
Report to: West Yorkshire and York Investment Committee

Date: 3 September 2019

Subject: **Capital Spending and Project Approvals**

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 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 £139.955 million when fully approved, of which the total value of £19.955 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>
Halifax Bus Station Calderdale	<p>This project will replace the existing bus station facility located to the north of Halifax town centre.</p> <p>The scheme seeks to address known constraints and issues of the current site and deliver a station that can accommodate the predicted growth in travel in Halifax, with the proposal to include delivery of a new single fully enclosed passenger concourse, increased retail and commercial provision, improvements to real time information, and improved access and safety measures.</p> <p>Development and delivery of this project is dependent on securing funding as part of the West Yorkshire Transforming Cities Fund (TCF) bid to the Department for Transport (DfT).</p>

	<p>Inclusion of this project in the West Yorkshire TCF bid will be confirmed by 28 November 2019. A decision on which projects receive funding is expected from the DfT in March 2020. If this project does not receive funding from the DfT, an alternative project may be considered to improve Halifax Bus Station</p> <p><u>Impact</u></p> <p>The scheme currently demonstrates a benefit cost ratio of 2.19:1 judged as High Value for Money when assessed against the DfT's value for money assessment criteria.</p> <p>The scheme's wider social benefits include health benefits, with possible provision of electric bus services and support to reducing congestion levels in Halifax town centre as result of commuters being attracted to use public transport through the improvements to station facilities. Additionally, the scheme will support a better quality of life with improved access to public transport (bus and rail) and subsequently to communities and jobs within the City Region.</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 scheme cost - £15.4 million</p> <p>Total value of Combined Authority funding - up to £566,415 (£15.4 million if TCF bid successful)</p> <p>Funding recommendation sought - £200,000</p> <p>Given that a decision on the TCF bid is expected from the DfT in March 2020, it is requested that additional development funding of £200,000 from the West Yorkshire plus Transport Fund is released now to support full business case activities, to enable the scheme to remain within delivery timescales. If the TCF bid is successful, recovery of this allocation will be sought.</p> <p>A recommendation to the Combined Authority is sought as part of this report.</p>
<p><u>Scheme</u></p> <p>Clifton Business Park Enterprise Zone</p> <p>Calderdale</p>	<p><u>Scheme description</u></p> <p>The Clifton Business Park Enterprise Zone (EZ) is one of a package of sites that make up the Leeds City Region (LCR) EZ Programme. The aim of this programme is to accelerate the delivery of high quality employment sites and floorspace and supports Priority Area 4 (Infrastructure for Growth) of the Strategic Economic Plan.</p> <p>Clifton Business Park is located on the A644 close to junction 25 of the M62. The scheme involves the delivery of site infrastructure works, including a new access road, and the establishment of a series of development plots.</p> <p><u>Impact</u></p> <p>The scheme will directly deliver 118,018m² of prepared land for B1/B2/B8 development (light and general industrial and storage and distribution), 1.75km of new highways infrastructure and 1.9km of new footpaths and cycleways.</p>

	<p>It has the potential to deliver the following benefits subject to subsequent investment by the private sector in the development and occupation of new floorspace:</p> <ul style="list-style-type: none"> • 45,789m² of new B1/B2/B8 floorspace, within 3 years of practical completion • 779 (gross) new and safeguarded jobs, within 5 years of practical completion <p>The scheme has a benefit cost ratio (BCR) of 8.1:1 which would represent high value for money.</p> <p>Additionally, the scheme will enable sustainable economic growth through making more efficient use of land allocated for employment uses, located close to the motorway network and managing traffic access into the site.</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>Indicative total scheme cost - £33.109 million</p> <p>Total value of Combined Authority funding – Long term funding solution currently being determined</p> <p>Funding recommendation sought - £3.156 million for scheme development to decision point 5 (Full business case with finalised costs) from the Local Growth Fund</p> <p>A recommendation to the Combined Authority is sought as part of this report.</p>
<p><u>Scheme</u></p> <p>Bradford City Centre Heritage Properties (Conditioning House)</p> <p>Bradford</p>	<p><u>Scheme description</u></p> <p>The refurbishment of Conditioning House, a Grade II Listed Victorian warehouse building, will deliver new homes and commercial floorspace in a key location in Bradford city centre. It will be funded through the Local Growth Fund and is the first property to come forward through the wider Bradford City Centre Heritage Properties scheme.</p> <p>It supports SEP Priority 4 (Infrastructure for Growth)</p> <p><u>Impact</u></p> <p>The refurbishment of Conditioning House will deliver 150 new homes and 1,500m² of new commercial floorspace. It will leverage £12.347 million of new private sector investment and has the potential to generate 105 gross new jobs.</p> <p>The grant cost per new home (£10,000) is lower than the average across the Combined Authority’s Housing & Regeneration programme (£13,907) and on that basis is considered to offer reasonably good value for money.</p> <p>It will address the identified housing need in a SEP Spatial Priority Area and provide a catalyst for the future delivery of residential led mixed-used development in Bradford city centre.</p> <p>The scheme will adopt high quality sustainable design and encourage public transport use by its occupiers given its central city location.</p>

	<p><u>Decision sought</u></p> <p>Approval to proceed through decision point 3 (outline business case) and work commences on activity 5 (full business case with finalised costs)</p> <p>Total value - £13.847 million</p> <p>Total value of Combined Authority funding - £1.5 million</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>A65 Signals</p> <p>Leeds</p>	<p><u>Scheme description</u></p> <p>The scheme aims to improve journey times for bus services and general traffic and increase bus use through the installation of new controls at 11 signal junctions along the corridor from Kirkstall (B6157 Savins Mill and Wyther Lane) to the A58 Inner Ring Road.</p> <p>It will be integrated into the Urban Traffic Management Control (UTMC) network to enable real-time management of traffic signals to respond to traffic conditions and is part of a long-term strategy of implementing adaptive traffic signal control on strategic routes across Leeds to enhance the benefits of the Leeds Public Transport Investment Programme (LPTIP).</p> <p>The scheme supports Priority 4 (Infrastructure for Growth) of the Strategic Economic Plan and is funded from the devolved Department for Transport (DfT) Leeds Public Transport Investment Programme. It is a priority scheme for the LPTIP programme.</p> <p>The scheme will reduce the number of vehicle stop/starts and the associated emissions.</p> <p><u>Impact</u></p> <p>The scheme has a forecast benefit cost ratio of 3.01:1 which represents 'high' value for money based on significant benefits to bus and general traffic journey time delays (17% and 12% respectively by 2024)</p> <p>The scheme's wider social benefits also include improvement in network safety and air quality and improved public transport access to employment and services for communities in areas of high deprivation</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 3 (outline business case) and work commences on activity 4 (full business case)</p> <p>Total value - £1.209 million</p> <p>Total value of Combined Authority funding - £956,000</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>Leeds Flood Alleviation Scheme 2</p> <p>Leeds</p>	<p><u>Scheme description</u></p> <p>This scheme will reduce flood risk to residential, commercial property and infrastructure assets along the River Aire in Leeds enabling the river to become an asset rather than a threat for business and communities. Through a series of linear defences it will provide protection against a 1 in 100 year flood event for the upstream section of the river between Leeds Railway Station and Newlay beyond Kirkstall corridor to the west of the city.</p> <p>The scheme is funded through the Combined Authority's Local Growth Fund</p> <p>It supports SEP Priority 4 (Infrastructure for Growth)</p> <p><u>Impact</u></p> <p>Flood protection for:</p> <ul style="list-style-type: none"> • 139 businesses • 13 electrical substations and 4 telecommunications centres, Airedale and Wharfedale Railway line • Development land suitable for 1,613 new homes • 4 leisure facilities, 2 places of worship, and 2 educational facilities <p>An increase in net Gross Value Added of £44.2 million from enabling the creation of 1,509 potential jobs</p> <p>Improved habitats and riverside public realm from tree planting and carbon removal from natural flood management.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 5 and work commence on activity 6 (delivery).</p> <p>Total value - £76.390 million</p> <p>Total value of Combined Authority funding - £3.9 million</p> <p>Funding recommendation sought - £3.9 million</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 Gain Lane Enterprise Zone (EZ) is one of a package of sites that make up the Leeds City Region Enterprise Zone (EZ) Programme. The aim of this programme is to accelerate the delivery of high quality employment sites and floorspace and supports Priority Area 4 (Infrastructure for Growth) of the Strategic Economic Plan.</p> <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 to fill a gap in the business case development appraisal, specifically to support site access and infrastructure works including earthworks, site drainage works and 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 16.5:1, judged to be very high value for money. This factors in the benefits to the economy of the forecast jobs accommodated and the Gross Value Added associated with the scheme.</p> <p>The scheme, as part of the wider EZ programme, will deliver wider social benefits including providing opportunities for people in an area of deprivation to find jobs and to develop new skills.</p> <p>The scheme aims to enable sustainable economic growth through bringing employment land back into use and better manage traffic access and flow.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 5 and work commences on activity 6 (delivery).</p> <p>Total value – Combined Authority funding plus substantial private sector investment – See Appendix 7</p> <p>Total value of Combined Authority funding – up to £9.877 million, (subject to ongoing monitoring of the development)</p> <p>Funding recommendation sought – up to £9.877 million</p> <p>A decision by the Investment Committee using the delegated authority from the Combined Authority is sought as part of this report.</p>
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1.4 This report also presents recommendations for the following 7 schemes that have had change requests assessed in line with the Combined Authority’s assurance process. These schemes have a funding value of £233.682 million when fully approved, of which £215.832 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>A62 / A644 (Wakefield Road) Link Road</p> <p>Kirklees</p>	<p>Cooper Bridge is one of the most important Gateways into Huddersfield. The A62 is one of the main transport routes into and out of Huddersfield and provides key access to the M62 corridor. The existing A62 / A644 Cooper Bridge junction is a signalised three-armed roundabout. The roundabout and the surrounding road network are known to be severely congested in both the AM and PM traffic peaks.</p> <p>Proposed works</p> <ul style="list-style-type: none"> • Remove large volumes of motorway bound traffic and re-routing them away from Cooper Bridge and onto the link road. • Highway junction improvements works • Construction of a link road • Widening of A644 Wakefield Road and A62 Leeds Road

	<p><u>Impact</u></p> <ul style="list-style-type: none"> • Improved business efficiency, notably by travel time savings, improving journey time reliability and travel quality • Improving labour market efficiency, enabling firms to access a larger labour supply, and wider employment opportunities for workers and those seeking work. • Addressing Cooper Bridge and the surrounding network by reducing congestion is therefore critical if growth opportunities are to be unlocked in Kirklees and the wider City Region <p><u>Decision sought</u></p> <p>Activity 3 change request for additional funding to support project development costs towards developing the outline business case and for an extension on time from November 2018 to October 2020 for outline business case submission</p> <p>To increase total approved Combined Authority funding to £965,000 for development costs from £750,000 (an increase of £215,000)</p> <p>Funding recommendation sought - £215,000</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>A629 Phase 2</p> <p>Calderdale</p>	<p><u>Scheme description</u></p> <p>This scheme is phase 2 of a wider series of interventions along the A629 Halifax - Huddersfield corridor.</p> <p>The scheme is to be funded from the £120.6 million West Yorkshire plus Transport Fund allocation to the A629 corridor programme.</p> <p><u>Impact</u></p> <p>The scheme will improve pedestrian and cycle access in to and within the town centre by addressing current barriers to accessing the town centre, efficient re-routing of traffic which in turn provides the opportunity to capitalise on place making opportunities through enhancing and creating the town centre public spaces.</p> <p><u>Decision sought</u></p> <p>Activity 4 change request for additional funding to support project development costs towards a detailed re-design of the Piece Gardens on the Eastern Corridor to include the recently Grade II listed Hughes Corporation Building.</p> <p>To increase total approved Combined Authority funding to £3.613 million from £2.981 million (an increase of £632,000).</p> <p>Funding recommendation sought - £632,000</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>Corridor Improvement Programme - A58/A672</p> <p>Calderdale</p>	<p><u>Scheme description</u></p> <p>This scheme seeks to deliver a package of small-scale transport interventions on the A58/A672 corridor focused on highway improvements, along with improving facilities for active modes.</p> <p>This scheme is part of the Corridor Improvement Programme fund, funded through the West Yorkshire plus Transport Fund.</p> <p><u>Impact</u></p> <p>As part of the West Yorkshire Key Route Network, the A58/A672 provides a key role linking Calderdale to the Greater Manchester City Region. Improvements to this route will ensure sustainable growth of Halifax and surrounding economic centres such as Copley, whilst boosting the visitor economy by enhancing links with neighbouring areas.</p> <p>At outline business case, the scheme presented a benefit cost ratio of 2.76:1, reflecting the scheme as High Value for Money when assessed against the Department for Transport's value for money criteria.</p> <p>The scheme will reduce congestion and improve air quality.</p> <p><u>Decision sought</u></p> <p>Activity 4 change request approval to the revised delivery timescales - completion (decision point 6) is now forecast for May 2022 from March 2021, reflecting a 14 month delay due to limited resources and unexpected highways works.</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>Corridor Improvement Programme - A646/A6033</p> <p>Calderdale</p>	<p><u>Scheme description</u></p> <p>This scheme seeks to deliver a package of highway improvements to address identified pinch-points on the A646/A6033 corridor.</p> <p>This scheme is part of the Corridor Improvement Programme fund, funded through the West Yorkshire plus Transport Fund.</p> <p><u>Impact</u></p> <p>As part of the West Yorkshire Key Route Network, the A646/A6033 provides a key role linking Calderdale to the Greater Manchester City Region and Lancashire.</p> <p>The proposed interventions to the route include junction improvements, bus facility improvements, provision of pedestrian crossing and cycling facilities, footbridge replacement, and public realm improvements. It is anticipated to improve resilience to incidents and weather events, and encourage modal shift supporting sustainable growth of Halifax and surrounding economic centres such as Copley, whilst boosting the visitor economy by enhancing links with neighbouring areas.</p> <p>At outline business case, the scheme presented a benefit cost ratio of 3.3:1, reflecting the scheme as High Value for Money</p>

	<p>when assessed against the Department for Transport's value for money criteria.</p> <p>The scheme will reduce congestion and improve air quality.</p> <p><u>Decision sought</u></p> <p>Activity 4 change request approval to the revised delivery timescales – completion (decision point 6) - which is now forecast for May 2022 from March 2021, reflecting a 14 month delay due to limited resources and unexpected highways works.</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>York Guildhall</p> <p>York</p>	<p><u>Scheme description</u></p> <p>This scheme will create high quality office space, with retained council use, meeting and events space and associated commercial development in an iconic historic complex on York riverside. The scheme is funded by the Local Growth Fund (LGF).</p> <p><u>Impact</u></p> <p>The scheme will enable the delivery of 2,610m² of floor space and 34 jobs in a desirable city centre location.</p> <p>The scheme will help to address the lack of suitable office accommodation in York to support business growth.</p> <p>The scheme designs include the use of a river-water source heat-pump which offers high levels of efficiency for the environment. The BREAM sustainability assessment indicates that the scheme is on target to receive a very good rating.</p> <p><u>Decision sought</u></p> <p>Activity 6 change request to approve amendments to the project timeframe from December 2018 to March 2021.</p> <p>Total value - £20.197 million</p> <p>Total value of Combined Authority funding - £2.347 million</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>Rail Park and Ride Programme – Hebden Bridge</p> <p>Calderdale</p>	<p><u>Scheme description</u></p> <p>The Rail Park and Ride programme consists of 14 sites adjacent to rail stations which are to be extended to accommodate car parking, for the benefits of rail users.</p> <p>This scheme will provide an additional 46 parking spaces at Hebden Bridge Rail Station and remove disruptive on-street parking on the local road network.</p> <p><u>Impact</u></p> <p>The programme will</p>

	<ul style="list-style-type: none"> • Enhance rail accessibility – extend free rail car parking and enhance employment accessibility, through the provision of additional car parking spaces; Improve overall journey times, through better access to the rail network; Increase provision of Blue Badge parking bays. • Increase access to employment and facilitate growth Gross Value Added (GVA) at programme level - £8.2 million; Employment benefit at programme level – an additional 117 jobs • Deliver carbon savings – reduce car journeys and encourage modal shift onto rail, through improved accessibility to the rail network. <p><u>Decision sought</u></p> <p>Activity 6 change request to approve an additional £130,000 and to amend the delivery timescales in line with this report.</p> <p>Total value - £884,445</p> <p>Total value of Combined Authority funding - £884,445</p> <p>Funding recommendation sought - £130,000</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>York Outer Ring Road – Phase 2 Delivery A1237 – Monks Cross</p> <p>York</p>	<p><u>Scheme description</u></p> <p>The A1237 York Outer Ring Road (YORR) has been the subject of a comprehensive and long-term strategy to review and develop junction improvements at identified roundabouts along the route to improve and reduce journey times on this heavily congested route.</p> <p>The York Outer Ring Road upgrade project includes improvements to 7 existing outer ring road roundabouts between the Wetherby Road and Monks Cross junctions. The aim is to, where possible, upgrade junctions to a similar standard as the recently enhanced A19 and A59 roundabouts: i.e. approaches widened to 3 lanes, exits widened to 2 lanes, minor arm approaches widened to suit traffic flows, provision of walking and cycling improvements (including accommodation for future orbital and radial routes where possible)</p> <p>Phase 2 will deliver improvements to the roundabout at the junction of A1237, Monks Cross, and North Lane. The measures implemented at this roundabout are:</p> <ul style="list-style-type: none"> • A1237 approaches widened to three lanes; • A1237 exits widened to two lanes; • Enlarge the central island of the roundabout • Widening of minor arm approaches to match flows <p>Minor arm amendments are also provided including widening and provision of cycling / pedestrian facilities.</p>

	<p><u>Impact</u></p> <p>The scheme will contribute to reduced journey times and provide wider benefits in the form of reducing accidents and improving local air quality.</p> <p><u>Decision sought</u></p> <p>Activity 6 change request to amend the completion date from October 2019 to June 2021 to enable the acquisition of land in a timely manner in order to adhere to the York Outer Ring Road (YORR) programme.</p> <p>A decision by the Investment Committee using the delegated authority from the Combined Authority is sought as part of this report.</p>
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1.5 Since the Investment Committee’s meeting in July 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 £15.822 million has been approved.

<p><u>Scheme</u></p> <p>City Connect Phase 3</p>	<p><u>Scheme description</u></p> <p>The City Connect programme will deliver new/improved cycling/walking infrastructure as well as consultation and engagement in order to promote the use of the new facilities.</p> <p><u>Decision</u></p> <p>The Managing Director approved this decision point 4 change request on 21 June 2019. £330,000 West Yorkshire plus Transport Fund funding identified for the Programme Management team was approved to enable continued programme support for the programme to progress in a timely and well managed way.</p>
<p><u>Scheme</u></p> <p>Corporate Technology Programme – package AO1</p>	<p><u>Scheme description</u></p> <p>The Corporate Technology Programme (CTP) will deliver the Corporate Technology Strategy which was approved by the Combined Authority at decision point 2 in May 2018. Package AO1 of the scheme relates to Service Management Capability enabling the ICT Service Desk to achieve and adhere to Information and Technology Literacy (ITIL) standards bringing benefits to all users.</p> <p><u>Decision</u></p> <p>The Managing Director approved this decision point 5 approval on 21 June 2019, giving full approval to the AO1 work package value of £168,045 and work commences on activity 6 (delivery).</p>
<p><u>Scheme</u></p> <p>Leeds Station Gateway - New Station Street Improvements</p>	<p><u>Scheme description</u></p> <p>The scheme aims to improve the environment for pedestrians both on New Station Street and also around the entrance to the main concourse of Leeds Station.</p> <p><u>Decision</u></p>

	<p>The Managing Director approved this decision point 5 approval on 28 June 2019, giving full approval to the total scheme value of £2.120 million to be funded from the West Yorkshire plus Transport Fund (1.591 million) and Leeds Public Transport Investment Programme (£529,000).</p>
<p><u>Scheme</u></p> <p>West Yorkshire Integrated Urban Traffic Management Control (UTMC) – Element B1 (common cloud based database)</p>	<p><u>Scheme description</u></p> <p>Element B of the scheme relates to one common cloud based database for West Yorkshire Integrated Urban Traffic Management Control.</p> <p><u>Decision</u></p> <p>The Managing Director approved this decision point 5 approval on 12 July 2019, giving full approval to the UTMC project element B1 (the management of traffic signals by computer in urban areas) work package value of £1.225 million.</p>
<p><u>Scheme</u></p> <p>Tackling Fuel Poverty Programme</p>	<p><u>Scheme description</u></p> <p>The purpose of the Tackling Fuel Poverty Programme is to address fuel poverty amongst some of the most vulnerable households in the Leeds City Region through a capital programme of energy efficiency improvements, including existing solid wall, and hard to treat housing stock across all tenures.</p> <p><u>Decision</u></p> <p>The Managing Director approved this decision point 7 approval on 12 July 2019; that the projects and programme have met key requirements and deliverables and that the final value of the Local Growth Fund contribution to the programme is reduced from £6 million to £5.669 million.</p>
<p><u>Scheme</u></p> <p>Elland Road Park and Ride Expansion (Phase 3)</p>	<p><u>Scheme description</u></p> <p>This scheme will deliver a second extension to the Elland Road Park and Ride facility in Leeds and will provide a further 550 spaces to the current 800 space high quality park and ride facility.</p> <p><u>Decision</u></p> <p>The Managing Director approved the decision point 4 approval on 28 June 2019. The Managing Director then gave decision point 5 approval to the scheme on 26 July 2019. This gave full approval to the total scheme value of £6.31 million to be funded from the Leeds Public Transport Investment Programme.</p>

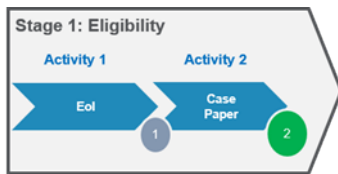
2 Information

- 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.
- 2.2 At its meeting on 1 August the Combined Authority approved the Kirklees Transport Model and Transforming Cities Fund schemes (paragraph 2.243) due to the urgency of each in relation to delivery timescales. The decisions

made by the Combined Authority section of this report outlines these approvals.

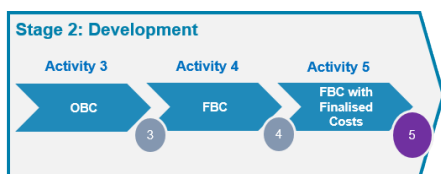
- 2.3 At the Investment Commitment in July 2019 the A629 Phase 4 scheme was recommended to the Combined Authority for approval. Investment Committee has the delegated authority from the Combined Authority to approve this scheme and therefore a recommendation has been included in this report for approval of this scheme by the Investment Commitment. The Additional Approvals section of this report outlines provides further detail.

Projects in stage 1: Eligibility



- 2.4 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.
- 2.5 There are no schemes requiring consideration at this assurance stage.

Projects in Stage 2: Development



- 2.7 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 Bus Station
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

- 2.8 This project will replace the existing bus station facility which is located to the north of Halifax town centre on the junctions of Broad Street/Northgate and with Winding Road.
- 2.9 The bus station scheme originally formed part of the A629 phase 2 package, which comprises the Halifax town centre proposal, but only as a refurbishment scheme. However with the opportunity to progress the scheme as part of the West Yorkshire Transforming Cities Fund (TCF), the promoter has proposed a new bus station. The bus station preferred option remains complementary to the overarching A629 phase 2 plans, and supports delivery of the desired benefits and outcomes, specifically the proposed implementation of a one-way bus box, dedicated bus lanes and pedestrianisation of Market Street.
- 2.10 The primary deliverable of the bus station project is the construction of a new single fully enclosed passenger concourse, to provide easy interchange between bus services, a safe and secure waiting environment, and level walking routes for all users, addressing known constraints and issues of the current site.

- 2.11 Through scheme delivery, the project will improve the customer experience, improve public accessibility and safety, and improve bus to bus and bus to rail interchange, encouraging the use of public transport, supporting local and regional transport strategies and policies, including SEP priority area 4 'Infrastructure for Growth'. The scheme is also forecast to generate additional income to the Combined Authority through increased commercial and retail provision.
- 2.12 Stakeholder consultation and engagement on the new bus station is planned to be undertaken during the latter half of 2019.
- 2.13 To date project development costs of £366,415 to progress the scheme to outline business case have been funded through the West Yorkshire plus Transport Fund, with an additional £200,000 now sought to support full business case development activities.
- 2.14 A summary of the scheme's business case and location map is included in **Appendix 2**.

Outputs, benefits and inclusive growth implications

- 2.15 The scheme outputs and benefits include:
- A new single fully enclosed passenger concourse, with easy interchange between bus services, a safe and secure waiting environment, and level walking routes for all users.
 - Better connectivity to key destinations across the town centre such as the new sixth form college, Dean Clough and Piece Hall.
 - Provision of improved real-time information, including rail travel, to better integrate these modes.
 - An 'Electric Bus Station' that will be ready for the introduction of electric buses upon opening.
 - Increased retail and commercial provision to increase income to the Combined Authority.
 - A bus station that can accommodate the predicted growth in travel in Halifax.
 - A benefit cost ratio of 2.19:1 which reflects a high Value for Money scheme when assessed against the Department for Transport's value for money criteria.
 - Wider social benefits include better quality of life with improved access to public transport (bus and rail) and subsequently to communities and jobs, and health benefits with possible provision of electric bus services and reduction in congestion levels through increase uptake of bus users.

Risks

- 2.16 Scheme risks include:

- That the TCF bid is unsuccessful. The bus station project as per the current proposal would be unaffordable from the transport fund allocated to the A629 corridor programme. Therefore, other possible scenarios and options that have been explored that could be implemented.
- Disruption to tenant's requirements and rights within their lease. A comprehensive programme of consultation with stakeholders will be undertaken to ensure all requirements and rights are understood and accommodated where possible.
- Unforeseen ground and site conditions. A full survey will be undertaken prior to demolition to provide an early warning of any impact on cost.

Costs

- 2.17 The total forecast scheme cost at outline business case is £15.4 million. Delivery of the scheme is dependent on securing funding as part of the West Yorkshire Transforming Cities Fund (TCF).
- 2.18 The scheme secured funding up to £366,415 from the West Yorkshire Transport Fund to progress to outline business case (decision point 3). An additional £200,000 is now sought to progress the scheme to full business case (decision point 4) from the West Yorkshire Transport Fund.
- 2.19 Given that a decision on the TCF bid is expected from the DfT in March 2020, it is requested that development funding from the West Yorkshire plus Transport Fund is released now to support full business case activities to enable the scheme to remain within delivery timescales. If the TCF bid is successful, it may be possible to pay back this allocation.

Assurance pathway and approval route

Assurance pathway	Approval route	Forecast approval date
3 (Outline business case)	Recommendation: Investment Committee Decision: Combined Authority	10/10/2019
4 (Full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	31/03/2020
5 (Full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	30/09/2020

Assurance Tolerances

Assurance tolerances
Any increase to Combined Authority costs remain within 10% of that set out in this report. Timescales remain within 6 months of that set out in this report.

Project responsibilities

Senior Responsible Officer	Mark Gregory, Calderdale Council
Project Manager	Mark Auger, Combined Authority
Combined Authority case officer	Asif Abed

Appraisal summary

- 2.20 The strategic drivers for investment and proposed interventions are well presented, demonstrating the constraints and issues that need addressing to encourage an increase in passenger numbers, improve bus rail access, and to accommodate the future growth in Halifax, with better connectivity to housing and employment opportunities. Public consultation and member engagement is due to take place in second half of 2019.
- 2.21 The proposed design is complementary to the A629 Halifax town centre package, and supports delivery of the outputs and benefits of the A629 corridor programme and the wider local and regional transport strategies, including the City Region SEP headline indicator 'Infrastructure for Growth'. A refined delivery programme to be established at full business case, which will need to take in to account scheme interfaces with the A629 phase 2 Halifax town centre project.
- 2.22 The economic case value for money assessment reflects a benefit cost ratio of 2.19:1, judged as high value for money against the Department for Transport's value for money criteria. Further work to refine the economic case, including estimation of benefits when considering the A629 phase 2 Halifax town centre proposal, is to be undertaken as part of full business case.
- 2.23 The financial case reflects robust cost assumptions to support estimated scheme costs. Consideration has previously been given to possible scenarios should the TCF application be unsuccessful.

Recommendations

- 2.24 That the Investment Committee recommends to the Combined Authority that:
- (i) The Halifax Bus Station scheme proceeds through decision point 3 and work commences on activity 4 (full business case).
 - (ii) An indicative approval to the total project value of £15.4 million is given, with delivery funding dependent on the TCF bid outcome, 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) Development costs of £200,000 are approved from the West Yorkshire plus Transport Fund in order to assist in the progress of the scheme to decision point 4 (full business case), taking total approval to £566,415.
- (iv) 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	Clifton Business Park Enterprise Zone
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

- 2.25 This funding sought for development costs 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).
- 2.26 Enterprise Zones are part of the Government's wider Industrial Strategy, aimed at supporting businesses and enabling local economic growth by establishing themselves as a driving force of local economies, unlocking key development sites, consolidating infrastructure, attracting business and creating jobs. The Leeds City Region Enterprises Zones have been established following a competitive application process to the Ministry of Housing, Communities and Local Government (MHCLG). Once built out, each Enterprise Zone site will generate business rates income for the Leeds Enterprise Partnership which can be reinvested into other strategic objectives.
- 2.27 The Clifton Business Park Enterprise Zone (EZ) is one of a package of 10 sites that make up the Leeds City Region (LCR) EZ Programme. The principal aim of this programme is to accelerate the delivery of high quality employment sites and floorspace in SEP Spatial Priority Areas, with a focus on supporting the generation of new jobs in advanced manufacturing and associated sectors. Phase 1 Enterprise Zones run until 2037 (for business rate returns to the Combined Authority) and phase 2 until 2042. Clifton Business Park EZ is part of phase 2 of the programme. The Combined Authority acts as the accountable body for the EZ Programme.
- 2.28 Clifton Business Park EZ is located on the A644 close to junction 25 of the M62. It is a sloping site which has had previous industrial and railway uses but

is currently used as grazing land and is allocated for B1, B2 and B8 (light and general industrial and storage and distribution) employment uses in the Calderdale Local Plan. The scheme involves the delivery of site infrastructure works, including a new access road, and the establishment of a series of development plots.

- 2.29 Due to the level of challenges on site and the high risk of ability to deliver within the Growth Deal timeframe, the Combined Authority are continuing to work with Calderdale Council to find a long term funding solution for bringing forward the full scheme at Clifton, above and beyond the funding sought at DP3 in this report.
- 2.30 There are significant 'abnormal' development costs associated with the site's topography and its previous uses, which have prevented the site being brought forward for employment use by the private sector despite strong evidence of market demand from potential occupiers.
- 2.31 Calderdale Council are currently negotiating to acquire the site from its current owner. Given the potential scale of public sector investment required to bring forward serviced plots to the market, and the need to ensure State Aid compliance, the scheme will be delivered by Calderdale Council rather than a private sector owner/developer as was the case with the Gain Lane EZ scheme.
- 2.32 Calderdale Council along with the Combined Authority are currently reviewing the variations of the preferred option in order to mitigate potential delivery risks. The preferred approach will be presented in the full business case.
- 2.33 Once completed, serviced development plots will be sold or leased at open market value - subject to development agreement(s) specifying the scope and timing of development to ensure that the new employment floorspace is delivered in accordance with requirements of the EZ Programme and Combined Authority LGF funding.
- 2.34 A summary of the scheme's business case and location map is included in **Appendix 3**.

Outputs, benefits and inclusive growth implications

- 2.35 The full scheme has the potential to deliver the anticipated direct outputs of:
- 118,018m² of land prepared for B1/B2/B8 development
 - 1.75km of new highways infrastructure
 - 1.9km of new footpaths and cycle ways
- 2.36 Subject to identifying future public sector funding streams and subsequent investment by the private sector the following benefits could be realised: -
- Up to 45,789m² of new B2/B2/B8 floorspace, within 3 years of practical completion

- Up to 779 (gross) new and safeguarded jobs, within 5 years of practical completion

2.37 Additionally the scheme will enable sustainable economic growth through making more efficient use of employment land and managing traffic access into the site.

Risks

2.38 The key scheme risks and how these are being managed/mitigated is set out below.

- *Legal risk* - scheme promoter unable to secure the site - mitigated by the Council taking advice on the potential Compulsory Purchase Order (CPO) in the event that a negotiated acquisition cannot be achieved. Any CPO process would take the scheme outside of Local Growth Fund timeframes for available funding.
- *Financial risks* - scheme cost increases from indicative design – mitigated by including both a contingency amount and a quantified risk assessment in the scheme cost plan at decision point 3 (outline business case).
- *Funding risk* - Scheme delivery outside of the Growth Deal timeframe – mitigated by proactive engagement and collaborative working between Calderdale Council and the Combined Authority and public and private sector partners
- *Local Growth Fund objectives risk* - due to significant challenges and constraints on site, the outputs and benefits identified above are at risk of not being delivered by 2025 as required by Local Growth Fund objectives – mitigated by securing development funding to enable the scheme to progress whilst a longer term funding strategy is identified.
- *Planning risk* - delay in securing outline planning consent of the scheme – mitigated by early dialogue with the Local Planning Authority (LPA) and key stakeholders
- *Market risk* – delay in securing the development of serviced plots for employment floorspace – mitigated by market demand assessments and direct engagement with potential occupiers/end users

Costs

2.39 The estimated total cost of the scheme is £33.109 million. Calderdale Council has secured £4.494 million (14%) from the National Productivity Investment Fund (NPIF) to contribute specifically to the cost of the new site access road. The Combined Authority are continuing to work with Calderdale Council to find a long term funding solution for bringing forward the full scheme.

2.40 The Combined Authority has contributed £200,000 in development costs at decision point 2 (case paper) to take the scheme forward to decision point 3 (outline business case). The scheme promoter is seeking a further £3.156 million of development funding to progress the scheme through to decision

point 5 (full business case with finalised costs). This includes the cost of acquiring the site, detailed design and procurement of technical specialists and consultants to develop a comprehensive full business case with finalised costs.

- 2.41 The EZ programme is a specific named priority in the Growth Deal, with pre-designated and government agreed sites within the programme. These unique arrangements support the case for reasonable and proportionate development costs to be considered for the EZ sites. The programme has approval for £1.9m of development costs which are being committed at programme level to support the acceleration of EZ sites within the portfolio. The development costs funding requested as part of this recommended approval is site specific to Clifton and outside the programme level approval.
- 2.42 Once built out, each Enterprise Zone site will generate business rates income for the Leeds Enterprise Partnership which can be reinvested into other strategic objectives.

Assurance pathway and approval route

Assurance pathway	Approval route	Forecast approval date
3 (Outline business case)	Recommendation: Investment Committee Decision: Combined Authority	10/10/2019
5 (Full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	11/09/2020

Other Key Timescales

- Full planning consent secured – April 2020

Assurance Tolerances

Assurance tolerances
Any increase to Combined Authority costs remain within 5% of that set out in this report. Timescales should remain within 6 months of the timescales set out in this report Measurable outputs and benefits should remain within 20% of the forecast set out at decision point 3 (Outline business case)

Project responsibilities

Senior Responsible Officer	Kate Thompson, Combined Authority
Project Manager	Robert Summerfield, Calderdale Metropolitan District Council

Appraisal summary

- 2.43 The scheme has a strong strategic case and a clear rationale for public sector intervention to address unmet market demand and stimulate take-up of employment floorspace in the area. The scheme is State Aid compliant and the procurement route will be confirmed at the next stage of the assurance pathway.
- 2.44 The economic case for the scheme is based on the potential to generate significant direct and indirect benefits, including 779 (gross) new jobs, and deliver a GVA (Gross Value Added) based benefit cost ratio (BCR) of 8:1. At the next stage of the assurance pathway the economic case should reflect the net additional benefits of the scheme supplemented by an assessment of the potential uplift in land values resulting from the proposed works.
- 2.45 The LCR EZ Programme has secured indicative approval of £45.044 million from LGF. In addition the Combined Authority could potentially benefit from up to £16 million through the retention of business rates at Clifton Business Park in the period up to 2042. The specific source of funding for the remaining total scheme costs will be confirmed at the next stage of the assurance process, together with tendered prices.
- 2.46 Calderdale Council will lead the scheme and key delivery constraints and risks are understood and quantified. It will operate within the existing LCR EZ Programme governance structure led by the Combined Authority.

Recommendations

- 2.47 That Investment Committee recommends to the Combined Authority that:
- (i) The Clifton Business Park (Enterprise Zone) scheme proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).
 - (ii) Development costs of £3.156 million are approved in order to assist in the progress of the scheme to decision point 5 (full business case with finalised costs), taking total approval to £3.356 million.
 - (iii) The Combined Authority enters into a funding agreement with Calderdale Council for expenditure of up to £3.356 million from the Local Growth Fund.
 - (iv) 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 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	Bradford City Centre Heritage Properties (Conditioning House)
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

- 2.48 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).
- 2.49 The Bradford City Centre Heritage Properties scheme received decision point 2 approval from the Combined Authority in June 2018 with an indicative allocation of £7.4 million. It aims to facilitate the delivery of up to 283 new homes and ancillary commercial floorspace in Bradford city centre through the refurbishment of key heritage properties.
- 2.50 The refurbishment of Conditioning House, a Grade II Listed Victorian warehouse building, is the first property to come forward at decision point 3 (outline business case). It will facilitate the delivery of 150 new homes and 1,500m² of ground floor commercial floorspace. Combined Authority funding will be used to contribute to the cost of carrying out the refurbishment works.
- 2.51 Bradford city centre is a designated Spatial Priority Area in the SEP and the subject of an adopted Area Action Plan (AAP) which proposes a significant level of new residential development (3,500 new homes) including conversions of existing heritage buildings, to help address a severe housing shortage.
- 2.52 The Council's primary regeneration priority is the regeneration of the city centre and a crucial part of this is to increase the number of people living in the city centre. A master delivery plan is in development to establish a city village at the heart of the city that will provide up to 1,000 of the new homes. Conditioning House is 5 minutes' walk from the Bradford City Village area.

- 2.53 The Conditioning House scheme supports Priority 4 (Infrastructure for Growth) of the SEP in terms of the delivery of new homes and Priority 1 (Growing Business) in terms of the provision of floorspace for SMEs.
- 2.54 The delivery mechanism will involve Bradford Council entering into a development and funding agreement with the developer of the building, to fund a range of abnormal costs associated with the conversion of a heritage asset which are a constraint to the viable redevelopment of Conditioning House. The developer of the building will be responsible for undertaking the works and the subsequent sale/lease of new homes and commercial floorspace. Development and funding agreements between the two parties and between Bradford Council and the Combined Authority will be formally agreed before the next stage of the assurance pathway. These will include provisions for overage and confirm State Aid compliance as necessary.
- 2.55 Additional buildings within the Heritage properties scheme that will be submitted for Local Growth Fund support are currently being considered by the Council. Feasibility and viability studies will identify options for the delivery of two further residential schemes within city centre priority areas that together could bring about the delivery of a further 200 – 300 units. The expectation is that an outline business case in respect of these additional projects can be brought forward in autumn 2019.
- 2.56 One of the original buildings being considered for this programme will no longer be progressed for LGF support and will be the subject of a change request. Unfortunately a residential scheme for the building has not proved deliverable within the Growth Deal Housing & Regeneration programme.
- 2.57 A summary of the scheme's business case and location map is included in **Appendix 4**.

Outputs, benefits and inclusive growth implications

- 2.58 The forecast outputs, benefits and inclusive growth implications are:
- 150 new homes (1 and 2-bedroom apartments) in a key city centre location
 - 1,500m² of new commercial floorspace targeted at small and medium sized enterprises (SMEs)
 - 105 gross new jobs
 - £12.347 million of private sector investment
 - Addressing identified housing need in a SEP Spatial Priority Area
 - Bringing a key heritage asset back into productive use
 - Acting as a catalyst for the future delivery of residential development in the city centre

- Imaginative reuse of the architectural heritage alongside new development of high quality sustainable design.
- A range of good quality housing and facilities, including proximity to a range of public transport options for new residents, to cater for a successful city centre community.

Risks

2.59 The key risks and associated mitigating measures are:

- A failure to complete the necessary legal agreements (partnership/legal risk) – the Heads of Terms for the Development Agreement and associated Grant Agreement have been prepared
- A failure to secure private sector borrowing (financial risk) – a property market assessment has been undertaken and the developer is currently securing funding
- Construction cost overruns (financial risk) – the liability for cost overruns is retained by the developer
- Sales/lettings targets not achieved (market risk) – a marketing strategy is being prepared to target residential and commercial occupiers

Costs

2.60 The total cost of the scheme is £13.847 million. The Combined Authority contribution sought at decision point 3 (outline business case) is £1.5 million. The remaining scheme delivery costs (£12.347 million) will be met by the developer.

Assurance pathway and approval route

Assurance pathway	Approval route	Forecast approval date
3 (Outline business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Investment Committee	03/09/2019
5 (Full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	04/12/2019

Other Key Timescales

- Start on site – July 2019 (the developer is undertaking preliminary works at risk in advance of any further Combined Authority approvals)
- Enabling works completed – December 2019

- Practical completion – September 2020 (decision point 6)

Assurance Tolerances

Assurance tolerances
<p>Combined Authority grant funding does not exceed £1.5 million</p> <p>Timescales remain within three months of the timescales identified within this report.</p> <p>Outputs are forecast to remain within 10% of amounts forecast in this report (150 new homes and 105 gross jobs created)</p>

Project responsibilities

Senior Responsible Officer	Shelagh O'Neill, Bradford Council
Project Manager	Simon Woodhurst, Bradford Council
Combined Authority case officer	Ian McNichol

Appraisal summary

- 2.61 The outline business case presents a reasonably strong strategic case in terms of addressing housing need/demand in the area and delivering high-quality mixed-use development in the city centre. The rationale for grant is based on the need to address the abnormal development costs associated with the refurbishment of a listed building and to develop the emerging market for residential development in the city centre.
- 2.62 The case for change focuses on demand/need for housing and is supported by an assessment of market demand in the city centre. The city centre has seen limited residential development activity in recent years. The residential property market is still emerging and the delivery of key projects such as Conditioning House will make a significant contribution to raising the values and demand needed to achieve a critical mass of market activity.
- 2.63 The Conditioning House development intends to raise values and quality levels, offering apartments between £75,000 for a one bedroom apartment to £90,000 for a two bedroom unit.
- 2.64 There is no specific evidence for demand for the proposed commercial floorspace although it is recognised that this is an ancillary use. Further evidence on demand for equivalent sized units will be expected at decision point 4.
- 2.65 The refurbishment of Conditioning House will be delivered by the private sector developer with grant funding also from Bradford Council. Development and funding agreements between the two parties and between Bradford Council and the Combined Authority will need to be formally agreed before the next stage of the assurance pathway. These will include provisions for overage and confirm State Aid compliance as necessary.

- 2.66 The VfM position is based on grant cost per housing unit which equates to £10,000 and private sector leverage (8.23:1). The cost per homes is higher than the Halifax Living programme which recently secured Combined Authority approval (£7,545) but lower than the average across the Combined Authority's housing and regeneration programme (£13,907) and on that basis could be considered to offer reasonable value for money.
- 2.67 A development appraisal has been provided to demonstrate the need for grant funding and this will need to be further substantiated at the next stage of the assurance pathway and supported by an independent Red Book valuation of the new homes and commercial floorspace that will be delivered. The developer of the building will be responsible for managing all risks associated with the refurbishment works and subsequent sales/lettings.

Recommendations

- 2.68 That Investment Committee approves that:
- (i) The Conditioning House 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 £1.5 million 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). The total scheme cost is £13.847 million
 - (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 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	A65 Signals
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

- 2.69 This scheme forms part of the Leeds Public Transport Investment Programme (LPTIP), a £173.5 million programme using devolved Department for Transport funding supplemented with 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.
- 2.70 The A65 Signals scheme involves the installation of new controls at 11 signalised junctions (with communication ducts between the junctions) along the corridor from Kirkstall (B6157 Savins Mill and Wyther Lane) to the A58 Inner Ring Road. It will be integrated into the West Yorkshire UTM (Urban Traffic Management Control) network to enable real-time management of traffic signals to respond to traffic conditions
- 2.71 The scheme is an extension of a scheme Leeds City Council are currently delivering on the A65/A647 in north west Leeds with funding from the National Productivity Investment fund (NPIF), and is part of a long-term strategy of implementing adaptive traffic signal control on strategic routes across Leeds to enhance the benefits of LPTIP.
- 2.72 The primary objectives of the scheme are to improve journey times for bus services as well as general traffic and contribute to the wider LPTIP target of doubling bus patronage by 2026. These support the delivery of Priority 4 (Infrastructure for Growth) of the Strategic Economic Plan (SEP). The scheme also aims to improve air quality along the A65 corridor, improve road network safety for all users and support economic growth by improving access to employment and training opportunities. The scheme forms part of the LPTIP Bus Infrastructure Package which received decision point 2 approval from the Combined Authority on 29 June 2017.

- 2.73 Leeds City Council is the promoter of the scheme and it will be delivered by their contractor.
- 2.74 A summary of the scheme's business case and location map is included in **Appendix 5**.

Outputs, benefits and inclusive growth implications

- 2.75 The forecast outputs, benefits and inclusive growth implications are:
- A reduction in bus journey time delays along the A65 corridor of 17% by 2024
 - Improvements in bus journey reliability, increasing bus patronage and enhancing the passenger experience
 - A reduction in congestion and journey time delays for general traffic of 12% by 2024
 - Improvement in network safety and air quality (removing over 29,000 vehicle km/annum from the road network as a result of modal shift)
 - Improved public transport access to employment and services for communities in areas of high deprivation
- 2.76 The forecast benefit cost ratio (BCR) of the scheme is 3.01:1 which represents 'high' value for money (VfM). The benefits that will accrue from the scheme will be measured three years after practical completion in March 2021.
- 2.77 A journey time monitoring system has recently been installed to cover the scheme extents and this, along with bus automatic vehicle location (AVL) data, will provide a robust monitoring and evaluation tool as the scheme progresses.

Risks

- 2.78 The key risks to the delivery of the scheme and associated mitigation measures are:
- *Governance risk* - limited stakeholder engagement impacts on the overall performance of the system. Mitigation - utilise experience and best practice from the NPIF scheme and wider UTMC improvements to ensure that the new system is fully supported across key stakeholders including bus operators
 - *Technical risk* – insufficient maintenance arrangements in place for the proposed systems affecting its operational effectiveness. Mitigation - existing maintenance plans for the UTMC and field equipment support will be extended to cover the new system
 - *Benefits realisation risk* – effectiveness and benefits of the new system remain unrealised. Mitigation – existing evidence demonstrates that a number of locations have benefitted from the system and that the

likelihood of success can be increased through effective modelling of locations beforehand.

Costs

- 2.79 The total cost of the scheme is £1.209 million. The Combined Authority will fund £956,000 from the devolved Department for Transport LPTIP fund. The remaining scheme costs will be funded by Leeds City Council.

Assurance pathway and approval route

Assurance pathway	Approval route	Forecast approval date
3 (Outline business case)	Recommendation: Investment Committee Decision: Combined Authority	10/10/2019
4 (Full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	30/12/2019
5 (Full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	14/02/2020

Other Key Timescales

- Scheme design completed – April 2020
- Scheme works (signal and ducting) commence – September 2020
- Practical completion – March 2021

Assurance Tolerances

Assurance tolerances
Any increase to Combined Authority costs remain within 10% of that set out in this report. Timescales remain within 3 months of the timescales set out in this report

Project responsibilities

Senior Responsible Officer	Gary Bartlett, Leeds City Council
Project Manager	Joel Dodsworth, Leeds City Council
Combined Authority case officer	Ian McNichol

Appraisal summary

- 2.80 The scheme has a strong strategic case in terms of the need/demand to reduce congestion, improve journey times and reduce carbon emissions and is closely aligned with the objectives of the SEP and associated transport strategies and plans.
- 2.81 The scheme has the potential to generate a benefit cost ratio of 3:1 which demonstrates high value for money when assessed against the Department for Transport's criteria. The economic appraisal will be further refined and substantiated at the next stage of the assurance pathway.
- 2.82 The use of LPTIP funding is supported by the Bus Infrastructure Package Board as a priority scheme. Scheme governance and delivery arrangement (as an extension to the NPIF scheme) are in place and further assessment of scheme-specific risks should be provided at the next stage of the assurance pathway

Recommendations

- 2.83 That Investment Committee recommends to the Combined Authority that:
- (i) The A65 Signals scheme proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case).
 - (ii) An indicative approval of £956,000 is given from the LPTIP 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). The total scheme cost is £1.209 million
 - (iii) 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	Leeds Flood Alleviation Scheme 2 (LFAS2)
Stage	2 (Development)
Decision Point	5 (Full business case with finalised costs)

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

- 2.84 The Leeds Flood Alleviation Scheme 2 (LFAS2) 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).
- 2.85 The Leeds Flood Alleviation Scheme 2 (LFAS2) scheme was given outline business case approval to proceed to full business case by the Combined Authority in April 2019. The purpose of the scheme is to implement a 1 in 100 year standard of flood protection against future flood events following the devastating impact of the Boxing Day flood in 2015.
- 2.86 At decision point 3 (outline business case) the scheme presented was designed to achieve 1 in 200 years standard of flood protection. This was consistent with the Environment Agency recommendation for the Upper Aire Catchment and with the National Infrastructure Commission recommendation for all major cities in England. As the full funding package for the entire 1 in 200 year scheme is yet to be secured a two-step approach has been adopted. Step 1 consists of works to increase protection up to a 1 in 100 year event, Step 2 will increase protection up to a 1 in 200 year event. The re-submission of the business case for Step 1 only, allows this Step to proceed, as the full funding for these works has been secured. Work is ongoing to assemble the funding required for step 2 of the scheme.
- 2.87 The Local Growth Fund enables implementation of the Strategic Economic Plan and this project contributes directly to the plan's fourth priority of 'creating infrastructure for growth' by delivering part of an integrated flood risk reduction programme, incorporating flood defences, green infrastructure and resilient

development. Commercial confidence will be boosted and protected housing will be delivered.

2.88 Step 1 consists of works upstream from Leeds station to Newlay, including:

- Removal of redundant bridge at Armley Mills to improve conveyance
- Raising of Milford Place footbridge to remove the potential restricted flow
- Removal of the under-hanging structure at Redcote Lane bridge
- Widening the channel adjacent to the A65 between Wellington Bridge and Viaduct Road
- Construction of 7.5km of linear defences

2.89 Step 1 also includes natural flood management (NFM) works in the upper and mid-stretches of the River Aire from Malham to Armley including planting of circa 2 million trees, the creation of storage ponds, and 'leaky dams' (natural physical barriers which hold back flow, for example tree branches, wood, rocks) that act to slow river flow and finally re-routing of the river in its upper rural reach.

2.90 A summary of the scheme's business case and location map is included in **Appendix 6**.

Outputs, benefits and inclusive growth implications

The outputs listed in this section are for Step 1 of LFAS2 and for information the outputs for completion of LFAS2 after step 2 is implemented are provided (in brackets)

- 7.5 km (14km) of linear defences
- Flood protection for
 - 139 businesses (470)
 - 13 electrical substations and 4 telecommunications centres, Airedale and Wharfedale Railway line (no change)
 - Development land for 1,613 new homes (no change)
 - 4 (5) leisure facilities, 2 (2) places of worship, and 2 (2) educational facilities
- An increase in net GVA of £44.2 (£88.2) million from enabling the creation of 1,509 (1,669) potential new jobs

2.91 Additionally:

- Production of revised flood maps to enable insurance underwriting to offer more affordable insurance premiums for business
- Improved habitats and riverside public realm, and the holding of carbon from tree planting (around 2 million trees between Malham and Armley) and natural flood management measures. This will include creation of

storage ponds, introduction of 'leaky dams', and finally re-routing of the river in its upper reaches.

- Wider benefits in terms of health and wellbeing improvements proven to arise from freedom from worry about flood risk.

Risks

- 2.92 Political risk that the scheme requires the support and full engagement of a wide range of partners within the River Aire catchment. The risk is that partners and political commitment to supporting the scheme varies and becomes a barrier to delivery. This is being actively managed through the Programme Board composition and the stakeholder engagement strategy.
- 2.93 Significant flood event during the works; mitigated through the provision of temporary barriers to protect works as well as close monitoring of forecasts to clear sites and minimise impact.
- 2.94 The existing river walls condition are not currently known as they are covered in vegetation; mitigated through ongoing surveys of existing walls, working alongside stewardship works to allow access and inform scope of works.
- 2.95 Compensation required to landowners for land acquisition and disruptive effect of works; mitigated through budget to make provision for reasonable levels of compensation.

Costs

- 2.96 The total cost for Leeds FAS2 step 1 is £76.390 million of which the Combined Authority contribution is £3.9 million. This will be funded from the Local Growth Fund.
- 2.97 The overall combined cost for step 1 and step 2 of Leeds FAS2 is £112 million, which has not changed from decision point 3. However, the full original allocation Combined Authority contribution for the LFAS2 project is now being applied only to Step 1 which is a smaller project with slightly reduced outputs.

Assurance pathway and approval route

Assurance pathway	Approval route	Forecast approval date
5 (Full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Investment Committee	03/09/2019
6 (Delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	31/12/2022

Other Key Timescales

- 2.98 The Local Growth Fund contribution is profiled for spend during 2019/20 and 20/21, to ensure that full spend of Growth Deal funds is achieved by the end of March 2021.

Assurance Tolerances

Assurance tolerances
Combined Authority funding for this scheme remains within those identified in this report Timescales remain within 6 months of the timescales set out in this report

Project responsibilities

Senior Responsible Officer	Rachel Jones, Combined Authority
Project Manager	Vicky Dumbrell/Daisy Johnson, Combined Authority
Combined Authority case officer	Chris Brunold

Appraisal summary

- 2.99 The project has a very strong strategic and economic case, it builds on the Flood Alleviation Scheme 1 (FAS1) and high demand has been evidenced through public consultation and the impact of the 26 December 2015 flood on the business and local community.
- 2.100 Now that the project is scoped to Step 1 the financial case is substantially strengthened as the project is fully funded. The benefit cost ratio has increased to 11.7:1 confirming even greater economic impact than at outline business case and the risks are substantially reduced. The full funding position and the appointment of the main contractor with the addition of a detailed and quantified risk assessment moves the scheme to a green rating overall.
- 2.101 The project has many wider benefits for Leeds and the city region, and aligns with National Infrastructure Committee recommendations. It also provides an important Step 1 on the way to achieving the full 1 in 200 year flood defence once final funding is secured for the remaining areas for action at Calverley and Apperley Bridge in Step 2 of the FAS2 scheme.
- 2.102 Clear project governance is set up to provide continuity from FAS 1 and to apply the lessons learned from this predecessor. The scheme has wide public support and benefits a community with acknowledged economic and health and wellbeing needs.

Recommendations

- 2.103 The Investment Committee approves that:

- (i) The Leeds Flood Alleviation Scheme Phase 2 proceeds through decision point 5 (full business case with finalised costs) and work commences on activity 6 (delivery).
- (ii) Full approval of the Combined Authority's contribution of up to £3.9 million, which will be funded through the Local Growth Fund, is given with full approval to spend. The total project value is £76.390 million.
- (iii) The Combined Authority enters into a funding agreement with Leeds City Council for expenditure of up to £3.9 million from the Local Growth Fund.
- (iv) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. 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	5 (Full business case with finalised costs)

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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		

Background

- 2.104 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).
- 2.105 Enterprise Zones are part of the Government’s wider Industrial Strategy, aimed at supporting businesses and enabling local economic growth by establishing themselves as a driving force of local economies, unlocking key development sites, consolidating infrastructure, attracting business and creating jobs. The Leeds City Region Enterprises Zones have been established following a competitive application process to the Ministry of Housing, Communities and Local Government (MHCLG).
- 2.106 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.
- 2.107 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.

- 2.108 Once built out, each Enterprise Zone site will generate business rates income for the Leeds Enterprise Partnership which can be reinvested into other strategic objectives. Phase 1 Enterprise Zones run until 2037 (for business rate returns to the Combined Authority) and phase 2 until 2042. The Gain Lane Scheme is part of phase 2 of the programme. The Combined Authority acts as the accountable body for the EZ Programme.
- 2.109 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 and loans 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 endorsed by, the LEP Board on 26 March 2019.
- 2.110 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.
- 2.111 The Gain Lane scheme is now presented at full business case with finalised costs (decision point 5) and seeks to progress to delivery (activity 6).
- 2.112 The Gain Lane scheme seeks approval for funding from the Local Growth Fund to support site access and infrastructure works including earthworks, site drainage works and connections to existing, landscaping and new access road to unlock the site. The restrictive access and topography of the site makes development challenging and development appraisal work has shown that there is a viability gap in delivering the scheme. Once developed it is anticipated the site will accommodate 29,404sqm of commercial floor space, capable of delivering 550 jobs, it will receive significant private sector investment, and potentially generate £11 million Gross Value Added (GVA) annually.
- 2.113 To ensure adequate security arrangements to protect public sector investments, the proposed funding agreement includes overage clauses to ensure any excess profit or savings on costs are shared equally between the public and private sector. In addition to overage clauses, the funding agreement includes mechanisms for clawback linked to performance of delivery against agreed milestones. The Combined Authority will also receive a first charge over the land.
- 2.114 The Combined Authority has introduced comprehensive financial due diligence processes whereby private sector organisations who are potential recipients of grant funding provide company and employee information in order that their financial standing and organisational structure are clarified and any areas of concern raised and mitigated. The Combined Authority have received the last three years audited and management accounts and a Dun and Bradstreet

credit check report of the developer contractor to assess financial standing. These have been independently assessed and provided the Combined Authority with a financial assessment of the grant recipient and their parent company which indicate low risk of failing during the foreseeable future. The companies are noted as being well-resourced and financially stable overall.

2.115 To ensure value for money is being considered and achieved throughout construction, the Combined Authority will implement an open book accounting approach for delivery. The Combined Authority is in the process of appointing a monitoring surveyor to oversee the scheme. Information to support this scheme has been provided which is considered to be commercially sensitive. As a result this information is provided in exempt **Appendix 7**.

2.116 State Aid advice has been sought in relation to the grant application. This has had further review and the grant application is compliant with the regulations.

2.117 A summary of the scheme's business case and location map is included in **Appendix 8**.

Outputs, benefits and inclusive growth implications

2.118 The scheme will support delivery of Priority 4 'Infrastructure for growth' of the Leeds City Region Strategic Economic Plan. The forecast outputs, benefits and inclusive growth implications for the scheme are:

- 29,404sqm of industrial floor space.
- Deliver 8 commercial units
- Create 550 jobs
- Deliver 11.82 hectares of new employment land
- Generate £11 million GVA annually
- A business rate income of circa £900,000 per annum to the Leeds Enterprise Partnership once the site is fully occupied

2.119 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

2.120 The scheme's wider benefits include supporting residents within a deprived area of Bradford in finding new job opportunities and develop new skills. Additionally the scheme will enable sustainable economic growth through making more efficient use of employment land and better management of traffic access.

2.121 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

2.122 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 likely market demand and will begin to market as soon as the site is available. Additionally Trade and Investment colleagues are undertaking a piece of work to identify potential occupiers seeking to relocate and expand their operations. Ongoing work streams will seek to match these occupiers with the Enterprise Zones sites as the commercial floor space becomes available.

2.123 Programme risk

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

Costs

2.124 The City Region EZ Programme to date has secured indicative approval from the Investment Committee and Combined Authority in June 2018 of £45.044 million from the Local Growth Fund, including £1.923 million towards project development costs. There is sufficient remaining budget within the programme to financially support this scheme.

2.125 For the Gain Lane scheme the Combined Authority will fund up to £9.877 million from the Local Growth Fund. A substantial private sector investment has been secured from the developer.

2.126 The programme does not seek any further development cost funding at this stage.

Assurance pathway and approval route

Assurance pathway	Approval route	Forecast approval date
5 (Full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Investment Committee	03/09/2019
6 (Delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	28/03/2025

Other Key Timescales

- Complete access road - May 2020
- Complete infrastructure works - July 2020
- Construct two speculative units - March 2021
- Complete remaining units - March 2025
- Local Growth Fund funding will be spent by 31 March 2021

Assurance Tolerances

Assurance tolerances
Combined Authority costs remain within the costs set out in this report. Timescales remain within 3 months of the timescales set out in this report.

Project responsibilities

Senior Responsible Officer (Programme)	Kate Thompson, Combined Authority
Project Manager	Chris Marshall, Marshall Construction (West Yorkshire) Limited
Combined Authority case officer	Asif Abed

Appraisal summary

2.127 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.

- 2.128 The economic case has been reassessed at full business case with finalised costs, with an exercise undertaken to review the data inputs and sensitivity testing applied to test the preferred option. It is felt the assessment now reflects a more robust value for money position than that presented at outline business case, deriving a benefit cost ratio of 16.5:1
- 2.129 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 26 March 2019.
- 2.130 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 of the programme, a dedicated wider EZ Programme team has been established within the Combined Authority.
- 2.131 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.
- 2.132 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 full 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.

Recommendations

That Investment Committee approves the following recommendations:

- (i) The Enterprise Zone Gain Lane project proceeds through decision point 5 (full business case with finalised costs) and work commences on activity 6 (delivery).
- (ii) Approval of up to £9.877 million for the Combined Authority contribution to the scheme is granted from the Local Growth Fund.
- (iii) The Combined Authority enter into a Funding Agreement with Marshall Construction Limited for expenditure up to £9.877 million.
- (iv) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 6 through a delegation to the 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	A62 / A644 (Wakefield Road) Link Road
Stage	2 (Development)
Activity Point	Change request (activity 3)

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

2.133 Cooper Bridge is one of the most important Gateways into Huddersfield. The A62 / A644 is one of the main transport routes into and out of Huddersfield. It is a major route through Kirklees between Huddersfield and Leeds and provides key access to the M62 corridor.

2.134 The existing A62 / A644 Cooper Bridge junction comprises of a signalised three-armed roundabout connecting the A62 Cooper Bridge Road (southern arm), the A644 Wakefield Road (western arm) and the A62 Leeds Road (eastern arm). The roundabout and the surrounding road network are known to be severely congested in both morning and afternoon peak travel periods.

2.135 The scheme being progressed through Activity 3 is as follows:

- Highway improvement works to the junction of Bradley Road / Colne Bridge Road (incorporating Oak Road)
- Construction of a link road between the A644 Wakefield Road and Bradley junction
- Highway improvement works to the Cooper Bridge junction
- Widening (in part) of the A644 Wakefield Road and A62 Leeds Road.
- Provision of improved cycle lanes and pedestrian footways

Description of Change Request

2.136 There have been a number of issues encountered by the project which have impacted the progress of the outline business case and therefore development costs.

- The scope of options that needed to be considered and the level of environmental appraisal required for the scheme to inform the economic case and option selection was under estimated.
- The original supplier appointed to develop the economic case and associated traffic modelling was unable to resource the afore-mentioned additional scope of options appraisal, resulting in the agreement to terminate the contract and appoint a new supplier. This resulted in a delay from the forecast outline business case submission of November 2018 to a revised estimate of October 2020. There was also some re-work required as the new supplier had to review and familiarise themselves with the traffic model.
- The Kirklees Transport Model (KTM) is a strategic model that was developed to understand the impact of traffic forecasts for the local plan development sites. The calibration and validation in the local area of the Kirklees Transport Model was poor and achieving absolute WebTAG criteria is proving difficult. Consequently, additional resource has been required and this is having a time and a cost impact on the outline business case stage.

2.137 In the longer term it is considered that a Kirklees Transport Model update is still required for the development of the full business case. This will not just benefit the A62/A644 (Wakefield Road) Link Road scheme, but also other schemes within Kirklees. Therefore, the update to the Kirklees Transport Model is being undertaken as a separate project and has been previously approved by the Investment Committee.

Outputs, benefits and inclusive growth implications

2.138 The forecast scheme outputs, benefits and growth include:

- Transport and improved connectivity play an important role in supporting and enhancing economic growth through a range of outcomes, including:
- Improved business efficiency, notably by travel time savings, improving journey time reliability and travel quality.
- Improving labour market efficiency, enabling firms to access a larger labour supply, and wider employment opportunities for workers and those seeking work.
- Addressing Cooper Bridge and the surrounding network by reducing congestion is therefore critical if growth opportunities are to be unlocked in Kirklees and the wider City Region.

2.139 The scheme specific objectives aim to:

- Support the economic, physical and social regeneration of Huddersfield
- Deliver a range of complementary measures on the A62 and A644 corridor that address road improve safety and reduce congestion

- Mitigate the potential environmental impacts of the scheme and enhance the local environment where possible including supporting the councils aim to improve the Bradley AQMA
- Provide improved facilities for pedestrians and cyclists

Risks

2.140 The key risks are:

- There remains a risk that model validation will not be achieved and in this scenario the OBC would be reliant on the outputs from the model update work, which would result in a further change request being submitted to seek the funding and time extensions required for this approach.
- The scheme spans the Kirklees/Calderdale boundary and has a number of design challenges requiring input from a range of key stakeholders/disciplines, e.g. heritage, structures, biodiversity and planning. Failure to agree the necessary buy in or approvals from Kirklees, Calderdale and Combined Authority Senior Officers will result in a delay to the project, increase costs and reputational damage. Mitigation – A memorandum of understanding has been developed between both authorities detailing commitment to work in partnership. Regular project progress and project board meetings with relevant representation from both authorities are being established.
- The scheme is subject of a Public Enquiry. Mitigation – Ensure both outline business case and full business case are robust and ensure adequate engagement is held with affected landowners and statutory consultees and ensure concerns/objections are addressed as far as possible.
- Scheme is unaffordable due to tender prices being in excess of agreed budget. Mitigation - Cost consultant appointed to prepare a robust scheme cost plan (based on the preliminary design) to provide a degree of certainty on a likely outturn cost. Scheme cost plan to also be independently reviewed to provide assurance on scheme costs prior to outline business case submission. Process to be repeated before full business case submission.

Costs

2.141 The current forecast scheme cost is £77.3 million. A detailed cost forecast will be developed as part of the full business case.

2.142 The scheme is to be funded from the West Yorkshire plus Transport Fund.

2.143 The scheme secured approval of £77.3 million at decision point 2 and development costs of £750,000. A further £215,000 is now sought to fund project development costs.

2.144 The Combined Authority will need to enter into an addendum to the existing funding agreement for the additional expenditure.

Assurance pathway and approval route

Assurance pathway	Approval route	Forecast approval date
Change request (activity 3)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	03/09/2019
Decision point 3 (outline business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Investment Committee	March 2020
Decision point 4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	April 2022
Decision point 5 (full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	July 2022

Other Key Timescales

- Planning application submission – January 2022
- Full Business Case submission – April 2022
- Full Business Case with finalised costs submission – July 2022
- Start of works – September 2022

Assurance Tolerances

Assurance tolerances
Any increase to Combined Authority costs remain within 10% of that set out in this report. Timescales remain within 6 months of the timescales set out in this report.

Project responsibilities

Senior Responsible Officer	Angela Blake – Kirklees Council
Project Manager	Keith Bloomfield – Kirklees Council
Combined Authority case officer	Paul Coy

Appraisal summary

2.145 The rationale for the change request is clearly set out and the scheme promoter has provided additional information to substantiate the need for

release of further development funding to complete the outline business case and extension to timescales.

Recommendations

2.146 The Investment Committee approves:

- (i) The change request to the A62 / A644 (Wakefield Road) Link Road project for additional funding of £215,000 to support project development costs towards developing the outline business case from the West Yorkshire plus Transport Fund.
- (ii) The change request to the A62 / A644 (Wakefield Road) Link Road project for an extension on time from November 2018 to March 2020 for outline business case submission.
- (iii) That the Combined Authority enters into an addendum to the existing funding agreement with Kirklees Council to reflect the revised timescales and for additional expenditure of up to £215,000 from the West Yorkshire plus Transport Fund. This takes the total expenditure on development costs up to £965,000.
- (iv) That future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 4, 5 and 6 through delegation to the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within tolerances outlined in this report.

Project Title	A629 Phase 2
Stage	2 (Development)
Decision Point	Change request (activity 4)

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

- 2.147 The A629 corridor programme has been jointly developed in partnership between Calderdale Metropolitan Borough Council (CMBC) and Kirklees Metropolitan Borough Council (KMBC), and will include highway capacity and operational improvements, investment in public transport, and improvements to strategic accessibility and public realm within Halifax town centre to deliver regeneration and growth aspirations.
- 2.148 Phase 2 of the corridor programme will improve pedestrian and cycle access in to and within Halifax town centre by addressing roads that are cutting off pedestrian access, re-routing of traffic, and capitalising on place making opportunities and will complement the new bus station proposal. Delivery will be phased across three corridors - Eastern corridor, Central corridor, and Western corridor.

Description of Change Request

- 2.149 The change request is a result of an application received by Historic England for the listing of the Hughes Corporation building in October 2018, subsequently approved in January 2019.
- 2.150 This Hughes Corporation building had been identified as requiring demolition as part of the initial A629 phase 2 project proposals. Additional funding is being sought to support project development costs towards a detailed re-design of the Piece Gardens proposals on the Eastern Corridor element of the scheme to incorporate the recently listed Grade II Hughes Corporation Building. This design amendment also requires a variation to the on-going planning application for the whole project.
- 2.151 The scheme currently has insufficient funding within the existing A629 phase 2 development costs approval to cover the necessary detailed design change of the Piece Gardens and the resubmission of the planning application and

associated costs, Therefore, additional development funding of £380,000 is sought. Approval of a further £252,000 is also requested to cover costs expended at risk by the council on land purchase and the Hughes Corporation land negotiations.

2.152 As a result of the above, the delivery programme will incur a noticeable delay from the previous forecast dates, with scheme completion now forecast for September 2023.

Outputs, benefits and inclusive growth implications

2.153 The forecast scheme outputs and benefits include:

- A 20% increase in Halifax town centre footfall by five years after scheme delivery.
- A 300% increase in cyclists crossing the Halifax town centre five years after completion of the A629 Corridor programme.
- A 5% increase in the percentage of commercial units in Halifax town centre occupied five years after scheme delivery.

2.154 The scheme supports wider social and health benefits, encouraging active mode travel and improving quality of life through better access to public transport and connectivity to jobs and housing.

Risks

2.155 The key risks include:

- Unplanned engineering works not associated with this project are required within the highway during construction period, in or around the site leading to delays and increased costs. Mitigation – Close liaison with Calderdale Council's network management team to alleviate emergency works as they occur or become known
- Unplanned utility apparatus works and uncharted services, increasing costs or causing delay to scheme. Mitigation – Close liaison with Calderdale Council's network management team to alleviate emergency works as they occur or become known above and undertaking of Ground Penetrating Radar surveys.
- Public consultation objections to the revised proposal. Mitigation – Effective use of Combined Authority and Calderdale Council's Communication Teams to circulate latest information updates via all forms of media and additional local drop in sessions
- Securing planning approval of the re-designed proposal. Mitigation – Early re-engagement with key stakeholders to identify any issues at early stage

Costs

- 2.156 The scheme is to be funded from the £120.6 million West Yorkshire plus Transport Fund allocation to the A629 corridor programme.
- 2.157 The scheme secured approval of £2.981 million from the West Yorkshire plus Transport Fund at outline business case and now seeks approval of a further £632,000, of which £380,000 is sought to fund full business case project development costs, and a further £252,000 to cover costs expended at risk on Hughes Corporation land negotiations.
- 2.158 It should be noted the additional development funding sought has previously been identified as a potential risk within the Quantitative Risk Assessment (QRA), therefore is not regarded as an increased cost to the overall delivery of this project.
- 2.159 The Combined Authority to enter in to an addendum to the existing funding agreement with Calderdale Council, for additional expenditure of £632,000, taking total approval to £3.613 million.

Assurance pathway and approval route

Assurance pathway	Approval route	Forecast approval date
Change request (activity 4)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Investment Committee	03/09/2019
4 (Full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	25/06/2020
5 (Full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	17/12/2020

Other Key Timescales

- Forecast construction commence date: March 2021
- Forecast construction complete date: September 2023

Assurance Tolerances

Assurance tolerances
Any increase to Combined Authority costs remain within 10% of that set out in this report. Timescales remain within 6 months of that set out in this report

Project responsibilities

Senior Responsible Officer	Mark Thompson, Calderdale Council
Project Manager	Simon Liversage, Calderdale Council
Combined Authority case officer	Asif Abed

Appraisal summary

- 2.160 Early suggestions indicate the revised solution can still deliver the public realm vision and transport benefits as initially desired in the mandate of the phase 2 proposal, with the Piece Gardens and bus route on the eastern corridor to be developed around the retained Hughes Corporation building.
- 2.161 The financial case and economic case will need to be fully reassessed at full business case to demonstrate implications to the scheme costs and benefit assumptions, as well as demonstrating the commercial viability of the Hughes Corporation building through the commercial case - if this is the preferred solution.
- 2.162 The additional development funding sought seems reasonable against the activities to be undertaken, and affordable given the costs are to be funded from the existing scheme risk budget.
- 2.163 Project delivery timescales are forecast to be significantly affected, with the promoter to develop a refined programme at full business case. An early estimate anticipates securing decision point 5 approval (full business case with finalised costs) in October 2020.

Recommendations

- 2.164 The Investment Committee approves:
- (i) The change request to the A629 phase 2 project for additional funding of £632,000 from the West Yorkshire plus Transport Fund, taking the total approval to £3.613 million.
 - (ii) The change request for the A629 phase 2 project to extend delivery timescales, with forecast completion now revised to September 2023.
 - (iii) That the Combined Authority enters into an addendum to the existing funding agreement with Calderdale Council to reflect the revised timescales and for additional expenditure of £632,000, taking the total value to £3.613 million to be funded from the West Yorkshire plus Transport Fund.
 - (iv) That 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	Corridor Improvement Programme - A58 / A672
Stage	2 (Development)
Decision Point	Change request (activity 4)

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

- 2.165 The Corridor Improvement Programme (CIP) is a programme of low and medium cost highway interventions on strategic highway corridors on the West Yorkshire Key Route Network (WYKRN), designed to facilitate economic growth and job creation by delivering reliable journey times for all modes across the core road network in West Yorkshire, regardless of authority boundaries. Improved reliability of the WYKRN will contribute to goals of the Leeds City Region Strategic Economic Plan (SEP) by improving connectivity and better connecting people, jobs and goods. Such improvements will help to attract investment and facilitate housing growth across the City Region.
- 2.166 The A58/A672 corridor provides a key role linking Calderdale to the Greater Manchester City Region. Improvements to this route will ensure sustainable growth of Halifax and surrounding economic centres such as Copley, whilst boosting the visitor economy by enhancing links with neighbouring areas.
- 2.167 Through scheme delivery, it is anticipated to improve journey time reliability and reduce congestion levels, particularly for public transport. Additionally the scheme seeks to facilitate future housing growth by reducing transport constraints to development, as well as enhancing active mode provision (walking and cycling).

Description of Change Request

- 2.168 Following approval at outline business case, the scheme has experienced the cumulative impact of limited resource and capacity to support the project on procurement and legal matters, as well as the day to day project management.
- 2.169 As a consequence, full business case development activities have been delayed, with practical completion (activity 6) now forecast for May 2022, reflecting a 14 month delay to initial estimates. It is felt this reflects the worst case scenario, with the promoter taking in to account possible difficulties to

achieve possession of various parts of the corridor with scheduled works by utility services to take place on the corridor, notably the Environment Agency, Yorkshire Water, and Northern Gas.

2.170 Appropriate resource is now in place to progress full business case development activities.

Outputs, benefits and inclusive growth implications

2.171 Scheme outputs and benefits:

- Improved journey time reliability on the A58/A672, particularly for public transport users and reduced variability between peak and off peak time periods.
- Reduced congestion along the A58/A672 by reducing journey times for general traffic along the corridor by 8% or more in the morning and afternoon peak by opening year of the scheme.
- Future housing growth supported by reducing transport constraints to development on the corridor.
- Enhanced provision for active modes in order to increase the sustainability of new development – closing gaps in network connectivity on the walking and cycling networks to limit net growth in car trips by 2026, once trips generated by new development are accommodated.
- Improved air quality – ensure the annual mean nitrogen dioxide levels observed in the Air Quality Management Area declared in Sowerby Bridge town centre are improved by the end of the opening year.
- Accidents reduced by 10% throughout the corridor by 2022, with a particular focus on collisions involving pedestrians and cyclists.
- At outline business case the scheme presented a benefit cost ratio of 2.76:1, reflecting the scheme as High Value for Money when assessed against the Department for Transport's value for money criteria. The promoter to undertake further development work as part of full business case to refine the economic case.

Risks

2.172 Key risks:

- Difficulties managing utilities: scheme elements may require protection/diversion of utilities' equipment. Utility plans may be inaccurate showing wrong alignments and depths or not indicating the presence of equipment. Utilities may not be able to carry out works within cost and/ or time envelopes. Early engagement with utility services to be had.
- Constraints on highway possessions and temporary traffic management arrangements due to conflicting works from utilities and other agencies lengthens programme. Early engagement with Council streetworks management.

- Objections to traffic regulation orders (TROs) prevent full implementation of scheme elements leading to reduced benefits realisation. Early engagement with ward members and investigation/ development of complementary interventions to mitigate impact of TROs.

Costs

2.173 The scheme cost forecast is £6.024 million to be funded from the West Yorkshire plus Transport Fund, as indicatively approved at outline business case.

2.174 The change request has not incurred additional costs to the scheme with the promoter indicating minimal spend against the project in the midst of the delay.

2.175 The scheme secured £941,665 at outline business case to support project development costs to full business case with finalised costs. Therefore, no additional development funding is sought as a result of the change request.

Assurance pathway and approval route

Assurance pathway	Approval route	Forecast approval date
Change request (activity 4)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Investment Committee	03/09/2019
4 (Full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	01/04/2020
5 (Full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	01/07/2020

Assurance Tolerances

Assurance tolerances
Any increase to Combined Authority costs remain within 10% of that set out in this report. Timescales remain within 3 months of the timescales set out in this report.

Project responsibilities

Senior Responsible Officer	Melanie Corcoran, Combined Authority
Project Manager	Peter Stubbs, Calderdale Council
Combined Authority case officer	Asif Abed

Appraisal summary

- 2.176 The change request does not impact the strategic rationale for the scheme, with the scheme still reflecting delivery of small-scale transport interventions on the A58/A672 corridor focused on highway improvements, along with improving facilities for active modes, supporting delivery of the Corridor Improvement Programme.
- 2.177 Similarly the promoter has indicated no impact to scheme costs as a result of this change request, or on the value for money assessment which at outline business case reflected the scheme as High Value for Money with a benefit cost ratio of 2.76:1.
- 2.178 The primary implication of the change request is on the management case, with delivery timescales and subsequently the realisation of project benefits and outcomes significantly affected. The promoter has provided assurance the required support is now in place across procurement, legal, and in the day to day project management.

Recommendations

- 2.179 That Investment Committee approves:
- (i) The extension to project delivery timescales of the A58 / A672 Calderdale Council Corridor Improvement Programme scheme, with practical completion (decision point 6) now forecast for May 2022.
 - (i) That the Combined Authority enters into an addendum to the existing funding agreement with Calderdale Council to reflect the revised timescales.
 - (ii) That 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	Corridor Improvement Programme - A646 / A6033
Stage	2 (Development)
Decision Point	Change request (activity 4)

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

- 2.180 The Corridor Improvement Programme (CIP) is a programme of low and medium cost highway interventions on strategic highway corridors on the West Yorkshire Key Route Network (WYKRN), designed to facilitate economic growth and job creation by delivering reliable journey times for all modes across the core road network in West Yorkshire, regardless of authority boundaries. Improved reliability of the WYKRN will contribute to goals of the Leeds City Region Strategic Economic Plan (SEP) by improving connectivity and better connecting people, jobs and goods. Such improvements will help to attract investment and facilitate housing growth across the City Region.
- 2.181 The A646/A6033 corridor provides a key role linking Calderdale to the Greater Manchester City Region and Lancashire. Improvements to this route will ensure sustainable growth of Halifax and surrounding economic centres such as Copley, whilst boosting the visitor economy by enhancing links with neighbouring areas.
- 2.182 The proposed interventions to the route include junction improvements, bus facility improvements, provision of pedestrian crossing and cycling facilities, footbridge replacement, and public realm improvements.
- 2.183 Through scheme delivery, it is anticipated to improve journey time reliability and reduce congestion levels, improve accessibility to employment sites, facilitate future housing growth, and enhance provision for active modes.

Description of Change Request

- 2.184 Following approval at outline business case, the scheme has experienced the cumulative impact of limited resource and capacity to support the project on procurement and legal matters, as well as the day to day project management.

- 2.185 As a consequence, full business case development activities have been delayed, with practical completion (decision point 6) now forecast for May 2022, reflecting a 14 month delay to initial estimates. It is felt this reflects the worst case scenario, with the promoter taking in to account possible difficulties to achieve possession of various parts of the corridor with scheduled works by utility services to take place on the corridor, notably the Environment Agency, Yorkshire Water, and Northern Gas.
- 2.186 Appropriate resource is now in place to progress full business case development activities.

Outputs, benefits and inclusive growth implications

2.187 Scheme outputs and benefits:

- Improve journey time reliability, particularly for public transport users by reducing journey time variability between peak and off-peak time periods by 12% by opening year.
- Improve accessibility to employment sites by reducing journey times for general traffic along the corridor by 8% or more in the AM and PM peak by opening year.
- Facilitate future housing growth by enabling sites proposed along the corridor in the Calderdale Local Plan to be realised by 2032.
- Enhance provision for active modes closing gaps in connectivity on the walking and cycling networks by opening year, providing an environment which promotes and encourages active mode use.
- Improve air quality by making levels of nitrogen dioxide/particulates no worse than the baseline values and achieve the European target values in the two AQMAs declared in Luddenden Foot and Hebden Bridge by opening year.
- Reduction in collisions by 10% throughout the corridor by 2022, with a particular focus on collisions involving pedestrians and cyclists.
- At outline business case the scheme presented a benefit cost ratio of 3.3:1, reflecting the scheme as High Value for Money when assessed against the Department for Transport's value for money criteria. The promoter to undertake further development work as part of full business case to refine the economic case.

Risks

2.188 Key risks:

- Difficulties managing utilities: scheme elements may require protection/diversion of utilities' equipment. Utility plans may be inaccurate showing wrong alignments and depths or not indicating the presence of equipment. Utilities may not be able to carry out works within cost and/or time envelopes. Early engagement with utility services to be had.

- Constraints on highway possessions and temporary traffic management arrangements due to conflicting works from utilities and other agencies lengthens programme. Early engagement with Council streetworks management to be had.
- Objections to traffic regulation orders (TROs) prevent full implementation of scheme elements leading to reduced benefits realisation. Early engagement with ward members and investigation/ development of complementary interventions to mitigate impact of TROs.

Costs

- 2.189 The scheme cost forecast is £5.092 million to be funded from the West Yorkshire plus Transport Fund, as indicatively approved at outline business case.
- 2.190 The change request has not incurred additional costs to the scheme with the promoter indicating minimal spend against the project in the midst of the delay.
- 2.191 The scheme secured £789,581 at outline business case to support project development costs to full business case with finalised costs. No additional development funding is sought as a result of the change request.

Assurance pathway and approval route

Assurance pathway	Approval route	Forecast approval date
Change request (activity 4)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Investment Committee	03/09/2019
4 (Full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	01/04/2020
5 (Full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	01/07/2020

Assurance Tolerances

Assurance tolerances
Any increase to Combined Authority costs remain within 10% of that set out in this report. Timescales remain within 3 months of the timescales set out in this report.

Project responsibilities

Senior Responsible Officer	Melanie Corcoran, Combined Authority
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Project Manager	Peter Stubbs, Calderdale Council
Combined Authority case officer	Asif Abed

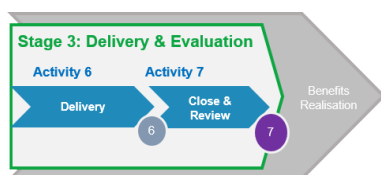
Appraisal summary

- 2.192 The change request does not impact the strategic rationale for the scheme, with the scheme still reflecting delivery of the proposed interventions on the A646/A6033 corridor focused on highway improvements, along with improving facilities for active modes, supporting delivery of the Corridor Improvement Programme.
- 2.193 Similarly the promoter has indicated no impact to scheme costs as a result of this change request, or on the value for money assessment which at outline business case reflected the scheme as High Value for Money with a benefit cost ratio of 3.3:1.
- 2.194 The primary implication of the change request is on the management case, with delivery timescales and subsequently the realisation of project benefits and outcomes significantly affected. The promoter has provided assurance the required support is now in place across procurement, legal, and in the day to day project management, with appointment of a consultant to support full business case development imminent.

Recommendations

- 2.195 That the Investment Committee approves:
- (i) The extension to delivery timescales of the A646 / A6033 Calderdale Council Corridor Improvement Programme scheme, with practical completion (decision point 6) now forecast for May 2022.
 - (i) That the Combined Authority enters into an addendum to the existing funding agreement with Calderdale Council to reflect the revised timescales.
 - (ii) That 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.

Projects in Stage 3: Delivery and Evaluation



2.196 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.

Project Title	York Guildhall
Stage	3 (Delivery and Evaluation)
Decision Point	Change request (activity 6)

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

2.197 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 enable 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).

2.198 The York Guildhall scheme was given the equivalent to decision point 5 approval to proceed into delivery by the Combined Authority in December 2016. The scheme aims to maximise the benefit of City of York Council's former headquarters building as a modern business hub through refurbishment to provide high quality office accommodation in a highly accessible and visible city centre location.

2.199 This scheme is intended to address the gap in York's current City Centre office offer by refurbishing and extending the Guildhall complex. The Guildhall

comprises a substantial Grade I, II* and II listed part stone and part brick built complex of medieval date occupying a prominent location within the central historic core conservation area. The scheme designs were amended to accommodate conservation concerns and relevant permissions have been granted for the scheme to proceed with the delivery which is contributing to the overall development.

2.200 There remains a strong demand for office space in the city centre, backed by continued growth in knowledge-intensive industries. York Council ran a small survey in February which identified 6 businesses who would be keen to move into the Guildhall immediately. There are currently no advertised offices available to let in York city centre.

Description of Change Request

2.201 The full business case, which was approved in 2016, estimated that the project would be complete by December 2018. The timeframe has slipped due to a requirement for a re-tender for the delivery of works due to initial contractor estimates being forecast at £2.7 million over the approved budget. A new procurement exercise was undertaken with tenders returned on 9 January 2019 and an appointment approved on 14 February 2019.

Outputs, benefits and inclusive growth implications

2.202 The forecast outputs, benefits, environmental, and inclusive growth implications are:

- 240 temporary construction jobs
- 34 new jobs
- Creation of 2610m² of floor space which is split as follows:
 - 1300m² of office space
 - 650m² of events space
 - 660m² of restaurant/ café space
- This schemes design proposal indicates that the most appropriate technology for the site would be a river-water source heat pump offering high levels of efficiency for the environment with seasonal heating and the potential for summer cooling.
- The BREEAM assessment also indicates that the project is on target to achieve a very good rating.

Risks

2.203 The following risks have been identified:

- Failure to secure market interest for the restaurant. This is being mitigated by early engagement with restaurateurs for potential lettings.

- Discover of structural unknowns. This has been mitigated by undertaking surveys early to determine unknowns and allow for suitable contingency for remediation.
- Structural damage and repairs required to the tower. This has been mitigated by the contractor design determining the foundation levels/ underpinning solution to the tower.

Costs

2.204 The full business case forecasts the total cost of the scheme to be £11.9 million. In May 2019, York Council's Cabinet approved an increase to £12.78 million. Further surveys to identify structural instabilities and access to the constrained riverside site have resulted in the total scheme cost increasing to £20.197 million. The Combined Authority's funding contribution of £2.347 million has not increased. City of York Council are funding the increased scheme costs.

Assurance pathway and approval route

Assurance pathway	Approval route	Forecast approval date
Change request (activity 6)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Investment Committee	03/09/2019
6 (Delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	31/03/2021
7 (Review and close)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	31/03/2022

Other Key Timescales

2.205 The key timeframes for this project are as follows:

- North Range:
 - Groundworks complete by April 2020
 - Fit out complete by February 2021
- South Range:
 - Groundworks complete by February 2020
 - Fit out complete by November 2020
- Victorian Block
 - Fit out complete by October 2020

- Guildhall
 - Fit out complete by November 2020

Assurance Tolerances

Assurance tolerances
Combined Authority costs remain within the costs set out in this report
Timescales remain within 6 months of the timescales set out in this report
The number of permanent jobs and overall amount of office space should remain within 20% of the forecasts set out in this report

Project responsibilities

Senior Responsible Officer	Neil Ferris, City of York Council
Project Manager	David Warburton, City of York Council
Combined Authority case officer	Heather Briggs

Appraisal summary

2.206 This change request enables the scheme to contribute towards the lack of high quality office space in York city centre and will refurbish a historic, unused building on a riverside location. The appraisal has shown that it is a complex scheme requiring high costs due to floating cranes and other equipment required on the riverside side to carry out the development, and structural works required to create high quality office accommodation and commercial space.

Recommendations

2.207 That Investment Committee approves:

- (i) The change request to the York Guildhall project to extend the project completion date from December 2018 to March 2021.
- (ii) That the Combined Authority enters into an addendum to the existing funding agreement with City of York Council to reflect the revised project completion date.
- (iii) That 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	Rail Park and Ride Programme Hebden Bridge
Stage	3 (Delivery and Evaluation)
Decision Point	Change request (activity 6)

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

- 2.208 The Rail Park and Ride programme consists of 14 sites adjacent to rail stations to be extended into the car parking, for the benefits of rail users. The Rail Park & Ride programme has been identified to enhance connectivity to, from and within West Yorkshire. The purpose of the programme is to increase car parking capacity at selected stations thereby increasing access to the rail network.
- 2.209 Prior to this scheme, Hebden Bridge Rail station car park had 81 spaces which were full by 8am each weekday and suffered from on-street parking on the main access road into Hebden Bridge which caused congestion on the road network.
- 2.210 The car park extension will be constructed on Network Rail land at Hebden and operated and maintained by Northern (the train operating company).
- 2.211 The scheme received decision point 5 approval (full business case with finalised costs) on 7 July 2017 via a delegated decision to the Combined Authority's Managing Director. This approval included an expenditure for £582,000 for total project costs, plus an earlier development cost approval of £43,842 (£625,842).
- 2.212 Two change requests have been previously approved taking the total approval prior to the current change request to £754,445 (+£128,245).

Description of Change Request

- 2.213 Following approval of the second change request, work on site commenced. However the level of contaminated land was found to be higher than tests indicated with implications for cost and design. The contaminated land has been removed and a revised design agreed with NwR and the tenant; this

requires an additional £130,000 to complete. The tenant has signed an agreement to enter into a new lease once the relocation has been completed.

2.214 This change request has no impact on the number of parking spaces that will be delivered by the scheme but has led to a five months delays to the delivery programme and as a result this change request also seeks approval to the revised completion date of November 2020 (previous date was June 2020).

Outputs, benefits and inclusive growth implications

2.215 The forecast outputs, benefits and inclusive growth implications for the Rail Park and Ride Programme are:

- Enhance Rail Accessibility – extend free rail car parking and enhance employment accessibility, through the provision of additional car parking spaces; Improve overall journey times, through better access to the rail network; Increase provision of Blue Badge parking bays.
- Increase access to employment and facilitate growth Gross Value Added (GVA) at programme level - £8.2 million; Employment benefit at programme level – an additional 117 jobs.
- Deliver carbon savings – reduce car journeys and encourage modal shift onto rail, through improved accessibility to the rail network.

2.216 Key outputs for the Hebden Bridge Park and Ride scheme

- 46 additional spaces increasing total spaces to 127 - a 56% increase in capacity including minimum 5% DDA compliant spaces
- Additional CCTV and Lighting leading to improved perceptions of safety and security.
- Re-surfaced and re-marked existing car park surfaces
- Enhanced sustainable drainage infrastructure in line with Network Rail specifications with fuel and oil interceptors. Opportunities are being explored to incorporate EV charging points and wildflower planting into the finalised scheme.
- Potential to increase cycle parking provision.

Risks

2.217 The following risks have been identified with mitigations outlined:

- **Contractor** – the current Network Rail contractor is no longer on site and will not re-commence works until a revised contract is signed. There is a risk that they will not have the resource to complete the scheme and it will have to be re-procured by Network Rail. **Mitigation** – discussions with Network Rail and the contractor indicate they hope to have the resource to complete the scheme but cannot guarantee this therefore it is beneficial for the Combined Authority to enter into a new Implementation Agreement with Network Rail as soon as possible.

Costs

2.218 This change request is for an increase of funding of £130,000 to £884,445.

2.219 This change request will also require an increase to the Implementation Agreement between the Combined Authority and Network Rail from £214, 000 to £344, 000, for the tenant relocation works. The remainder of the car park extension works will be undertaken by Northern via a Section 56 agreement with the Combined Authority. No changes are required to the Section 56 agreement as result of this change request.

Assurance pathway and approval route

Assurance pathway	Approval route	Forecast approval date
Change request (activity 6)	Recommendation: Investment Committee Decision: Combined Authority's Managing Director	03/09/2019
7 (Review and close)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	01/10/2021

Other Key Timescales

2.220 The key timeframes for this project are as follows:

- Revised Contracts 30 September 2019
- Re-commence tenancy works mid-October
- Tenancy works complete mid-February 2020
- Revised tenancy signed March and April 2020
- Car Park works commence May / June 2020
- Completed works November 2020

Assurance Tolerances

Assurance tolerances
Combined Authority costs remain within the level set out in this report. Timescales remain within 3 months of the timescales set out in this report.

Project responsibilities

Senior Responsible Officer	Melanie Corcoran, Combined Authority
Project Manager	Sara Brook, Combined Authority

Appraisal summary

- 2.221 The scheme has experienced three cost increases since decision point 5 (full business case with finalised costs) approval in July 2017, however these have occurred as a result of the project manager acting on advice from Network Rail over the best procurement approach to relocate the tenant.
- 2.222 The tenant has signed an agreement with Network Rail to enter into a new lease based on the relocated site and has been actively involved in the revised design. The contractor to deliver the car park itself has been in contract since mid-2017 and has re-confirmed that the costs have not increased.
- 2.223 The Case Officer is content that all options have been explored, and that these costs cannot be avoided if the scheme is to be progressed.

Recommendations

- 2.224 That Investment Committee approves:
- (i) The change request to the Hebden Bridge Rail Park & Ride project for additional funding of £130,000 from the West Yorkshire plus Transport Fund, taking the total approval to £884,445.
 - (ii) The change request for the Hebden Bridge Rail Park & Ride project to extend delivery timescales by 6 months.
 - (iii) That the Combined Authority enters into an Implementation Agreement (IA) with Network Rail for total expenditure of up to £344,000 to be funded from the West Yorkshire plus Transport Fund. This will take the form of a revised IA for the total amount or a variation for £130,000 in addition to the existing IA for £214,000.
 - (iv) That 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	York Outer Ring Road – Phase 2 – Delivery A1237 – Monks Cross
Stage	3 (Delivery and Evaluation)
Activity Point	Change request (activity 6)

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

- 2.225 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.
- 2.226 The A1237 York Outer Ring Road (YORR) has been the subject of a comprehensive and long-term strategy to review and develop junction improvements at identified roundabouts along the route to improve and reduce journey times on this heavily congested route.
- 2.227 The York Outer Ring Road upgrade project includes improvements to seven existing outer ring road roundabouts between the Wetherby Road and Monks Cross junctions. The aim is to, where possible, upgrade junctions to a similar standard as the recently enhanced A19 and A59 roundabouts: i.e. approaches widened to 3 lanes, exits widened to 2 lanes, minor arm approaches widened to suit traffic flows, provision of walking and cycling improvements (including accommodation for future orbital and radial routes where possible).
- 2.228 The overall saving in journey times on the opening year (2019) between Wetherby Road and Monks Cross is forecast in excess of 20% and in excess of 10% in 2036, the forecast traffic year that the scheme is designed for. Note that these projections are based on the whole route (all roundabouts) being improved.
- 2.229 Phase 2 will deliver improvements to the roundabout at the junction of A1237, Monks Cross and North Lane. The measures implemented at this roundabout are:

- A1237 approaches widened to three lanes
- A1237 exists widened to two lanes
- Enlarge Inscribed Circle Diameter (ICD) of roundabout
- Widening of minor arm approaches to match flows

Description of Change Request

- 2.230 The programmed start of works date of April 1st has been missed due to difficulties acquiring the necessary land for the improvement works. At this stage the possibility of commencing work has been assessed as unlikely in the near future and as a consequence it appears that the approved tolerance on time against the decision point 6 date (completion on site) will be exceeded.
- 2.231 The decision point 6 date approved in the decision point 5 (final business case with finalised costs) approval was October 2019, with a tolerance of 3 months for completion, this would take the completion date to January 2020. This date is now likely to be exceeded and therefore a change request is required to revise the decision point 6 date.
- 2.232 The cause of the change is due to difficulties in negotiations with landowners to sell land by private agreement and changing circumstances which have developed over the past 9 months. There a number of different circumstances with regard to land acquisition, these are set out in brief below;
- The land agent acting for one land owner has changed and this has impacted on negotiations.
 - A requirement to provide a hibernaculum, which is a winter refuge, for relocated Great Crested Newts and to acquire land for this purpose. Negotiations for land acquisition for this use have taken longer than anticipated.
 - Difficulties in identifying a land owner where a holding company was in place, leading to delays in opening negotiations and further delays due to the process which the land owner organisation has to go through in order to agree to sell or dispose of land.
 - Initially productive negotiations have run into some issues which have impacted on the progress of the negotiations.

Outputs, benefits and inclusive growth implications

- 2.233 The forecast outputs, benefits and inclusive growth implications of the scheme are:
- Enhanced connectivity to the A1(M) and other strategic destinations.
 - Reduced end to end journey times around the northern section of the York Outer Ring Road by approximately 20% by 2021.

- Enhanced journey time reliability for cross-county movements (estimated to be 15-20% of traffic) between origins and destinations in North Yorkshire.
- Reduced localised congestion and delays on approach and exit from the junctions.
- Removal of through traffic from York City Centre due to the decongestion of the Outer Ring Road route.
- Improved safety through the reduction in road accidents.
- Enable better access to employment, retail, health and leisure sites in York which serve the surrounding population.

2.234 The scheme will improve local air quality through reduced traffic congestion.

Risks

2.235 The key risks to the project and the related mitigation are;

- Risk - Land acquisition is the biggest risk to the programme. At Monks Cross this risk has now been realised and become an issue. Mitigation - Whilst efforts still continue to negotiate acquisition of the necessary parcels of land and rights by private agreement, a separate report will be brought to the City of York Council Executive Meeting in September 2019 proposing that a draft Compulsory Purchase Order should now be made by the Council and submitted to the Secretary of State for approval.
- Risk –Due to the presence of Great Crested Newt (GCN) affecting part of this site, it is necessary to mitigate the impact on their habitat by providing a hibernaculum in a location which has to be approved by Natural England. The potential locations for the hibernaculum are limited and require land acquisition. Mitigation - Work continues to reach agreement with landowners by agreement. The proposed hibernaculum location will also be included in a proposed compulsory purchase order.
- Risk - That the lessons learned are not taken account of in future phases of the York Outer Ring Road programme in order to minimise potential future delivery risks. Mitigation - This will be mitigated by a review of the wider programme to ensure potential future risks are taken into account.

Costs

2.236 The baseline scheme costs are £3.585 million. At the moment it is not expected that these costs will increase, although inflationary increases cannot be fully ruled out. However these costs will now be spread over a two-year period due to delays to the scheme.

Assurance pathway and approval route

Assurance pathway	Approval route	Forecast approval date
Change request (activity 6)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Investment Committee	03/09/2019
7 (Review and close)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	02/06/2021

Other Key Timescales

- Preparation of compulsory purchase order - July to November 2019.
- City of York Council approve submission of CPO to Minister - January 2020.
- Serving of Notices and Determination of CPO by Minister - June 2020.
- Mobilise contractor and commence work - September 2020.
- Construction period based on existing scenario - 36 weeks.
- Completion of works - June 2021.

Assurance Tolerances

Assurance tolerances
Any increase to Combined Authority costs remain within 5% of that set out in this report. Timescales remain within 6 months of those identified in this report.

Project responsibilities

Senior Responsible Officer	James Gilchrist – City of York Council
Project Manager	Gary Frost – City of York Council
Combined Authority case officer	Paul Coy

Appraisal summary

- 2.237 The rationale for the change request is clearly set out and the scheme promoter has provided additional information to substantiate the need for additional time. Recommended conditions are that,
- 2.238 The promoter provides a clear land acquisition strategy for the North York Outer Ring Road junction Improvement scheme to the Combined Authority with regards to the compulsory purchase order and land owner arrangements.

Recommendations

2.239 That Investment Committee approves:

- (i) The change request to the York Outer Ring Road phase 2 delivery A1237 – Monks Cross project to provide an extension on time from October 2019 to June 2021.
- (i) That the Combined Authority enters into an addendum to the existing funding agreement with York Council to reflect the revised timescales.
- (ii) 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.

Decisions made by the Combined Authority

2.240 At its meeting on 1 August 2019 the Combined Authority approved the Kirklees Transport model and development funding for the Combined Authority's Leeds City Region Transforming Cities Fund bid.

Kirklees Transport Model

2.241 The scheme will deliver a transport model covering the Kirklees District, which will help Kirklees Council to plan for a range of major new transport improvements in the area and enable the impact of housing and other developments to be represented and planned for. The Combined Authority approved this decision point 2 (case paper) approval, giving indicative approval to the total scheme value of £334,000 to be funded from the West Yorkshire plus Transport Fund, and approving work commencing on activity 5 (full business case with finalised costs).

2.242 The Kirklees Transport Model progressed directly to the Combined Authority due to the urgent requirement for Kirklees Council to progress the model in order to inform the business cases for a number of their Transport Fund schemes.

Transforming Cities Fund

2.243 As part of the Government's Industrial Strategy and the National Productivity Investment Fund, the Transforming Cities Fund (TCF) aims to drive up productivity through improved connections between urban centres and suburbs. To do this, the Transforming Cities Fund provides a significant opportunity to invest in infrastructure to improve public and sustainable transport connectivity in some of England's largest cities.

2.244 On behalf of the Leeds City Region, the West Yorkshire Combined Authority submitted a Strategic Outline Business Case (SOBC) to the DfT, as draft, on 20 June 2019. The SOBC puts forward funding scenarios for a share of the £1.28 billion available to the 12 successful areas, to be spent by March 2023.

2.245 The Combined Authority approved development funding of capital of up to £3 million from the West Yorkshire plus Transport Fund Transformation Programme and delegated to the Managing Director, in consultation with the Chair of the Transport Committee, the release of funds for individual schemes to enable progression to Decision Point 1 and Decision Point 2 of the Assurance Framework.

Decisions made through the delegation to the Managing Director

2.246 Since Investment Committee's meeting in July, decisions regarding the following schemes has been exercised. These decisions were made through the delegation to the Combined Authority's Managing Director or Director of Delivery 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 or Director of Delivery, 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.

City Connect Phase 3

2.247 This change request decision related to the City Connect programme which will deliver new/improved cycling/walking infrastructure as well as consultation and engagement in order to promote the use of the new facilities. The outline business case (decision point 3) for the first project in the programme, City Connect 3 – Leeds, was approved by the Combined Authority's Investment Committee at the meeting on 11 June 2019. The Managing Director approved this decision point 4 change request approval for staffing costs - the £330,000 West Yorkshire plus Transport Fund funding identified for the Programme Management team was approved to enable continued programme support for the programme to progress in a timely and well managed way on 21 June 2019.

Corporate Technology Programme – package AO1

2.248 The decision point 5 (full business with finalised costs) approval related to the Corporate Technology Programme – package AO1 scheme - and work starting on activity 6 (delivery). The Corporate Technology Programme (CTP) will deliver the Corporate Technology Strategy which was approved by the Combined Authority at decision point 2 in May 2018. Package AO1 of the scheme relates to Service Management Capability enabling the ICT Service Desk to achieve and adhere to Information and Technology Literacy (ITIL) standards. The programme was first approved by the Combined Authority at decision point 2 in May 2018. The Managing Director approved this decision point 5 approval on 21 June 2019, giving full approval to the AO1 work package value of £168,045 and work commences on activity 6 (delivery).

Leeds Station Gateway - New Station Street Improvements

- 2.249 This decision related to the Leeds Station Gateway - New Station Street Improvements scheme achieving decision point 5 (full business case with finalised costs) approval and work starting on activity 6 (Delivery).
- 2.250 The scheme aims to improve the environment for pedestrians both on New Station Street and also around the entrance to the main concourse of Leeds Station. The scheme will widen footways, rationalise bus stops and repave some areas of New Station Street. This will improve walking times for pedestrian between the station and the city centre and improve the general quality of the station waiting environment.
- 2.251 The scheme was previously considered by the Investment Committee at decision point 4 (full business case) on 5 September 2018.
- 2.252 The Managing Director approved this decision point 5 approval on 28 June 2019, giving full approval to the total scheme value of £2.120 million to be funded from the West Yorkshire plus Transport Fund (1.591 million) and Leeds Public Transport Investment Programme (£529,000).

West Yorkshire Integrated Urban Traffic Management Control (UTMC) – Element B1 (common cloud based database)

2.253 The UTMC project is split into three elements:

- Element A - on-street improvement works to improve traffic signals which aims to reduce the effects of congestion and the resulting costs to the local economy through on-street improvements to equipment and technology;
- Element B relates to one common cloud based database. Further split into B1 and B2:
 - B1 - the management of traffic signals by computer in urban areas (Bradford, Leeds, Kirklees, Calderdale and Wakefield);
 - B2 - system that allows all ITS infrastructure to communicate together and share information;
- Element C relates to the creation of one integrated central team for day-to-day management and co-ordination of UTC services.

The Managing Director approved this decision point 5 (full business with finalised costs) on 12 July 2019, giving full approval to the UTMC project element B1 at a value of £1.225 million; for the Combined Authority to enter into a funding agreement with Leeds Council for a total of up to £1.225 million and for work to commence on activity 6 (delivery) from the Transport Fund.

As part of the same approval the Managing Director also gave an indicative approval to the remainder of the total project value for element B2, element C and programme monitoring and evaluation of £2.31 million from the Transport Fund.

Tackling Fuel Poverty Programme

2.254 The decision point 7 (project closure) approval related to the Tackling Fuel Poverty Programme and work continuing on benefits realisation. The purpose of the Tackling Fuel Poverty Programme was to address fuel poverty amongst some of the most vulnerable households in the Leeds City Region through a capital programme of energy efficiency improvements to hard to treat housing stock across all tenures. The four location phases of the programme were given decision point 5 approval by the Combined Authority between June 2016 and June 2017. The Managing Director approved this decision point 7 approval; that the projects and programme have met key requirements and deliverables and that the final value of the Local Growth Fund contribution to the programme is reduced from £6 million to £5.669 million on 12 July 2019.

Elland Road Park and Ride Expansion (Phase 3)

2.255 This summary relates to two recent decisions regarding to the Elland Road Park and Ride Expansion scheme (Phase 3). The scheme has received both

decision point 4 (full business case) and decision point 5 (full business case with finalised costs) approval and has now proceeded into activity 6 (delivery).

- 2.256 This scheme will deliver a second extension to the Elland Road Park and Ride facility in Leeds and will provide a further 550 spaces to the current 800 space high quality park and ride facility. An additional bus service will also be provided, increasing the service frequency from the park and ride to Leeds City Centre to 10 per hour.
- 2.257 The Managing Director approved the decision point 4 approval on 28 June 2019. The Managing Director then gave decision point 5 approval to the scheme on 26 July 2019. This gave full approval to the total scheme value of £6.31 million to be funded from the Leeds Public Transport Investment Programme.

Additional Approval

A629 Phase 4

- 2.258 This scheme is phase four (of five), of the A629 Corridor Programme, and seeks to provide infrastructure improvements for bus users, cyclists and walkers, to enhance and complement the capacity improvements that will be delivered through phases 1a, 1b, 2 and 5, but also Halifax Station Gateway and Huddersfield town centre schemes.
- 2.259 The Investment Committee considered the scheme in full in July 2019. The scheme had been delegated for approval by Investment Committee by the Combined Authority through agreed delegation. However the recommendation in the July report was recommendation to approve to the Combined Authority. The Investment Committee is therefore now requested to use its delegation to approve that the scheme should proceed through decision point 3 and work commences on activity 4 (full business case) and give indicative approval to a total scheme value of £25.928 million.

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 7** 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

Halifax Bus Station

- 7.1 That the Investment Committee recommends to the Combined Authority that:
- (i) The Halifax Bus Station scheme proceeds through decision point 3 and work commences on activity 4 (full business case).
 - (ii) An indicative approval to the total project value of £15.4 million is given, with delivery funding dependent on the TCF bid outcome, 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) Development costs of £200,000 are approved from the West Yorkshire plus Transport Fund in order to assist in the progress of the scheme to decision point 4 (full business case), taking total approval to £566,415.
 - (iv) 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.

Clifton Business Park Enterprise Zone

- 7.2 That Investment Committee recommends to the Combined Authority that:
- (i) The Clifton Business Park (Enterprise Zone) scheme proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).
 - (ii) Development costs of £3.156 million are approved in order to assist in the progress of the scheme to decision point 5 (full business case with finalised costs), taking total approval to £3.356 million.
 - (iii) The Combined Authority enters into a funding agreement with Calderdale Council for expenditure of up to £3.356 million from the Local Growth Fund.

- (iv) 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 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.

Bradford City Centre Heritage Properties (Conditioning House)

7.3 That Investment Committee approves that:

- (i) The Conditioning House 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 £1.5 million 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). The total scheme cost is £13.847 million
- (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 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.

A65 Signals

7.4 That Investment Committee recommends to the Combined Authority that:

- (i) The A65 Signals scheme proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case).
- (ii) An indicative approval of £956,000 is given from the LPTIP 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). The total scheme cost is £1.209 million
- (iii) 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.

Leeds Flood Alleviation Scheme 2 (LFAS2)

7.5 The Investment Committee approves that:

- (i) The Leeds Flood Alleviation Scheme Phase 2 proceeds through decision point 5 (full business case with finalised costs) and work commences on activity 6 (delivery).
- (ii) Full approval of the Combined Authority's contribution of up to £3.9 million, which will be funded through the Local Growth Fund, is given with full approval to spend. The total project value is £76.390 million.
- (iii) The Combined Authority enters into a funding agreement with Leeds City Council for expenditure of up to £3.9 million from the Local Growth Fund.
- (iv) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

Gain Lane Enterprise Zone

7.6 That Investment Committee approves the following recommendations:

- (i) The Enterprise Zone Gain Lane project proceeds through decision point 5 (full business case with finalised costs) and work commences on activity 6 (delivery).
- (ii) Approval of up to £9.877 million for the Combined Authority contribution to the scheme is granted from the Local Growth Fund.
- (iii) The Combined Authority enter into a Funding Agreement with Marshall Construction Limited for expenditure up to £9.877 million.
- (iv) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 6 through a delegation to the 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.

A62 / A644 (Wakefield Road) Link Road

7.7 The Investment Committee approves:

- (i) The change request to the A62 / A644 (Wakefield Road) Link Road project for additional funding of £215,000 to support project development costs towards developing the outline business case from the West Yorkshire plus Transport Fund.
- (ii) The change request to the A62 / A644 (Wakefield Road) Link Road project for an extension on time from November 2018 to March 2020 for outline business case submission.
- (iii) That the Combined Authority enters into an addendum to the existing funding agreement with Kirklees Council to reflect the revised timescales and for additional expenditure of up to £215,000 from the West Yorkshire

plus Transport Fund. This takes the total expenditure on development costs up to £965,000.

- (iv) That future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 4, 5 and 6 through delegation to the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within tolerances outlined in this report.

A629 Phase 2

7.8 The Investment Committee approves:

- (i) The change request to the A629 phase 2 project for additional funding of £632,000 from the West Yorkshire plus Transport Fund, taking the total approval to £3.613 million.
- (ii) The change request for the A629 phase 2 project to extend delivery timescales, with forecast completion now revised to September 2023.
- (iii) That the Combined Authority enters into an addendum to the existing funding agreement with Calderdale Council to reflect the revised timescales and for additional expenditure of £632,000, taking the total value to £3.613 million to be funded from the West Yorkshire plus Transport Fund.
- (iv) That 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.

Corridor Improvement Programme - A58 / A672

7.9 That Investment Committee approves:

- (i) The extension to project delivery timescales of the A58 / A672 Calderdale Council Corridor Improvement Programme scheme, with practical completion (decision point 6) now forecast for May 2022.
- (ii) That the Combined Authority enters into an addendum to the existing funding agreement with Calderdale Council to reflect the revised timescales.
- (iii) That 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.

Corridor Improvement Programme - A646 / A6033

7.10 That the Investment Committee approves:

- (i) The extension to delivery timescales of the A646 / A6033 Calderdale Council Corridor Improvement Programme scheme, with practical completion (decision point 6) now forecast for May 2022.
- (ii) That the Combined Authority enters into an addendum to the existing funding agreement with Calderdale Council to reflect the revised timescales.
- (iii) That 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.

York Guildhall

7.11 That Investment Committee approves:

- (i) The change request to the York Guildhall project to extend the project completion date from December 2018 to March 2021.
- (ii) That the Combined Authority enters into an addendum to the existing funding agreement with City of York Council to reflect the revised project completion date.
- (iii) That 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.

Rail Park and Ride Programme Hebden Bridge

7.12 That Investment Committee approves:

- (i) The change request to the Hebden Bridge Rail Park & Ride project for additional funding of £130,000 from the West Yorkshire plus Transport Fund, taking the total approval to £884,445.
- (ii) The change request for the Hebden Bridge Rail Park & Ride project to extend delivery timescales by 6 months.
- (iii) That the Combined Authority enters into an Implementation Agreement (IA) with Network Rail for total expenditure of up to £344,000 to be funded from the West Yorkshire plus Transport Fund. This will take the form of a revised IA for the total amount or a variation for £130,000 in addition to the existing IA for £214,000.

- (iv) That 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.

York Outer Ring Road – Phase 2 – Delivery A1237 – Monks Cross

7.13 That Investment Committee approves:

- (i) The change request to the York Outer Ring Road phase 2 delivery A1237 – Monks Cross project to provide an extension on time from October 2019 to June 2021.
- (ii) That the Combined Authority enters into an addendum to the existing funding agreement with York Council to reflect the revised timescales.
- (iii) 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.

A629 Phase 4

7.14 That Investment Committee approves that:

- (i) The A629 Phase 4, scheme proceeds through decision point 3 and work commences on activity 4 (full business case).
- (ii) An indicative approval to the total project value of £25.928 million is given from the West Yorkshire plus Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Additional development costs of £3.94 million are approved in order to progress the scheme to decision point 5 (full business case with finalised costs) taking the total project development cost approval to £4.585 million.
- (iv) That to fund land acquisition costs of up to £2.5 million is approved, with final approval to claim against this approval delegated to the Combined Authority's Managing Director when finalised costs are known.
- (v) The Combined Authority enters into an addendum to the existing funding agreement with Calderdale Council for expenditure of up to £7.085 million from the West Yorkshire plus Transport Fund.
- (vi) Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 4 and 5 through a delegation to 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

Appendix 2 - Halifax Bus Station business case summary

Appendix 3 - Clifton Business Park Enterprise Zone business case summary

Appendix 4 - Bradford City Centre Heritage Properties (Conditioning House) business case summary

Appendix 5 - A65 Signals business case summary

Appendix 6 - Leeds Flood Alleviation Scheme 2 business case summary

Appendix 7 - Exempt appendix

Appendix 8 - Gain Lane Enterprise Zone business case summary