative, high quality projects and services collectively and cost effectively
- Demonstrate excellence in successful partnering and be a beacon in governance
- Ensure inclusive growth across our region
- Strengthen our reputation as a globally recognised economy.

2.106 In order to achieve these ambitions, the Transformation Programme is delivering a series of projects to address strategic and practical issues and this includes an accommodation project which aims to resolve the organisation's increasing accommodation challenges.

2.107 The accommodation project aims to bring the organisation together and create fit for purpose facilities for staff, members, visitors and partners. In line with the approach adopted by partner councils in recent years, the accommodation project will deal with a clearly identified gap in terms of office quality and facilities, as well as a consolidation of office buildings.

2.108 At present the majority of the Combined Authority's staff (excluding staff based on the transport network itself) are housed across two sites in central Leeds:

- Wellington House – which is in the ownership of the Combined Authority and accommodates 372 staff
- City Exchange – which is leased and which accommodates 51 staff. The lease is due to expire in May 2020.

2.109 This arrangement does not support the ambition to create a unified and integrated organisation. While it makes financial sense to accommodate all staff into the Wellington House building, this is not currently possible based on the current office configuration and facilities. The following key problems with the Wellington House site have also been identified:

- Poor quality of reception area and meeting room offer
- Sub-standard quality of office facilities generally which does not reflect the values and aspirations of the organisation and is perpetuating old cultures
- Building condition issues which have been identified through a condition survey undertaken in September 2016
- Inefficiency in terms of energy usage and a shortfall in 'green' credentials
- Internal layouts currently preclude the co-location of Directorates and teams arising through the organisational restructure
- Insufficient facilities for increased staff numbers e.g. ICT network, ventilation, toilet, shower, kitchen and cycle facilities
- Accessibility issues including sub-standard lifts which are unable to deliver full accessibility

2.110 In June 2017 a report was presented to Combined Authority Members setting out a range of head office accommodation options for the Combined Authority. The Combined Authority Members indicated their preference for a scheme which would refurbish and modernise Wellington House, maximise the office accommodation provided and as a result enable City Exchange staff to be relocated to the new offices.

2.111 A feasibility study was completed in February 2018, which informed the options appraisal of the outline business case. The selected preferred option was to fully refurbish Wellington House and as part of the construction contract address a number of identified building condition issues with a view to remaining in the building for the next c.15 years. At this point the Combined Authority should reassess the value of Wellington House following the arrival of HS2 and consider whether it continues to be fit for purpose as the Combined Authority's Head Office.

2.112 In June 2018 the Combined Authority approved the outline business case. Members were of the view that there are key wider benefits of the scheme in relation to the advantage of holding a central Leeds location which is readily accessible to be able to host key committee and partner meetings and to assist in attracting inward investment to the city region. Since then, further detailed design work has been undertaken on the preferred option and the

scheme cost is £6.847 million. By the time of the committee meeting, tenders for the scheme will have been received and evaluated and a verbal update will be given.

2.113 A summary of the scheme's business case is included in **Appendix 8**.

Outputs, benefits and inclusive growth implications

- Provide office accommodation that supports the changing culture of the organisation – a look and feel that is in line with the Combined Authority's values, including significant improvements to the quality of reception area and meeting room offer
- Provide a highly accessible site to support partnership working
- Future proof office accommodation to accommodate the future needs of the organisation – ideally with all head office staff at a single location
- Improved standard of building facilities available to employees and visitors, including delivering full accessibility and sufficient facilities for increased staff numbers e.g. ICT network, ventilation, toilet, shower, kitchen and cycle facilities
- Provide Grade B standard office accommodation and a high quality meeting room suite and informal meeting spaces
- Resolve the more urgent building condition issues
- Support Clean Growth and active travel objectives through the provision of a more energy efficient building, photo voltaic (PV) panels and cycle facilities including parking and showers
- Provide accommodation which facilitates the business change of flexible working, an 8:10 desk sharing and internal layouts that allows the co-location of Directorates and teams
- Remove the need for City Exchange, with associated rental savings
- Minimise costs as far as reasonable based on these objectives

Risks

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

- Risk: That the scheme experiences further cost increases. Mitigation: The contract is being let as a fixed price contract (NEC) with an NEC project manager working to defined change control procedures. All condition surveys have been completed, which also significantly minimises the risk of unforeseen cost events
- Risk: That phased construction will impact and/or disrupt staff/business during construction. Mitigation: The tender documentation makes it clear that Wellington House will be a 'live' building and that works will need to be accommodated in line with a prescribed method statement. The contract has been let on a 40:60 quality:price basis

- Risk: That there is a lack of meeting room space over the 12 month works period. Mitigation: The key Committee Room will remain in operation for all but 16 weeks of the works period. Flexible working utilising partner office facilities will be in operation as required.
- Risk: Noise and nuisance to neighbouring businesses, including the Metropole Hotel and the West Riding public house. Mitigation: Covered through the tender award. Works will be undertaken within the bounds of the considerate contractors scheme and engagement has taken place with neighbours.

Costs

2.115 The total forecast scheme cost at full business case (decision point 4) is £6.847 million,

2.116 This reflects a scheme cost increase of £905,000 (or 15%) from the indicative estimate of £5.942 million at decision point 3. This increase can be attributed to the introduction of PV panels (which have an associated cost offset through future energy bills) and due to the refinement of cost estimates through more detailed design work.

2.117 This scheme has been allocated £375,000 of development costs to progress to outline business case (decision point 3). No further development costs are being sought.

Timescales

- Forecast decision point 4 approval (full business case) - June 2019
- Forecast decision point 5 approval - (full business case with finalised costs) – July 2019
- Forecast start of construction – August 2019
- Forecast decision point 6 approval (end of construction) – December 2020

Assurance pathway and approval route

Assurance pathway	Approval route
Decision point 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
Decision point 6 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team

	Decision: Combined Authority's Director of Delivery
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Assurance Tolerances

Assurance tolerances
The scheme costs should remain no more than 10% of 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	Angela Taylor
Project Manager	Phil Davies (Turner & Townsend)
Combined Authority case officer	Dave Haskins

Appraisal summary

- 2.118 A comprehensive overview of the strategic drivers for investment have been set out.
- 2.119 Whilst there is uncertainty around the future role and function of the Combined Authority (in respect of devolution), a clear case has been made for the need to provide higher standard and modernised accommodation. This project is critical to enable more effective and efficient working by staff, which will be achieved in conjunction with the benefits offered by the parallel programme of ICT investment.
- 2.120 Based on the economic case presented, the refurbishment of Wellington House has emerged as the most financially sustainable option (bar the do-nothing and do-minimum options which do not meet the project objectives).
- 2.121 A pre-tender estimate has been undertaken which includes a detailed breakdown of scheme costs. By the time of the committee meeting, tenders for the scheme will have been received and evaluated and a verbal update will be given.
- 2.122 The scheme costs are £6,847,143, some 15% higher than at DP3. This increase can be attributed to a combination of attaining greater cost certainty plus the addition of a PV system.
- 2.123 Project management resource is being provided through a mixture of an external consultant Project Manager and an in-house Project Officer. A project team has also been put in place that includes ICT, Facilities and Assets, legal and procurement.
- 2.124 A design team has been procured, who have significant experience in this type of project within a Local Authority organisation.

Recommendations

2.125 That Investment Committee approves that:

- (i) The West Yorkshire Combined Authority Head Office Accommodation project proceeds through decision point 4 and work commences on activity 5 (full business case with finalised costs).
- (ii) An indicative approval to the total project cost of £6.847 million is given. This will be funded entirely by the Combined Authority (from the approved budget for Corporate Projects), with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Future approvals are made in accordance with the assurance pathway and approval route set out in this report following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

Projects in Stage 3: Delivery and Evaluation



2.126 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

- 2.127 Since Investment Committee's meeting in May 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.

Project Lapwing

- 2.128 This project is a grant application to the Strategic Inward Investment Fund for £1 million to bring forward an investment in Leeds City Region. The project will enable a financial services organisation to consolidate their UK sites within central Leeds, safeguarding 450 jobs and creating an additional 400 new jobs at city region level. The scheme received decision point 2 (case paper) approval from the Combined Authority on 13 December 2018. The scheme has remained within the tolerances set at decision point 2 and as a result this decision point 5 approval (full business case with finalised costs) and expenditure approval of a £1 million grant was made through delegation to the Combined Authority's Managing Director on 26 April 2019.

Leeds City Region Growth Service

- 2.129 This scheme will deliver a dedicated, flexible business support service for the Leeds City Region's larger SMEs. The support will be delivered by a team of 19 SME Growth Managers as a key component of the Leeds City Region Growth Service. The Growth Managers will be located within the City Region's districts and employed by the local authorities. They will provide information, diagnosis and brokerage function for their clients. The scheme received decision point 2 (case paper approval) from the Combined Authority on 25 April 2019. The scheme received decision point 5 approval (full business case with finalised costs) on the 10 May 2019 and will now proceed into activity 6 (delivery). The scheme has remained within the tolerances set at decision point 2 and as a result this decision point 5 approval (full business case with finalised costs) was made through delegation to the Combined Authority's Managing Director on 26 April 2019. This approved the total project cost of £3,401,756, and the Combined Authority contribution of £2,465,413 (which will be funded through £764,535 - BEIS Growth Hub funding, £1,700,878 - ESIF). The remaining contribution £936,343 will be funded by Leeds City Region partner councils.

Garforth Rail Station Park & Ride

- 2.130 This change request is related to the Garforth Rail Station park and ride scheme which extends and re-configures the existing Network Rail car park to create additional parking spaces with CCTV, drainage and low energy lighting and a widened access point with improved pedestrian walkway. This change request approved is to enter into a Basic Asset Protection Agreement (BAPA)

with Network Rail to the value of £25,000 to be funded from the West Yorkshire plus Transport Fund. This is included in the overall scheme costs of £1.129 million. This change request was approved through the delegation to Managing Director on 26 April 2019.

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.
- 4.2 The information contained in **Appendix 6** is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the content of the appendix as exempt outweighs the public interest in disclosing the information as publication could prejudice current and future decision making.

5 Staffing implications

- 5.1 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

Mirfield to Dewsbury to Leeds (M2D2L)

- 7.1 That Investment Committee recommends to the Combined Authority that:
- (i) The M2D2L project proceeds through decision point 2 and work commences on activity 3 (outline business case).
 - (ii) An indicative approval of the Combined Authority's contribution of £12.5 million (which will be funded through the West Yorkshire plus Transport 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 will be £13 million, this will be funded from a Combined Authority contribution plus £500,000 from the Leeds City Council Section 106 fund)

- (iii) Costs of £325,000 are approved in order to progress the scheme to decision point 3 (outline business case) taking the total project approval to £535,000.
- (iv) The Combined Authority enters into an addendum to the existing funding agreement with Kirklees Council for additional expenditure of up to £325,000 from the West Yorkshire plus Transport Fund, taking the total funding agreement value to £535,000.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 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.

South East Bradford Link Road (SEBLR)

7.2 That Investment Committee recommends to the Combined Authority that:

- (i) The South East Bradford Link Road scheme proceeds through decision point 2 and work commences on activity 3 (outline business case)
- (ii) An indicative approval to a maximum Combined Authority's contribution of £46.3 million (which will be funded through the West Yorkshire plus Transport Fund) is given with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Additional development costs of £1.213 million are approved in order to progress the scheme to decision point 3 (outline business case), taking the total project approval to £1.304 million.
- (iv) The Combined Authority enters in to an addendum to the existing funding agreement with Bradford Council for expenditure of up to £1.304 million from the West Yorkshire plus Transport Fund
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report, including at decision 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 outline in this report

Halifax Living

7.3 That Investment Committee approves that:

- (i) The Halifax Living scheme proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).
- (ii) An indicative approval, capped at £830,000 is given from the Local Growth Fund (Growth Deal 3) towards a total scheme cost of £18.387

million with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).

- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 (full business case with finalised costs) through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

City Connect Phase 3 Leeds

7.4 The Investment Committee through delegated approval approves that:

- (i) The City Connect Phase 3 Leeds project proceeds through decision point 3 and work commences on activity 4 (full business case).
- (ii) An indicative approval to the total project value of £6.504 million is given, with £6.14 million to be funded from the West Yorkshire plus Transport Fund, and £360,000 from the Leeds Public Transport Investment Programme (LPTIP), 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 £15,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs), taking the total project approval to £100,000.
- (iv) The Combined Authority enters into an addendum to the existing funding agreement with Leeds City Council for expenditure of up to £100,000 from the Transport Fund.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

Gain Lane Enterprise Zone

7.5 That Investment Committee recommends to the Combined Authority that:

- (i) The Enterprise Zone Gain Lane project proceeds through decision point 3 (outline business case) and work commences on activity 5 (full business case with finalised costs).
- (ii) An indicative approval of up to £9.877 million for the Combined Authority contribution to the scheme (subject to finalised due diligence) is given from the Local Growth Fund towards a total scheme cost of £37.604 million with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).

- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 through a delegation to the Investment Committee 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.

West Yorkshire Combined Authority Head Office Accommodation Project

7.6 That Investment Committee approves that:

- (i) The West Yorkshire Combined Authority Head Office Accommodation project proceeds through decision point 4 and work commences on activity 5 (full business case with finalised costs).
- (ii) An indicative approval to the total project cost of £6.847 million is given. This will be funded entirely by the Combined Authority (from the approved budget for Corporate Projects), with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Future approvals are made in accordance with the assurance pathway and approval route set out in this report following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

8 Background documents

8.1 None as part of this report.

9 Appendices

Appendix 1 - Background to the report

Appendix 2 - Mirfield to Dewsbury to Leeds (M2D2L) business case summary

Appendix 3 - South East Bradford Link Road (SEBLR) business case summary

Appendix 4 - Halifax Living business case summary

Appendix 5 - City Connect Phase 3 Leeds business case summary

Appendix 6 - Gain Lane Enterprise Zone (EXEMPT APPENDIX)

Appendix 7 - Gain Lane Enterprise Zone business case summary

Appendix 8 - West Yorkshire Combined Authority Head Office Accommodation Project business case summary