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**Report to:** West Yorkshire Combined Authority

**Date:** 27 June 2019

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

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

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## **1 Purpose of this report**

- 1.1 To put forward proposals for the progression of, and funding for, a number of West Yorkshire Combined Authority supported projects, including West Yorkshire plus Transport Fund (Transport Fund) and Growth Deal, for consideration by the Combined Authority's assurance process.
- 1.2 The schemes being considered today were recommended by the West Yorkshire and York Investment Committee (the Investment Committee) on 8 May 2019, the remainder from 11 June 2019 Investment Committee.
- 1.3 In December 2018, the Combined Authority amended the terms of reference of the Investment Committee to provide for the Committee to make any decision to progress a scheme under the Leeds City Region Assurance Framework, in accordance with the scheme's bespoke approval pathway and approval route (subject to an exception relating to exceeding the cumulative total of the financial approval and tolerance levels agreed by the Combined Authority by more than 25%). This report includes information on the exercise of the Investment Committee's new delegated decision making role. Decisions made by Investment Committee which are for the Combined Authority's information, and those requiring an approval decision by the Combined Authority, will be made clear in this report through being highlighted in the summary table and the recommendations where applicable.
- 1.4 This report presents proposals for the progression of 4 schemes, which have been recommended for approval by the West Yorkshire and York Investment Committee and considered in line with the Leeds City Region Assurance Framework. These schemes have a total combined funding value of £95.982 million when fully approved, of which £77.582 million will be funded by the Combined Authority. A total expenditure recommendation to the value of £1.538 million is sought as part of this report for the development and delivery

of these schemes. Further details on the schemes summarised below can be found as part of this report.

<p><b><u>Scheme</u></b></p> <p><b>Mirfield to Dewsbury to Leeds (M2D2L)</b></p> <p>Kirklees</p> <p>(June Investment Committee)</p>	<p><b><u>Scheme description</u></b></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 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><b><u>Impact</u></b></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 interventions 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><b><u>Decision sought</u></b></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><b><u>Scheme</u></b></p> <p><b>South East Bradford Link Road (SEBLR)</b></p> <p>Bradford</p> <p>(June Investment Committee)</p>	<p><b><u>Scheme description</u></b></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</p>

	<p>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><b><u>Impact</u></b></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><b><u>Decision sought</u></b></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><b><u>Scheme</u></b></p> <p><b>Gain Lane Enterprise Zone</b></p> <p>Bradford</p> <p>(June Investment Committee)</p>	<p><b><u>Scheme description</u></b></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"> <li>• Phase 1 – East Leeds Enterprise Zone currently underway (Leeds City Council).</li> <li>• Phase 2 - Nine sites across the M62 EZ corridor (Bradford, Calderdale, Wakefield, and Kirklees Council).</li> </ul> <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 connections to existing, landscaping and new access road to unlock the site.</p> <p><b><u>Impact</u></b></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><b><u>Decision sought</u></b></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><b><u>Scheme</u></b></p> <p><b>Transport Hubs and Connecting Communities</b></p> <p>Leeds</p> <p>(May Investment Committee)</p>	<p><b><u>Scheme description</u></b></p> <p>The Transport Hubs Improvements and Public Transport Access schemes are a part of the Transport Hubs and Connecting Communities work stream of the Leeds Public transport Investment Programme (LPTIP)</p> <p>The schemes will upgrade or create new facilities to improve the waiting environment and travel information offer, as well as enhancing connections within and between other public transport hubs and communities by improving walking and cycling links.</p> <p>The scheme is funded through the Leeds Public Transport Investment Programme (LPTIP), which seeks to address connectivity challenges the City Region faces, constraining economic growth.</p> <p><b><u>Impact</u></b></p> <p>The scheme currently demonstrates a benefit cost ratio of 2.33:1 judged as high value for money.</p> <p>The scheme’s wider social benefits include health benefits by encouraging active mode travel and improved air quality through anticipated reduction in traffic congestion, and a better quality of life with improved access to public transport and subsequently to communities / jobs within the City Region, and more attractive waiting environments.</p> <p><b><u>Decision sought</u></b></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 - £8.905 million</p> <p>Total value of Combined Authority funding - £8.905 million</p> <p>Funding recommendation sought - £0 (approval of £850,000 development costs secured at decision point 2)</p>

1.5 The Combined Authority’s assurance framework requires that formal approval is given to the following elements of a scheme as part of its development:

- The progression of a scheme through a decision point to the next activity.
- Indicative or full approval to the total value of the scheme funding requested.

- The Combined Authority's entry into a funding agreement with the scheme's promoter.
- The assurance pathway and approval route for future decision points.
- The scheme's approval tolerances.

1.6 This report provides information required to enable the Combined Authority to approve each of the above elements.

1.7 Since the Combined Authority's meeting on 25 April 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 Investment Committee.

<p><b><u>Scheme</u></b></p> <p><b>City Connect Phase 3 Leeds</b></p> <p>Leeds</p> <p>(June Investment Committee)</p>	<p><b><u>Scheme description</u></b></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"> <li>• The 3km Elland Road Cycle superhighway</li> <li>• The 1.5km (each way) Dewsbury Road scheme</li> <li>• The 0.5km (each way) Claypit Lane scheme</li> </ul> <p><b><u>Decision</u></b></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><b><u>Scheme</u></b></p> <p><b>Halifax Living</b></p> <p>Calderdale</p> <p>(June Investment Committee)</p>	<p><b><u>Scheme description</u></b></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><b><u>Decision</u></b></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><b><u>Scheme</u></b></p> <p><b>West Yorkshire Combined Authority Head Office Accommodation Project</b></p> <p>Leeds</p> <p>(June Investment Committee)</p>	<p><b><u>Scheme description</u></b></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><b><u>Decision sought</u></b></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>
<p><b><u>Scheme</u></b></p> <p><b>Garforth Rail Station Car Park Extension</b></p> <p>Leeds</p> <p>(May Investment Committee)</p>	<p><b><u>Scheme description</u></b></p> <p>The Garforth car park extension scheme is part of the rail park &amp; 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>The scheme will be funded through the West Yorkshire plus Transport Fund.</p> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 5 (full business case with finalised costs) and for work to commence on activity 6 (delivery).</p> <p>Total value - £1.129 million</p> <p>Total value of Combined Authority funding - £1.129 million</p> <p>Funding recommendation sought - £1.059 million (£700,000 previously approved)</p>

## 2 Approval of revised approval route - Delegation sought to the Investment Committee

- 2.1 In addition to decisions relating to the above schemes, a sub-delegation is sought from the Combined Authority to the Investment Committee in relation to Wakefield City Centre Package Phase 2 Ings Road scheme.

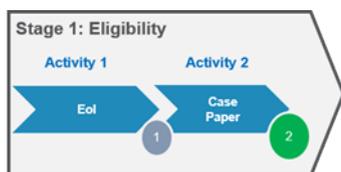
## 3 Information

- 3.1 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**.
- 3.2 Location maps for each of the schemes presented in this report (where applicable) are provided in **Appendix 2**.

3.3 All the schemes set out in this section of the report have been considered by the Investment Committee either in May or June 2019.

## Programmes and projects for consideration

### Projects in stage 1: Eligibility



- 3.4 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.

<b>Project Title</b>	<b>Mirfield to Dewsbury to Leeds (M2D2L)</b>
<b>Stage</b>	1 (Eligibility)
<b>Decision Point</b>	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**

- 3.5 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.
- 3.6 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.

- 3.7 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.
- 3.8 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.
- 3.9 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.
- 3.10 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.

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

- 3.11 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.

3.12 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

## 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

- 3.13 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).
- 3.14 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

- 3.15 That the Combined Authority approves 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.

<b>Project Title</b>	<b>South East Bradford Link Road (SEBLR)</b>
<b>Stage</b>	1 (Eligibility)
<b>Decision Point</b>	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

- 3.16 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.
- 3.17 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.
- 3.18 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

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

3.19 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.

3.20 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.

3.21 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.

3.22 SEBLR Outputs (to be delivered by 2025)

3.23 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.

### 3.24 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**

3.25 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**

- 3.26 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.
- 3.27 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.
- 3.28 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 £1.304 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

3.29 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

3.30 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

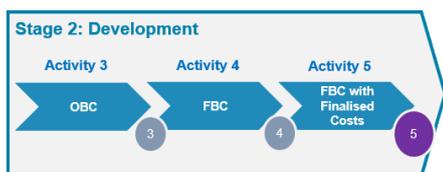
and economic development in Bradford and potentially Leeds through addressing existing capacity constraints and improving connectivity to areas of employment. However, there are a number of significant risks to the scheme that could have an impact on option development and potentially delivery. Progression 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**

3.31 That the Combined Authority approves 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



- 3.32 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.

<b>Project Title</b>	<b>Gain Lane Enterprise Zone</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	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

- 3.33 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).
- 3.34 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.

- 3.35 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.
- 3.36 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.
- 3.37 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).
- 3.38 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.
- 3.39 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.
- 3.40 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.

- 3.41 To ensure value for money is being considered and achieved throughout construction, the Combined Authority will implement an open book approach for delivery.
- 3.42 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 3**.
- 3.43 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.

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

- 3.44 The scheme will support delivery of Priority 4 'Infrastructure for growth' of the Leeds City Region Strategic Economic Plan.
- 3.45 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
- 3.46 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**

- 3.47 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.

#### 3.48 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**

3.49 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).

3.50 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).

3.51 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.

3.52 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.

3.53 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
Combined Authority 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	Kate Thompson, Combined Authority
Project Manager	Private sector developer
Combined Authority case officer	Asif Abed

### Appraisal summary

3.54 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.

- 3.55 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.
- 3.56 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.
- 3.57 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.
- 3.58 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.
- 3.59 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.
- 3.60 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.
- 3.61 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.

3.62 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**

3.63 That the Combined Authority approves 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.

<b>Project Title</b>	<b>Transport Hubs and Connecting Communities</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	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

- 3.64 The Transport Hubs Improvements and Public Transport Access schemes are a part of the Transport Hubs and Connecting Communities work streams, which is part of the Bus Delivery Package included in the Leeds Public Transport Investment Programme (LPTIP).
- 3.65 The Leeds Public Transport Investment Programme (LPTIP) is a programme of investment seeking to address connectivity challenges the City Region faces, constraining economic growth.
- 3.66 The LPTIP funding programme comprises of 8 delivery packages with the Transport Hubs and Connecting Communities work streams profiled for delivery under the Bus Delivery package, which comprises of six work streams:
- Low Emission Bus Top Up
  - Transport Hubs
  - Real Time Information
  - Leeds Bus Station
  - Connecting Communities:
    - Public transport access improvements
    - Digital Hub
    - Demand Responsive Transport Trial
  - Network visualisation

- 3.67 A long list of schemes was devised following the Community Committee engagement as part of the Leeds Transport Conversation. A technical evaluation process refined this into the list of schemes proposed in the outline business case which will now be the subject of local consultation. This process was overseen by the Leeds City Council Executive Member for Regeneration, Transport and Planning and the Leeds Public Transport Investment Programme (LPTIP) Cross Party Members Group.
- 3.68 Following extensive consultation and a robust sifting process, the outline business case presented at decision point 3 (outline business case) brings forward a total of six schemes:
- Transport Hubs Improvement at: Bramley, Middleton, Compton Road Interchange
  - Public Transport Access at: Robin Hood, Lincoln Green, Pudsey
- 3.69 Key activities for delivery across the transport hub schemes include improving pedestrian access to the hubs and bus services through footway widening and kerb works, improving pedestrian connectivity and wayfinding between bus stops and local facilities, enhancing the waiting environment and facilities including real time information and totem signage, and reconfiguration of bus shelters.
- 3.70 Key activities for delivery across the public transport access schemes include conversion of footways to shared foot/cycle ways, kerb works (widening / dropping) to facilitate cycles, enhanced cycleway signage, upgrades to existing crossing facilities, reconfiguration of laybys, and road resurfacing works.
- 3.71 Through scheme delivery, it is anticipated to encourage mode shift from car to bus and rail due to better facilitated, accessible, connected, and attractive hubs, and encourage active mode travel through enhanced walking and cycling provision. The wider impact of these outputs will support reducing road traffic congestion.
- 3.72 The aforementioned outputs support the delivery of the scheme objectives of increasing public transport patronage, provision of more attractive and safer pedestrian and cycling facilities and improving air quality and environmental impacts in the district.
- 3.73 These objectives align to that of the wider LPTIP programme which includes investment in city centre gateway including the Headrow, Corn Exchange and Infirmary Street, increasing bus priority on the A61 north and the A61 south, A647, A660 and the A58; and development of two new park and rides at Stourton and Alwoodley.
- 3.74 The schemes primarily support Priority Area 4 'Infrastructure for Growth' of the Leeds City Region Strategic Economic Plan, with synergy and consequential benefits that will support Priority Area 1 'Growing Businesses' and Priority Area 3 'Clean Energy and Environmental Resilience'.

## Outputs, benefits and inclusive growth implications

3.75 The following principles derived from the objectives were also agreed:

### Transport Hubs

- **Passenger journeys** – Number of passengers boarding/ alighting/ interchanging in one location.
- **Interchange with other modes** – Existing or opportunity to improve interchange with other modes such as rail stations, cycle parking, walking and taxis.
- **Creating a sense of place** – Provide integration and improvement to the local area and enhance connectivity to local facilities and businesses.
- **Bus interchange facilities** – Standard of existing facility and opportunity to enhance provision to include aspects such as waiting facilities, wayfinding, pedestrian and personal safety.
- **Number of destinations served** – Location of bus interchange with multiple destinations services.
- **Facilitate modal shift** – Utilising park and ride where appropriate to encourage shift from the private car.

### Public Transport Access Schemes

- **Bus network integration** - Effective integration of the bus services to both the commercial network and supported bus services. The service provides connectivity to locations which currently have limited services.
- **Promotes inclusive growth** - To supplement the existing bus network providing connectivity for those in deprived areas, locations of high unemployment, groups with mobility challenges and promotes travel for under 19 year olds.
- **Scheme sustainability** – Scheme does not require additional revenue funding to supplement initial capital funding.
- **Facilitate modal shift** - To connect communities with high commuter flows by private car to rail stations where they are currently unable to access the rail network by public transport.
- To improve air quality and environmental impacts in the district, with an anticipated reduction in levels of pollutant within 5 years of scheme completion.
- The combined benefit cost ratio (BCR) at this stage of scheme development is 2.33:1 which reflects a high value for money scheme. The BCR will be refined at full business case (decision point 4) following completion of detailed design.

- The scheme's wider social benefits include health benefits by encouraging active mode travel and improved air quality through anticipated reduction in traffic congestion following increase in public transport patronage. Additionally, a better quality of life with improved access to public transport and subsequently to communities and jobs within the City Region, as well as more attractive waiting environments and improvements to user information with enhanced real time information and totem signage.

## **Risks**

3.76 The main headline risks across Transport Hubs and Connecting Communities schemes:

- The detailed design stage bringing to light several risks impacting scheme costs and deliverability such as greater earthwork costs and contaminated land than anticipated, errors in topographical surveys, and stage 2 and 3 safety audit identifying changes to scheme design. The Combined Authority has provided mitigation measures such as ensuring use of qualified specialist surveyors and maintaining close site working arrangements, that sufficient site investigations are carried out to ensure accurate classification and ensuring adequate safety assessments are carried out throughout the scheme design process.

## **Costs**

3.77 The meeting of the Combined Authority on 29 June 2017 approved that the Leeds Public Transport Investment Programme (LPTIP) should proceed through decision point 2 with an indicative total Combined Authority funding approval of £183.266 million, and that £15.310 million be approved to fund project development costs. It also agreed that the schemes would now progress on an individual project or package basis to outline business case.

3.78 Within the aforementioned programme approval, the Bus Delivery package was allocated £27.2 million. Within this allocation, Transport Hubs was allotted £8 million towards scheme costs, and Connecting Communities £5 million, with approval of £800,000 and £50,000 respectively towards project development costs.

3.79 Six schemes have now come forward as a package at outline business case at a total cost of £8.905 million. These schemes cut across both the Transport Hubs and Connecting Communities work streams.

3.80 The Combined Authority has indicated £8 million of costs is to be funded from the Transport Hubs pot and £905,000 from the Connecting Communities pot and that further project development costs to progress to full business case with finalised costs (decision point 5) are not required at this stage beyond the previous approval.

## **Timescales**

3.81 Key milestone dates:

- Statutory regulations (planning, land acquisition, traffic regulation order) - November 2019
- Full business case with finalised costs decision point 5 (package 1) - December 2019
- Full business case with finalised costs decision point 5 (package 2) - April 2020
- Start of construction - July 2020
- End of construction decision point 6 - July 2021

### Assurance pathway and approval route

Assurance pathway	Approval route
Decision point 3 (outline business case)	Recommendation: Investment Committee Decision: Combined Authority
Decision point 4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director
Decision point 5 (full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director

### Assurance Tolerances

Assurance tolerances
Combined Authority costs should remain within 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

<b>Senior Responsible Officer</b>	Gary Bartlett, Leeds City Council Dave Pearson, Combined Authority
<b>Project Manager</b>	Helen Ellerton, Combined Authority
<b>Combined Authority case officer</b>	Asif Abed

### Appraisal summary

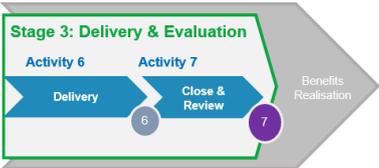
- 3.82 The business case demonstrates a good strategic fit, with close synergy to local and regional transport strategies to encourage mode shift from car to public transport, and to encourage active mode of travel.

- 3.83 The Combined Authority has highlighted the possible options to procurement, with supporting narrative provided as to the considerations being given to each, giving confidence the best route will be taken forward and be demonstrated at full business case with finalised costs (decision point 5).
- 3.84 The financial case adequately details the forecast costs of the individual schemes, with board approval minutes supporting the package approach of bringing forward Transport Hubs and Connecting Communities schemes from the £27.2 million Bus Delivery package of the Leeds Public Transport Investment Programme (LPTIP) in a single outline business case at decision point 3.
- 3.85 The economic case is well presented and currently reflects a combined benefit cost ratio (BCR) of 2.33:1, judged as high value for money. This will be refined at full business case with finalised costs.
- 3.86 The outline business case presented at decision point 3 on the whole provides sufficient level of detail expected at this stage to satisfy appraisal of the five cases, with recommendation to progress to full business case with finalised costs (decision point 5).

### **Recommendations**

- 3.87 That the Combined Authority approves that:
- (i) The Transport Hubs Improvement and Public Transport Access scheme proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).
  - (ii) An indicative approval to the total project value of £8.905 million is given from the Leeds Public Transport Investment Programme 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 approval pathway and approval route outlined in this report including at decision points 4 and 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

**Projects in Stage 3: Delivery and Evaluation**



3.88 There are no schemes requiring consideration at this assurance stage.

### **Approval of revised approval route**

- 3.89 In addition to decisions relating to the above schemes, a sub-delegation is sought from the Combined Authority to the Investment Committee in relation to Wakefield City Centre Package Phase 2 Ings Road scheme.

#### **Recommendation**

- 3.90 That the Combined Authority approves the revised approval route for the Wakefield City Centre Package Phase 2 Ings Road scheme, to enable the Investment Committee to make the decision on behalf of the Combined Authority.

### **Decisions made by the Investment Committee**

- 3.91 The Investment Committee is authorised to progress a scheme under the Assurance Framework in accordance with any bespoke approval pathway and approval route, subject to an exception relating to exceeding the cumulative total of the financial approval and tolerance levels agreed by the Combined Authority by more than 25%. Decisions regarding the following schemes have been made by Investment Committee at the 8 May and 11 June meetings. The decisions were made by the Investment Committee following a recommendation from Combined Authority Programme Appraisal Team. All the schemes outlined below have remained within the financial approvals and tolerance levels agreed by the Combined Authority unless stated otherwise below.

#### **City Connect Phase 3 Leeds**

- 3.92 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.

- 3.93 The phase 3 programme comprises of eight schemes, with three of these schemes included in phase 3 Leeds:

- The 3km Elland Road Cycle superhighway
- The 1.5km (each way) Dewsbury Road scheme
- The 0.5km (each way) Claypit Lane scheme

- 3.94 The Investment Committee approved the scheme should proceed through decision point 3 and work commences on activity 4 (full business case). The meeting also gave indicative approval to a total scheme value of £6.504 million.

#### **Halifax Living**

- 3.95 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)

- 3.96 The Investment Committee approved the scheme should proceed through decision point 3 and work commences on activity 5 (full business case with finalised costs). The meeting also gave indicative approval to a total scheme value of £18.387 million

### **West Yorkshire Combined Authority Head Office Accommodation Project**

- 3.97 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
- 3.98 The Investment Committee approved the scheme should proceed through decision point 4 (full business case) and for work to commence on activity 5 (full business case with finalised costs). The meeting also gave indicative approval to a total scheme value of £6.847 million

### **Garforth Rail Station Car Park Extension**

- 3.99 The Garforth car park extension scheme is part of the rail park & 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. The scheme will be funded through the West Yorkshire plus Transport Fund.
- 3.100 The Investment Committee approved the scheme should proceed through decision point 5 (full business case with finalised costs) and for work to commence on activity 6 (delivery). The meeting also gave approval to a total scheme value of £1.129 million.

## **4 Inclusive growth implications**

- 4.1 The inclusive growth implications are outlined in each scheme, see above.

## **5 Financial implications**

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

## **6 Legal implications**

- 6.1 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.
- 6.2 The information contained in **Appendix 3** 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.

## **7 Staffing implications**

- 7.1 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.

## **8 External consultees**

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

## **9 Recommendations**

### **Mirfield to Dewsbury to Leeds (M2D2L)**

- 9.1 That the Combined Authority approves 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)**

9.2 That the Combined Authority approves 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

## **Gain Lane Enterprise Zone**

9.3 That the Combined Authority approves 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.

## **Transport Hubs and Connecting Communities**

9.4 That the Combined Authority approves that:

- (i) The Transport Hubs Improvement and Public Transport Access scheme proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).
- (ii) An indicative approval to the total project value of £8.905 million is given from the Leeds Public Transport Investment Programme 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 approval pathway and approval route outlined in this report including at decision points 4 and 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

### **Approval of revised approval route**

9.5 That the Combined Authority approves:

- (i) The revised approval route for the Wakefield City Centre Package Phase 2 Ings Road scheme, to enable the Investment Committee to make the decision on behalf of the Combined Authority.

## **10 Background documents**

10.1 Business case summaries for the schemes recommended for approval by the Investment Committee are available here:

[May Investment Committee](#)

[June Investment Committee](#)

## **11 Appendices**

**Appendix 1** - Background to the Combined Authority's assurance framework

**Appendix 2** - Location maps for the schemes presented in this report

**Appendix 3** - Gain Lane exempt appendix