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**Report to:** West Yorkshire Combined Authority

**Date:** 10 October 2019

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

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## **1 Purpose of this report**

- 1.1 To put forward proposals for the progression of, and funding for, a number of West Yorkshire Combined Authority supported projects, including West Yorkshire plus Transport Fund (Transport Fund) and Growth Deal, for consideration by the Combined Authority's assurance process.
- 1.2 The schemes being considered today were recommended by the West Yorkshire and York Investment Committee (the Investment Committee) on 3 September 2019 and 1 October 2019.
- 1.3 Some of the schemes being considered today were recommended by September's Investment Committee, the remainder from October's Investment Committee. Please note, at the time of preparing this report the majority of these schemes will not have been considered by Investment Committee which meets on 1 October. However, in order to expedite scheme delivery and to avoid any delay (the next meeting of the Combined Authority is in December 2019) the report is being presented at this time. The recommendations within this report are based on those being put to Investment Committee. The Chair of the Investment Committee will provide a verbal update on the outcome of the 1 October Investment Committee's consideration of these schemes and whether there are any changes to the recommendations to be considered by the Combined Authority. Any significant changes will be presented in an addendum to the report.
- 1.4 In December 2018, the Combined Authority amended the terms of reference of the Investment Committee to provide for the Committee to make any decision to progress a scheme under the Leeds City Region Assurance Framework, in accordance with the scheme's bespoke approval pathway and approval route (subject to an exception relating to exceeding the cumulative total of the financial approval and tolerance levels agreed by the Combined Authority by more than 25%). This report includes information on the exercise

of the Investment Committee’s new delegated decision making role. Decisions made by Investment Committee which are for the Combined Authority’s information, and those requiring an approval decision by the Combined Authority, will be made clear in this report through being highlighted in the summary table and the recommendations where applicable.

## 2 Integrated Clean Growth

2.1 Through the Assurance Framework and other internal decision-making procedures, we will review and embed clean growth considerations into our activities, as referenced in **item 8** of this meeting.

2.2 We will:

- Build on the recent work to strengthen how clean growth and climate change impacts are considered as part of all new schemes that come through the Combined Authority’s Assurance Framework (Decision point 1 and 2) and we will review decision point 2 onwards and continue to strengthen clean growth considerations, including climate change impacts.
- Develop a robust quantifiable methodology for assessing all new schemes predicted carbon emissions/ wider clean growth impacts. This will include a review of all existing Combined Authority schemes and additional resource to support the development and implementation of the new assessments.
- Include clean growth, including climate change, impact assessment / considerations in all Capital Spending and Project Approvals reports from December 2019.

## 3 Report

3.1 This report presents proposals for the progression of 23 schemes, which have been recommended for approval by the West Yorkshire and York Investment Committee and considered in line with the Leeds City Region Assurance Framework. These schemes have a total combined funding value of £409.853 million when fully approved, of which £196.823 million will be funded by the Combined Authority. A total expenditure recommendation to the value of £116.840 million is sought as part of this report for the development and delivery of these schemes. Further details on the schemes summarised below can be found as part of this report.

<b><u>Scheme</u></b>	<b><u>Scheme description</u></b>
<b>Halifax Bus Station</b> Calderdale (3 September 2019 Investment Committee)	This project will replace the existing bus station facility located to the north of Halifax town centre.  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,

	<p>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). 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><b><u>Impact</u></b></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><b><u>Decision sought</u></b></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><b><u>Scheme</u></b></p> <p><b>Clifton Business Park Enterprise Zone</b></p> <p>Calderdale</p> <p>(3 September 2019 Investment Committee)</p>	<p><b><u>Scheme description</u></b></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><b><u>Impact</u></b></p> <p>The scheme will directly deliver 118,018m<sup>2</sup> 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"> <li>• 45,789m2 of new B1/B2/B8 floorspace, within 3 years of practical completion</li> <li>• 779 (gross) new and safeguarded jobs, within 5 years of practical completion</li> </ul> <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><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 3 and work commences on activity 5 (Full business case with finalised costs)</p> <p>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><b><u>Scheme</u></b></p> <p><b>A65 Signals</b></p> <p>Leeds</p> <p>(3 September 2019 Investment Committee)</p>	<p><b><u>Scheme description</u></b></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><b><u>Impact</u></b></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</p>

	<p>access to employment and services for communities in areas of high deprivation</p> <p><b><u>Decision sought</u></b></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><b>Temple Green P&amp;R</b></p> <p>Leeds</p> <p>(1 October 2019 Investment Committee)</p>	<p><b><u>Scheme description</u></b></p> <p>Due to a high level of current and future demands, this scheme seeks to deliver up to 389 additional parking spaces at the existing Temple Green Park &amp; Ride site, with procurement of an additional park &amp; ride bus service.</p> <p>The scheme is to be funded from the Leeds Public Transport Investment Programme (LPTIP), with a small developer (Section 106) funding contribution.</p> <p><b><u>Impact</u></b></p> <p>The scheme seeks to increase bus patronage, with an extended car park offering capacity to encourage additional (and existing) commuters to choose the bus for journeys in to and out of Leeds city centre, supporting local and regional transport policies and strategies, including the forthcoming Clean Air Zone.</p> <p>The scheme will help reduce city centre congestion levels and support improving air quality, to provide a better quality of life for local residents and commuters. The scheme will also support improving the access to employment via a sustainable mode of travel.</p> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 3 (outline business case) and work commences on activity 4 (full business case).</p> <p>Total scheme cost: £7.386 million</p> <p>Combined Authority contribution: £6.954 million</p> <p>Funding approval sought: £2.261 million</p>
<p><b>Castleford Growth Corridor</b></p> <p>Wakefield</p> <p>(1 October 2019 Investment Committee)</p>	<p><b><u>Scheme description</u></b></p> <p>This scheme will deliver highway improvements as well as provision of new and enhanced cycle way and pedestrian footpaths along the Castleford Growth Corridor. Additionally scheme delivery is to include public realm improvements by opening up views and public access to the River Aire.</p> <p>The scheme is to be funded from the West Yorkshire plus Transport Fund.</p> <p><b><u>Impact</u></b></p> <p>Scheme delivery will support housing developments and connectivity to/from the corridor through reducing existing transport constraints, improving journey reliability, and reducing journey times. Additionally, the scheme will encourage active</p>

	<p>mode travel through delivery of increased and enhanced cycle and pedestrian provision.</p> <p>The scheme supports the inclusive growth principle of better quality of life, through improving connectivity and reducing severance issues.</p> <p>The value for money assessment reflects a benefit cost ratio of 2.3:1, judging the scheme as high value for money when assessed against the Department for Transport's value for money criteria.</p> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 3 (outline business case) and work commences on activity 4 (full business case) subject to match funding being secured.</p> <p>Total scheme cost: £7.079 million</p> <p>Combined Authority contribution: £6.858 million</p> <p>Funding approval sought: £1.839 million</p>
<p><b>LCR Enterprise Zones - South Kirkby</b></p> <p>Wakefield</p> <p>(1 October 2019 Investment Committee)</p>	<p><b><u>Scheme description</u></b></p> <p>The South Kirkby 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 floorplate and supports Priority Area 4 (Infrastructure for Growth) of the Strategic Economic Plan.</p> <p>The scheme involves a 2.64 hectare extension to the existing South Kirkby Business Park, located adjacent to the M1 and A1 in Wakefield, to develop four new industrial/warehouse units.</p> <p>The site is owned by a private sector developer who is seeking funding from the Combined Authority to bridge a gap in the viability of the scheme</p> <p><b><u>Impact</u></b></p> <p>The scheme will directly deliver 2.64 hectares of serviced employment land and 6,085m<sup>2</sup> (65,500 ft<sup>2</sup>) for industrial/warehouse use. It has the potential to generate 115 net jobs and an uplift in Gross Value Added (GVA) of £7 million per annum subject to the take-up of floorspace by occupiers/end users.</p> <p>The scheme promoter will be required to make Inclusive Growth commitments as part of any subsequent funding agreement. Additionally the scheme will ensure sustainable economic growth through making more efficient use of employment land and managing traffic access into the site.</p> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 3 and work commences on activity 5 (Full business case with finalised costs).</p> <p>Total value of Combined authority funding – up to £2.826 million</p> <p>Funding recommendation sought - £0</p>

<p><b>Steeton &amp; Silsden Rail P&amp;R</b></p> <p>Bradford</p> <p>(1 October 2019 Investment Committee)</p>	<p><b><u>Scheme description</u></b></p> <p>This scheme will deliver an extension to the existing car park at Steeton &amp; Silsden rail station, increasing the free parking capacity by 104 spaces through the installation of 2 parking decks.</p> <p>Scheme delivery is to also include CCTV provision, one fully accessible lift, enhanced draining infrastructure, increased blue badge bay provision and electrical ducting to future proof 2 electric vehicle charging bays.</p> <p>The scheme is to be funded from the West Yorkshire plus Transport Fund.</p> <p><b><u>Impact</u></b></p> <p>Scheme delivery will encourage existing and new users to choose the train as a sustainable mode of transport for onward journeys, supporting the reduction in congestion levels and improving air quality.</p> <p>Supporting better air quality is one of the inclusive growth principles the scheme will support, as well as improving the access and connectivity to employment and communities via public transport.</p> <p>The value for money assessment reflects a benefit cost ratio of 1.8:1, judging the scheme as medium value for money when assessed against the Department for Transport's value for money criteria.</p> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 5 (full business case with finalised costs and work commences on activity 6 (delivery).</p> <p>Total scheme cost: £3.879 million</p> <p>Combined Authority contribution: £3.879 million</p> <p>Funding approval sought: £3.768 million (£110,000 approved to date)</p>
<p><b><u>Scheme</u></b></p> <p><b>A61 (South) Corridor</b></p> <p>Leeds</p> <p>(1 October 2019 Investment Committee)</p>	<p><b><u>Scheme description</u></b></p> <p>The scheme consists of a series of improvements along the A639 and A61 between M621 Junction 7 and the junction of A61 Great Wilson Street and Meadow Lane. It includes the provision of new bus lanes along the corridor (in both directions), bus priority measures at signals, improvements to the Thwaite Gate junction, dedicated walking and cycling facilities together with improvements to urban realm and green infrastructure.</p> <p>The scheme supports the delivery of Priority 4 (Infrastructure for Growth) of the Strategic Economic Plan (SEP), increasing connectivity, improving access to jobs and services, reducing carbon emissions and supporting further economic growth in the Aire Valley and Southbank areas of Leeds</p> <p><b><u>Impact</u></b></p> <p>The scheme has a forecast benefit cost ration of 2.1:1 which represents high value for money based on significant potential</p>



	<p>benefits to bus users and those walking and cycling in the corridor.</p> <p>It will improve bus journey times and reliability (especially during peak periods), increasing bus patronage and the share of non-car modes (public transport, cycling and walking) using the corridor.</p> <p>This will potentially remove 263,000 car kilometres from the road network into Leeds City Centre each year and, together with the continued investment in low emission buses (including a fleet of ultra-low emission electric buses operating from the proposed Stourton Park &amp; Ride site), the scheme will also help to improve air quality and health outcomes in the surrounding areas.</p> <p>The scheme will improve access to jobs, training and services in the corridor catchment area and lead to a reduction in the number and severity of accidents along the corridor as a result of changes to the highways layout and prioritisation measures, including additional space for cycling and walking</p> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 4 (full business case) and work commences on activity 5 (Full business case with finalised costs).</p> <p>Total value - £18.247 million</p> <p>Total value of Combined Authority funding - £18.037 million</p> <p>Funding recommendation sought - £0</p>
<p><b>East Leeds Orbital Route (ELOR)</b></p> <p>Leeds</p> <p>(1 October 2019 Investment Committee)</p>	<p><b><u>Scheme description</u></b></p> <p>This scheme is phase 2: East Leeds Orbital Road - a new 7km dual carriageway that will stretch from the ORR at Red Hall round the east side of Leeds to Thorpe Park (A612/A61), joining up with the Manston Lane Link Road. This will be a 50mph route complete with enhanced landscaping together with pedestrian and cycle infrastructure. Construction is to commence December 2019.</p> <p>The scheme is to be funded from the West Yorkshire plus Transport Fund.</p> <p><b><u>Impact</u></b></p> <p>As a result of the scheme, it is expected to reduce congestion levels on the outer ring road, enabling opportunity to make active travel enhancements to the A6120. To accommodate the strategic orbital traffic and the ELE housing development, the Manston Lane Link Road is also to be expanded.</p> <p>The scheme supports inclusive growth of a better quality of life with improved transport connectivity to communities and employment, an enhanced urban environment with improved public realm (including a major new housing development), and improved health through reduction in congestion levels and enhanced active travel provision. Environmental benefits include the provision of a green corridor for pedestrians, cyclists and equestrians.</p> <p>The value for money assessment when assessed against the Department for Transport's value for money criteria reflects an</p>



	<p>initial benefit cost ratio (BCR) of 1.9:1 (medium value for money), with an adjusted BCR of 5:1 (very high value for money) when accounting for wider scheme benefits.</p> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 5 (full business case with finalised costs) and work commences on activity 6 (delivery).</p> <p>Total scheme cost: £147.49 million</p> <p>Combined Authority contribution: £90.330 million</p> <p>Funding approval sought: £64.473 million (£25.857 million already approved)</p>
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3.2 The Combined Authority’s assurance framework requires that formal approval is given to the following elements of a scheme as part of its development:

- The progression of a scheme through a decision point to the next activity.
- Indicative or full approval to the total value of the scheme funding requested.
- The Combined Authority’s entry into a funding agreement with the scheme’s promoter.
- The assurance pathway and approval route for future decision points.
- The scheme’s approval tolerances.

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

3.4 Since the Combined Authority’s meeting on 1 August 2019, the following decision points and change requests have been assessed in line with the Combined Authority’s assurance process and approved through the agreed delegation to the Combined Authority’s Investment Committee.

<b><u>Scheme</u></b>	<b><u>Scheme description</u></b>
<p><b>Bradford City Centre Heritage Properties (Conditioning House)</b></p> <p>Bradford</p> <p>(3 September 2019 Investment Committee)</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><b><u>Decision</u></b></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 approval - £0</p>

<p><b><u>Scheme</u></b></p> <p><b>Leeds Flood Alleviation Scheme 2</b></p> <p>Leeds</p> <p>(3 September 2019 Investment Committee)</p>	<p><b><u>Scheme description</u></b></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><b><u>Decision</u></b></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 approval - £3.9 million</p>
<p><b><u>Scheme</u></b></p> <p><b>Gain Lane Enterprise Zone</b></p> <p>Bradford</p> <p>(3 September 2019 Investment Committee)</p>	<p><b><u>Scheme description</u></b></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><b><u>Decision</u></b></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</p> <p>Total value of Combined Authority funding – up to £9.877 million, (subject to ongoing monitoring of the development)</p> <p>Funding approval – up to £9.877 million</p>
<p><b><u>Scheme</u></b></p> <p><b>A62 / A644 (Wakefield Road) Link Road</b></p> <p>Kirklees</p> <p>(3 September 2019 Investment Committee)</p>	<p><b><u>Scheme description</u></b></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"> <li>• Remove large volumes of motorway bound traffic and re-routing them away from Cooper Bridge and onto the link road.</li> <li>• Highway junction improvements works</li> <li>• Construction of a link road</li> <li>• Widening of A644 Wakefield Road and A62 Leeds Road</li> </ul> <p><b><u>Decision</u></b></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 approval - £215,000</p>
<p><b><u>Scheme</u></b></p> <p><b>A629 Phase 2</b></p> <p>Calderdale</p> <p>(3 September 2019 Investment Committee)</p>	<p><b><u>Scheme description</u></b></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><b><u>Decision</u></b></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 approval - £632,000</p>
<p><b><u>Scheme</u></b></p> <p><b>Corridor Improvement Programme - A58/A672</b></p> <p>Calderdale</p> <p>(3 September 2019 Investment Committee)</p>	<p><b><u>Scheme description</u></b></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><b><u>Decision</u></b></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 approval - £0</p>

<p><b><u>Scheme</u></b></p> <p><b>Corridor Improvement Programme - A646/A6033</b></p> <p>Calderdale (3 September 2019 Investment Committee)</p>	<p><b><u>Scheme description</u></b></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><b><u>Decision</u></b></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 approval - £0</p>
<p><b><u>Scheme</u></b></p> <p><b>York Guildhall</b></p> <p>York (3 September 2019 Investment Committee)</p>	<p><b><u>Scheme description</u></b></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><b><u>Decision</u></b></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 approval - £0</p>
<p><b>City Connect phase 3 - Cooper Bridge Links</b></p> <p>Kirklees (1 October 2019 Investment Committee)</p>	<p><b><u>Scheme description</u></b></p> <p>The project will deliver a 6.5km cycle and walking route between the settlements of Bradley and Brighouse crossing the Kirklees and Calderdale border. The route will predominantly be delivered off the highway but provide strategic links to the highway network.</p> <p>The scheme is to be funded through the West Yorkshire plus Transport Fund.</p> <p><b><u>Decision</u></b></p> <p>Approval to proceed through decision point 3 (outline business case) and work commences on activity 4 (full business case).</p> <p>Total scheme cost: £2.328 million</p> <p>Combined Authority contribution: £1.862 million</p> <p>Funding approval: £350,000</p>
<p><b>Headrow City Centre Gateway</b></p> <p>Leeds (1 October 2019 Investment Committee)</p>	<p><b><u>Scheme description</u></b></p> <p>The Headrow City Centre Gateway scheme will enhance a major gateway to Leeds city centre for bus users, pedestrians, and cycle users, through a series of bus infrastructure, public realm, pedestrian and cycling improvements.</p>

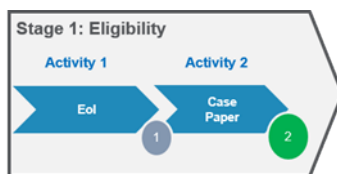
	<p>The scheme will be funded through the Leeds Public Transport Investment Programme.</p> <p><b><u>Decision</u></b></p> <p>Approval to proceed through decision point 4 (full business case) and work commences on activity 5 (full business case with finalised costs).</p> <p>Total scheme cost: £22.75 million</p> <p>Combined Authority contribution: £22.75 million</p> <p>Funding approval: £0</p>
<p><b>Stourton P&amp;R</b></p> <p>Leeds</p> <p>(1 October 2019 Investment Committee)</p>	<p><b><u>Scheme description</u></b></p> <p>This scheme will deliver a new park &amp; ride site capable of accommodating up to 1200 vehicles. The site will be fully electric, with solar panel provision to operate the site and support charging to run the fully electric bus services to/from Leeds city centre. In addition to the parking provision, the site will also include electric charge points for vehicles, waiting facilities, cycle stands, cycle lockers, and mobility scooter lockers. Implementation of dedicated walking and cycling facilities will also be delivered through the scheme, to provide enhanced connectivity to/from the park &amp; ride site and to the Leeds cycle network.</p> <p>The scheme will be funded through the Leeds Public Transport Investment Programme.</p> <p><b><u>Decision</u></b></p> <p>Approval to proceed through decision point 4 (full business case) and work commences on activity 5 (full business case with finalised costs).</p> <p>Total scheme cost: £36.99 million</p> <p>Combined Authority contribution: £34.16 million</p> <p>Funding approval: £0 (£2.935 million secured at outline business case is sufficient to fund business case development costs to full business case with finalised costs)</p>
<p><b>Rail Park &amp; Ride Programme - Mytholmroyd</b></p> <p>Calderdale</p> <p>(1 October 2019 Investment Committee)</p>	<p><b><u>Scheme description</u></b></p> <p>This scheme forms part of the Rail Park and Ride Programme and will create a new car park consisting of 193 additional car parking spaces, 10 new blue badge spaces, cycle stands and future proofing for electric charging bays at Mytholmroyd Rail Station.</p> <p>The scheme is funded from the West Yorkshire plus Transport Fund and supports SEP Priority 4 (Infrastructure for Growth).</p> <p><b><u>Decision</u></b></p> <p>Activity 6 change request to a) increase the total scheme cost from £3.64 million to £3.952 million and b) extend the delivery timeframe from December 2019 to December 2020.</p> <p>Total value – £3.952 million</p> <p>Total value of Combined Authority funding – £3.952 million</p> <p>Funding recommendation sought - £312,136</p>

## 4 Information

- 4.1 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**.
- 4.2 Location maps for each of the schemes presented in this report (where applicable) are provided in **Appendix 2**.
- 4.3 All the schemes set out in this report have been considered by the Investment Committee on 3 September 2019 and 1 October 2019.

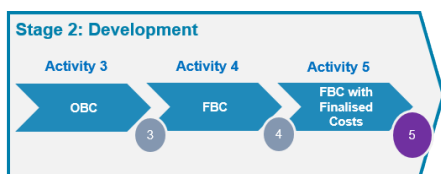
### Programmes and projects for consideration

#### Projects in stage 1: Eligibility



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

## Projects in Stage 2: Development



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

<b>Project Title</b>	<b>Halifax Bus Station</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	3 (Outline business case)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		

### Background

- 4.6 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.
- 4.7 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.
- 4.8 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.



- 4.9 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.
- 4.10 Stakeholder consultation and engagement on the new bus station is planned to be undertaken during the latter half of 2019.
- 4.11 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.

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

- 4.12 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**

- 4.13 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

- 4.14 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).
- 4.15 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.
- 4.16 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

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

## Appraisal summary

- 4.17 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.
- 4.18 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.
- 4.19 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.
- 4.20 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

- 4.21 The Combined Authority approves 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.

<b>Project Title</b>	<b>Clifton Business Park Enterprise Zone</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	3 (Outline business case)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		

## Background

- 4.22 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).
- 4.23 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.
- 4.24 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.
- 4.25 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.

- 4.26 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 decision point 3 in this report.
- 4.27 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.
- 4.28 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.
- 4.29 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.
- 4.30 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.

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

- 4.31 The full scheme has the potential to deliver the anticipated direct outputs of:
- 118,018m<sup>2</sup> of land prepared for B1/B2/B8 development
  - 1.75km of new highways infrastructure
  - 1.9km of new footpaths and cycle ways
- 4.32 Subject to identifying future public sector funding streams and subsequent investment by the private sector the following benefits could be realised: -
- Up to 45,789m<sup>2</sup> 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

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

### **Risks**

4.34 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**

4.35 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.

4.36 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.

- 4.37 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 £1.9 million 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.
- 4.38 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

<b>Senior Responsible Officer</b>	Kate Thompson, Combined Authority
<b>Project Manager</b>	Robert Summerfield, Calderdale Metropolitan District Council
<b>Combined Authority case officer</b>	Ian McNichol

## **Appraisal summary**

- 4.39 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.
- 4.40 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.
- 4.41 The EZ Programme has secured an indicative approval of £45.044 million from Local Growth Fund. 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 if the site comes forward at pace. Members are asked to note that the scheme is unlikely to spend £33 million (total scheme cost) before March 2021 which is when Growth Deal funding for non-transport schemes is scheduled to end. Hence an indicative future allocation is not recommended at this stage. 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.
- 4.42 Calderdale Council will lead the scheme and key delivery constraints and risks are understood and quantified. It will operate within the existing EZ Programme governance structure led by the Combined Authority.

## **Recommendations**

- 4.43 That the Combined Authority approves 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.

<b>Project Title</b>	<b>A65 Signals</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	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

- 4.44 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.
- 4.45 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
- 4.46 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.
- 4.47 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.

4.48 Leeds City Council is the promoter of the scheme and it will be delivered by their contractor.

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

4.49 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

4.50 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.

4.51 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**

4.52 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

- 4.53 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

- 4.54 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.

- 4.55 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.
- 4.56 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**

- 4.57 That the Combined Authority approves 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.

<b>Project Title</b>	<b>Temple Green Park and Ride</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	3 (Outline business case)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		

## Background

- 4.58 This scheme forms part of the Leeds Public Transport Investment Programme, a £183.5 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.
- 4.59 The Temple Green Park & Ride (P&R) site is located approximately 7km to the east of Leeds city centre, in the Aire Valley adjacent to the A63 Pontefract Lane, catering for trips from the areas to the northeast, east, southeast and southwest of the city, with access via Junction 45 of the M1 motorway.
- 4.60 The P&R facility first opened in June 2017 and currently has a capacity of 1000 spaces. User numbers have continued to rise since opening, with the site now regularly achieving a daily demand of more than 900 vehicles.
- 4.61 The scheme will deliver up to an additional 389 parking spaces, taking the total number of spaces to 1389. The proposal has been informed by an independent demand forecasting report on future user demand, which concluded a possible need for circa 1450 spaces by 2036.
- 4.62 Delivery of the Temple Green P&R extension will support addressing some of the transport challenges faced by commuters, primarily congestion and access to employment. Increasing the car park capacity will encourage additional (and existing) commuters to complete their journeys by bus, and in the process reduce congestion, improve journey times, and support better air quality, deemed as significant constraints to the attractiveness of the city centre for both current and prospective employers.
- 4.63 The scheme supports the priority area 4 Infrastructure for Growth of the Leeds City Region Strategic Economic Plan.



4.64 The scheme has come forward at outline business case with a total scheme cost forecast of £7.386 million, with the Combined Authority to contribute £6.954 million from the Leeds Public Transport Investment Programme (LPTIP).

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

4.65 The scheme outputs and benefits include:

- The scheme will contribute to the ambition to double bus patronage within West Yorkshire, leading to increased use of sustainable modes of travel and encourage the change in travel patterns due to improved journey times and reliability.
- Improved environmental conditions along roads to and from Leeds city centre (thereby supporting the Clean Air Zone).
- The economic assessment reflects a benefit cost ratio of 1.74:1, judging the scheme as medium value for money when assessed against the Department for Transport's value for money criteria.
- The scheme will deliver inclusive growth principles such as better quality of life through improving the air quality for local residents and commuters, as well as improving connectivity and enhancing access to employment through a sustainable mode of travel.

### **Risks**

4.66 Scheme risks include:

- Budget - Cost estimate may exceed anticipated costs at outline business case. Close engagement with delivery partner to be maintained in the development of detailed design.
- Planning - Improvement works may be required to the M1 Junction 45. Transport assessment being prepared in support of the planning application which will identify whether such improvements are required.
- Planning - Preliminary surveys cannot rule out the presence of Great Crested Newts. Identify presence of protected species/flora/fauna early then design mitigation early in design process.

### **Costs**

4.67 The total forecast scheme cost at outline business case (decision point 3) is £7.386 million.

4.68 The Combined Authority is to fund £6.954 million through the Leeds Public Transport Investment Programme (LPTIP), with a £432,000 Section 106 developer contribution, subject to planning.

- 4.69 At outline business case, the promoter seeks approval of £2.261 million, of which £841,000 is to fund business case development costs to decision point 5 (full business case with finalised costs), and £1.42 million land acquisition costs (land required for scheme delivery).
- 4.70 The Combined Authority to enter in to a variation of the existing funding agreement with Leeds City Council, which is in place to facilitate LPTIP schemes coming forward through the assurance process.

### Assurance pathway and approval route

Assurance pathway	Approval route	Forecast approval date
3 (Outline business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	10/10/2019
4 (Full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	20/12/2019
5 (Full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	29/05/2020

### Other Key Timescales

- Construction commence date of June 2020.
- Construction complete date of March 2021.

### Assurance Tolerances

Assurance tolerances
That increase to scheme costs remain within 10% of that set out in this report That programme delivery timescales remain within 3 months to that set out in this report.

### Project responsibilities

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

## **Appraisal summary**

- 4.71 At outline business case, the strategic drivers for investment and inclusion in to the Leeds Public Transport Investment Programme are well presented, with the scheme demonstrating support to the delivery of local and regional transport fund policies and strategies, including the forthcoming Clean Air Zone - and priority area 4 'Infrastructure for Growth' of the Leeds City Region Strategic Economic Plan.
- 4.72 The commercial case provides strong justification for market uptake, validating the proposed delivery of an additional 389 parking spaces through the existing monitoring in place and through an independent assessment of various scenarios to inform the future demand forecast.
- 4.73 The scheme cost, including land acquisition costs, has been clearly presented, with the promoter demonstrating scheme affordability within the Leeds Public Transport Investment Programme through the development of the revised Leeds Public Transport Investment Programme funding strategy and prioritisation paper.
- 4.74 The value for money assessment reflects a benefit cost ratio of 1.74:1, judging the scheme as medium value for money when judged against the Department for Transport's criteria. The steps taken to develop the economic case have been adequately detailed, with a reasonable level of confidence provided to support the forecast demand and benefit assumptions.

## **Recommendations**

- 4.75 That the Combined Authority approves that:
- (i) The Leeds Public Transport Investment Programme Temple Green Park & Ride Extension project proceeds through outline business case (decision point 3) and work commences on full business case (decision point 4).
  - (ii) An indicative approval to the Combined Authority's contribution of £6.954 million (which will be funded through the Leeds Public Transport Investment Programme) is given, with full approval to spend being granted once the scheme has progressed through the assurance process to full business case plus finalised costs (decision point 5). The total project value is £7.386 million.
  - (iii) Development costs of £841,000 are approved in order to progress the scheme to full business case plus finalised costs (decision point 5), with a further £1.42 million approved to fund land purchase costs expended at risk by Leeds City Council, taking total approval to £2.261 million.
  - (iv) The Combined Authority enters into a variation of the existing Funding Agreement with Leeds City Council for Leeds Public Transport Investment Programme schemes, for expenditure of up to £2.261million from the Leeds Public Transport Investment Programme fund.

- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision points 4 and 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

<b>Project Title</b>	<b>Castleford Growth Corridor</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	3 (Outline business case)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		

## Background

- 4.76 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.
- 4.77 The Castleford Growth Corridor area extends from the town centre along the banks of the River Aire to the Fryston village in the east, and contains extensive areas of vacant industrial and brownfield land, as well as being bisected by the railway line.
- 4.78 This scheme will deliver highway improvements along the corridor including carriageway widening at Aire Street to provide an additional west bound lane, improvements to the Lock Lane and Savile Road roundabouts, signal-controlled junction improvement, and improved crossing facilities for pedestrians.
- 4.79 There will also be provision of a new cycle way and footpaths to provide a continuous route for pedestrians and cyclists along the full length of the corridor, as well as public realm improvements on Savile Road, by opening up views and public access to the River Aire - an opportunity presented due to the land acquisition required for the footway/cycleway improvements.
- 4.80 The area has been designated as a Housing Zone by the government. This scheme will facilitate delivery of 934 homes by reducing transport constraints. It is also anticipated to improve journey time reliability for all modes by reducing journey times on specified routes, improve connectivity to / from the growth corridor area, and encourage active mode travel through enhanced cycling and walking provision.

4.81 The scheme supports the priority area 4 Infrastructure for Growth of the Leeds City Region Strategic Economic Plan.

4.82 The scheme has come forward at outline business case with a total scheme cost forecast of £7.079 million, with the Combined Authority to contribute £6.858 million from the West Yorkshire plus Transport Fund (WY+TF).

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

4.83 The scheme outputs and benefits are:

- To facilitate the delivery of 934 new homes in Castleford by 2031, by reducing transport constraints to development.
- To improve journey time reliability for all modes by reducing journey times on specified routes by 5% by 2025 through reducing transport constraints.
- To improve connectivity to, from, and within the Castleford Growth Corridor area, promoting access to inclusive growth for all and access to green infrastructure.
- Enhance provision for active modes by providing 2,911m of new and enhanced cycleway/footpath and 6 pedestrian crossing facilities, by opening year.
- To improve road safety by reducing the number of accidents by 10% by 2025.
- To improve the urban environment by providing 1,200 sqm of additional public open space.

### **Risks**

4.84 The scheme risks are:

- Requirement to acquire land from unknown/unwilling owners, or at an unrealistic asking price, leading to the requirement for land to be acquired via compulsory purchase orders, resulting in potential overspend costs and delays to the programme. To be mitigated by early engagement and the prioritisation of construction of other scheme elements to remain within delivery timescales.
- Scope and cost of utility service diversions not fully known at this stage, and could result in time delays and costs to programme. To be mitigated by including allowance in feasibility budget for surveys and ensuring adequately detailed costs at next stage.

### **Costs**

4.85 The total forecast scheme cost at outline business case is £7.079 million.

- 4.86 The Combined Authority is to fund £6.858 million through the West Yorkshire plus Transport Fund, with a £221,000 contribution from Homes England.
- 4.87 At outline business case, the promoter seeks development cost approval of £1.639 million, of which £660,000 is to fund business case development costs to decision point 5 (full business case with finalised costs), and £979,000 to cover forecast land acquisition costs. This takes the total development cost approval to £1.839 million.
- 4.88 The Combined Authority to enter in to an addendum to the existing funding agreement with Wakefield council, for expenditure up to £1.839 million.

### 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	30/09/2020
5 (Full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	31/03/2021

### Other Key Timescales

- The forecast construction commence date is April 2021.
- The forecast construction completion date is March 2022.

### Assurance Tolerances

Assurance tolerances
That the total scheme costs remain within 10% of costs set out in this report. That delivery timescales remain within 6 months of that set out in this report.

### Project responsibilities

Senior Responsible Officer	Neil Rodgers, Wakefield Council
Project Manager	Paul Stevenson, Wakefield Council
Combined Authority case officer	Asif Abed

## **Appraisal summary**

- 4.89 The strategic drivers for investment through the transport fund are well presented, with the planned highway improvements and active mode provision supporting the West Yorkshire transport strategies and policies, as well as the Leeds City Region Strategic Economic Plan. The business case also demonstrates support to local initiatives in Castleford, such as the Housing Zone and regeneration of the town centre through public realm provision, enhancing the urban environment.
- 4.90 The scheme cost forecast has been suitably detailed through the financial case, whilst appraisal of the management case demonstrates scheme deliverability, with appropriate governance to facilitate business case development and scheme implementation in place. Land purchase does however pose a risk to scheme costs (as subject to agreed sale price) and the delivery programme (risk of compulsory purchase order route), with the promoter indicating mitigation measures are in place.
- 4.91 The value for money assessment at outline business case reflects a benefit cost ratio of 2.3:1, placing the scheme in the high value for money category when judged against the Department for Transport's value for money criteria. The economic case has been adequately developed to support the value for money position, with some areas of refinement to be worked up by the promoter as part of full business case development.

## **Recommendations**

- 4.92 That the Combined Authority approves that:
- (i) The Castleford Growth Corridor scheme proceeds through decision point 3 and work commences on activity 4 (FBC).
  - (ii) An indicative approval to the Combined Authority's contribution of £6.858 million to be funded from the West Yorkshire plus Transport Fund is given, with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (FBC with finalised costs). The total project value is £7.079 million.
  - (iii) Development costs of £1.639 million are approved in order to progress the scheme to decision point 5 (FBC with finalised costs), of which £660,000 is to fund the business case development costs, with £979,000 to fund forecast land acquisition costs. This takes the total approval to £1.839 million.
  - (iv) The Combined Authority enters into an addendum to the existing Funding Agreement with Wakefield Council for expenditure of up to £1.839 million from the West Yorkshire plus Transport Fund.
  - (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 4 and 5 through a delegation to the Combined Authority's Managing



Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

<b>Project Title</b>	<b>South Kirkby Enterprise Zone</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	3 (Outline business case)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	Paragraph 3	

## Background

- 4.93 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 Leeds City Region. The Growth Deal enables the delivery 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 infrastructure (through the West Yorkshire plus Transport Fund)
- 4.94 Enterprise Zones form 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 businesses and creating jobs.
- 4.95 The Leeds City Region Enterprise Zones have been established following a competitive application process to the Ministry of Housing, Communities and Local Government (MHCLG). The South Kirkby Enterprise Zone forms part of the Leeds City Region Enterprise Zone (EZ) Programme, which is a package of EZ’s to be delivered in two phases across 10 sites in West Yorkshire.
- 4.96 The programme will help to deliver additional employment across the Spatial Priority Areas of the SEP and will facilitate the ‘acceleration of development and delivery of high quality employment space in the advanced and innovative manufacturing and complimentary sectors’ in alignment with partner council’s Local Plans. The programme has the following target outputs and benefits:
- 230 hectares of new employment land
  - 750,000m<sup>2</sup> (8.073 million ft<sup>2</sup>) new employment floorspace

- 15,000 new jobs
  - Up to £5 billion additional Gross Value Added (GVA) by 2025
- 4.97 Once built out each Enterprise Zone will generate business rates income for the Leeds City Region Enterprise Partnership, which it can reinvest into the delivery of its strategic objectives. This income accrues until 2037 for the Phase 1 EZ (Leeds) and until 2042 for phase 2 sites (including South Kirkby). The Combined Authority is the accountable body for the EZ Programme.
- 4.98 The principal aim of the EZ Programme is to achieve accelerated delivery of employment sites and high quality employment floorspace, and where a private sector development partner is willing and able to take the scheme forward this should be maximised (subject to thorough legal and financial due diligence and progression through the Combined Authority's assurance process).
- 4.99 The South Kirkby EZ scheme involves a 2.64 hectare extension to the existing South Kirkby Business Park, located adjacent to the M1 and A1 in Wakefield, to develop four new industrial/warehouse units providing up to 6,085 m<sup>2</sup> (65,500ft<sup>2</sup>) of employment floorspace. Once developed the scheme has the potential to generate 115 new jobs and over £7 million GVA to the local economy per annum.
- 4.100 The site is owned by a private sector developer (the scheme promoter) who is seeking to bring forward the development. A market viability assessment demonstrates high levels of demand from potential occupiers and end users for the completed units, however the cost of developing the proposed units exceeds the market value of these units when they are completed.
- 4.101 On this basis of this assessment the developer is unable to secure 100% of scheme funding from wholly commercial sources (i.e. debt funding) and there is a viability gap. The developer is therefore seeking to bridge this gap with funding from the Combined Authority.
- 4.102 At its meeting on 26 March 2019 the LEP Board endorsed a set of principles concerning the provision of public sector funding to private sector scheme promoters to bring forward schemes in the EZ Programme. These are summarised below:
- Whilst the overall aim is to ensure that the EZs will be developed, this will be done on the basis that the approach maximises value for money and benefits realised, identifying the minimum funding needed to take the proposition forward.
  - Schemes will be funded on a loans first principle. Where a scheme can support a loan then this would be the primary route for funding. Some projects may warrant a blend of both grant and loan intervention.
  - The nature of market failure and independent cost and viability assessments, including a red book valuation, will determine whether a

project should be able to proceed on the basis of a loan. If grant is required then the assessment will inform the maximum of grant that could be awarded.

- A thorough due diligence process will be undertaken in the assessment of grant requests, including but not limited to: evaluation of delivery options; financial due diligence and Know Your Customer checks; evidence of compliance with State Aid rules and other statutory approvals; evidence of a tendering exercise having been undertaken.
- All grant funding agreements will be subject to an overage clause that will trigger repayment depending on the returns/values generated. Adequate security arrangements to protect the LEP's investment will be put in place.
- All interventions would be required to consider how best they can commit to the inclusive growth conditions applicable to other LEP grants.
- Grant payments to be made against evidenced defrayed expenditure

4.103 These principles will be applied to the appraisal of this scheme and the Combined Authority's funding. The Combined Authority has introduced a comprehensive due diligence process which requires private sector scheme promoters to implement a transparent 'open book' accounting approach to ensure value for money is achieved. 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 3**.

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

4.104 The forecast outputs, benefits and inclusive growth implications of the scheme are:

- 2.64 hectares of new employment land
- 6,085 m<sup>2</sup> (65,500ft<sup>2</sup>) of industrial/warehousing units.
- 115 net new jobs
- £7 million additional GVA per annum

4.105 The scheme promoter will be required to make Inclusive Growth commitments as part of any subsequent funding agreement (i.e. employee skills plans, green travel plans, use of local suppliers etc.). Additionally the scheme will ensure sustainable economic growth through making more efficient use of employment land and managing traffic access into the site.

### **Risks**

4.106 The key risks to the delivery of the scheme and associated mitigating measures are:

- Higher construction costs due to unexpected ground conditions/services diversions etc – the scheme promoter will undertake intrusive site investigations and will retain liability for all cost overruns
- Electricity supply insufficient to secure occupiers with high energy demands (i.e. manufacturing) – the scheme includes the delivery of a new electricity substation and ongoing dialogue it taking place with Northern Powergrid to assess options to increase capacity on the site
- Sales/lettings targets are not achieved (market risk) – the scheme promoter has undertaken market assessments and identified potential occupiers and this will underpin the proposed marketing strategy. This will be supported by the work of Combined Authority’s Trade & Investment team to identify and target potential occupiers seeking to expand their operations in to the City Region.

### Costs

4.107 The scheme promoter has secured the majority of funding for the scheme from the private sector and Combined Authority is being asked to provide funding of up to £2.826 million address the viability gap. This is provisionally allocated to the costs of site infrastructure works including internal site roads, drainage and new electricity substation.

4.108 The EZ Programme secured indicative approval from the Combined Authority in June 2018 of £45.044 million from the Local Growth Fund and grants from MHCLG. There is sufficient remaining budget within the programme to support this scheme. Additionally, the Combined Authority will benefit from the retention of business rates for the new units when they are occupied.

### Assurance pathway and approval route

Assurance pathway	Approval route	Forecast approval date
3 (Outline business case)	Recommendation: Investment Committee Decision: Combined Authority	01/10/2019
5 (Full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	20/12/2019

### Other Key Timescales

- Planning consent secured – November 2019
- Site infrastructure works completed – March 2020
- Units completed – September 2020
- Scheme completion ( all units let/sold) – September 2021

## Assurance Tolerances

Assurance tolerances
Any increase in the Combined Authority costs will require further approval from the Investment Committee
Timescales for scheme completion remain within 3 months of the timescales set out in this report
Measureable outputs and benefits remain within 20% of the forecast set out in this report

## Project responsibilities

Senior Responsible Officer	Kate Thompson, Combined Authority
Project Manager	Jacque Boulton, Combined Authority
Combined Authority case officer	Ian McNichol

## Appraisal summary

- 4.109 The scheme has a strong strategic case as part of the LCR EZ Programme and demonstrates a clear rationale for public sector funding to address unmet demand and stimulate the take-up of new high quality employment floorspace in the area. The scheme promoter is an experienced developer with a track record of delivering similar schemes in the City Region.
- 4.110 The economic case for the scheme is based on the potential to generate direct outputs (serviced employment land and new employment floorspace) and indirect benefits (jobs and GVA) with the latter subject to the take-up of floorspace by occupiers/end users. At the next stage of the assurance pathway the scheme promoter will need to consider the impact on land values to establish an initial scheme benefit cost ratio with the indirect jobs and GVA to supplement this figure and demonstrate value for money (VfM)
- 4.111 The financial and management cases will require further refinement at the next stage of the assurance pathway, confirming the contract structure and tendered costs and providing a detailed risk register and programme plan, together with the associated due diligence requirements set out previously, including provisions for overage any charge the Combined Authority may wish to take over the assets developed with public sector funding.

## Recommendations

- 4.112 That the Combined Authority approves that:
- (i) The South Kirkby Enterprise Zone scheme proceeds through decision point 3 and work commences on activity 5 (FBC with finalised costs).
  - (ii) An indicative approval to the Combined Authority's contribution of up to a maximum of £2.826 million which will be funded through the Local Growth Fund is given with full approval to spend being granted once the

scheme has progressed through the assurance process to decision point 5 (FBC with finalised costs).

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

<b>Project Title</b>	<b>Steeton and Silsden Rail Car Park</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	5 (Full business case with finalised costs)

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

- 4.113 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.
- 4.114 A strategic package of car park extensions at West Yorkshire rail stations has been identified to increase capacity and enhance rail connectivity to, from and within West Yorkshire, supporting sustainable travel and employment growth in main urban centres.
- 4.115 Situated north east of Bradford, the Steeton & Silsden rail station provides services to the employment and retail centres of Leeds, Bradford, Keighley, Halifax and Skipton. With journeys times only 30 minutes to Leeds and Bradford the station is very popular with commuters.
- 4.116 Capacity audits which have been undertaken record a 98% occupancy of the car park by 9 am most term time weekdays, with an element of latent demand witnessed too (station users parking on the access road and in the village of Steeton). The scheme will deliver installation of 2 decks to give 3 levels (ground level 1, level 2), increasing parking capacity by 104 spaces, taking the total parking offer at the station to 247.
- 4.117 A lift, increased blue badge bay provision, CCTV provision, LED lighting, enhanced draining infrastructure, and electrical ducting to future proof 2 electric vehicle charging bays will also be delivered.
- 4.118 Scheme delivery will encourage existing and new users to choose the train as a sustainable mode of transport for onward journeys, with the increase in



parking offer improving the access and connectivity to employment and communities, supporting the reduction in congestion levels and improving air quality.

- 4.119 The scheme supports priority area 4 'Infrastructure for Growth' of the Leeds City Region Strategic Economic Plan and is supported by the City of Bradford Metropolitan and District Council and the local ward members.
- 4.120 The scheme has come forward at full business with finalised costs (decision point 5) seeking approval of total scheme costs of £3.879 million from the West Yorkshire plus Transport Fund, of which £110,000 has already been secured and expended to support business case development. The promoter has provided clarification the scheme is affordable within the rail car park programme.
- 4.121 Regarding scheme implementation, the promoter also seeks approval for the Combined Authority to enter in to Section 56 agreement with Arriva Rail North to deliver the scheme and a lease for them to use part of the adjacent car park owned by the Combined Authority as a temporary compound, given there are no suitable alternatives.

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

4.122 Scheme outputs and benefits are:

- Provision of 104 additional free car parking spaces, taking the total parking offer to 247 spaces.
- Removal of up to 104 cars off the roads for part of the commute, reducing congestion and supporting air quality.
- The increased provision of blue badge bays to 9 bays.
- Reduction in overall journey times through better access to the rail network as a result of more secure parking.
- Increased new rail user patronage at Steeton and Silsden Rail Station by September 2021.
- Increased employment accessibility.
- The scheme will support inclusive growth by improving the access and connectivity to employment and communities via public transport, as well support better air quality with commuters choosing the train for onward journeys rather than car.
- The value for money assessment reflects a benefit cost ratio of 1.8:1, judging the scheme as medium value for money as per the Department for Transport's criteria.

### **Risks**

4.123 Scheme risks are:

- **Piled Foundations:** The final detailed design for the piled foundations relies on the results of final ground investigations and could exceed estimated costs. The contractor has employed specialists in piling, sheet piling and ground drilling, and in addition, the contract between Arriva Rail North and the contractor is a fixed price contract, thereby the risk has been passed onto and accepted by the contractor.
- **Change in Franchise:** Arriva Rail North is part of the Arriva group which has been put up for sale by the owner, Deutsche Bahn. Whilst this creates uncertainty and a level of risk, historically, changes in rail franchise have been accompanied with an automatic novation of all contracts via the Section 56 Agreement which is the contract between Arriva Rail North and the Combined Authority.
- **Contractor Insolvency:** The contractor has been assessed by Northern as part of their appointment to the Arriva Rail North framework. The process includes financial checks. The contract offer also includes a bond, covering 10% of the contract value in favour of Arriva Rail North should the contractor default.

### Costs

- 4.124 The total scheme cost based on tendered costs at full business case with finalised costs (decision point 5) is £3.879 million.
- 4.125 The Combined Authority is to fund £3.879 million through the West Yorkshire plus Transport Fund (WY+TF). The scheme is affordable within the £30.5 million WY+TF secured by the rail car park programme.
- 4.126 The Combined Authority to enter in to a Section 56 rail grant with Arriva Rail North for £3.759 million.

### Assurance pathway and approval route

Assurance pathway	Approval route	Forecast approval date
5 (Full business case with finalised costs)	Recommendation: Investment Committee Decision: Combined Authority	10/10/2019

### Other Key Timescales

- The forecast construction commence date is November 2019.
- The forecast construction completion date is October 2020.

### Assurance Tolerances

Assurance tolerances
That any cost increase remains within 10% of those set out in this report. That programme timescales remain within 6 months of those set out in this report

## Project responsibilities

<b>Senior Responsible Officer</b>	Melanie Corcoran, West Yorkshire Combined Authority
<b>Project Manager</b>	Sara Brook, West Yorkshire Combined Authority
<b>Combined Authority case officer</b>	Asif Abed

## Appraisal summary

- 4.127 The promoter at full business case with finalised costs (decision point 5) has established the strategic drivers for investment, the contractor procurement tender process and tendered costs, and confirms scheme implementation will be managed through the existing rail car park programme governance and project delivery mechanisms.
- 4.128 Given the scheme is to be delivered as part of the rail car park programme funded by the West Yorkshire plus Transport Fund, narrative has been adequately provided to demonstrate scheme affordability.
- 4.129 The value for money assessment reflects a benefit cost ratio of 1.8:1, judging the scheme as medium value for money. The methodology to forecasting demand and the calculation of scheme benefits and costs has been appropriately developed.

## Recommendations

- 4.130 That the Combined Authority approves that:
- (i) The Steeton & Silsden Rail Car Park project proceeds through full business case with finalised costs (decision point 5) and work commences on activity 6 (Delivery).
  - (ii) Approval to the total project value of £3.879 million is given from the West Yorkshire plus Transport Fund.
  - (iii) The Combined Authority enters into a Section 56 Rail Funding Agreement with Arriva Rail North for expenditure of up to £3.759 million from the West Yorkshire plus Transport Fund.
  - (iv) The Combined Authority enters in to a lease for Northern to use part of the Combined Authority owned car park as a temporary compound.
  - (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

<b>Project Title</b>	<b>A61 (South) Corridor</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	4 (Full 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

- 4.131 The A61 (South) Corridor scheme forms part of the Leeds Public Transport Improvement Programme (LPTIP), a £173.5 million programme using devolved Department for Transport (DfT) funding supplemented by contributions from Leeds City Council and the Combined Authority. The LPTIP programme aims to support economic growth by unlocking transport constraints, improve public transport journey times and usage and reduce overall transport emissions.
- 4.132 The A61 (South) Corridor scheme forms one of five prioritised corridors and consists of a series of improvements along the A639 and A61 between M621 Junction 7 and the junction of A61 Great Wilson Street and Meadow Lane. It includes the provision of new bus lanes along the corridor (in both directions), bus priority measures at signals, improvements to the Thwaite Gate junction, dedicated walking and cycling facilities together with improvements to urban realm and green infrastructure.
- 4.133 The scheme will deliver benefits to bus users and those walking and cycling in the corridor, significantly improving bus journey times and reliability (especially in the peak hours) and encouraging modal shift. The scheme will also help to improve air quality and health outcomes in the surrounding areas, supported by the further adoption of low emission buses (EURO V1 standard or better) ultra-low emission (electric) buses operating from the Stourton Park & Ride site.
- 4.134 The scheme supports the delivery of Priority 4 (Infrastructure for Growth) of the Strategic Economic Plan (SEP), increasing connectivity, improving access to jobs and services, reducing carbon emissions and supporting further economic growth in the Aire Valley and Southbank areas of Leeds.
- 4.135 The scheme received outline business case (decision point 3) approval from the Combined Authority on 20 December 2018 with an indicative approval to a

total project value of £14.5 million with full approval being granted at full business case with finalised costs (decision point 5) through a delegation to the Combined Authority's Managing Director subject to approved scheme cost and programme tolerances. The total value of the scheme has increased to £18.247 million which exceeds the 10% tolerance set at decision point 3 and therefore requires further approval from the Combined Authority's Investment Committee.

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

4.136 The forecast outputs, benefits and inclusive growth implications of the scheme are:

- A 25% increase in bus patronage along the A61 (South) corridor within 3 years of opening
- A 15% reduction in journey times for limited stop services along the corridor within 3 years of opening
- A 70% increase in the % share of non-car modes (public transport, cycling and walking) within 3 years of opening, taking up to 263,000 car kilometres of the network into Leeds City Centre each year.
- Within 3 years of opening all the bus services operating on this route will use low (EUROV1) or ultra-low (electric) emission buses, leading to further potential improvements in air quality and health outcomes along the corridor.
- Improvements in bus journey reliability and the quality of the bus passenger experience, together with improved access to jobs, training and services in the corridor catchment area
- A reduction in the number and severity of accidents along the corridor as a result of changes to the highways layout and prioritisation measures, including additional space for cycling and walking

4.137 The forecast benefit cost ratio (BCR) for the scheme is 2.1:1 which represents 'high' value for money.

### **Risks**

4.138 The key risks to the delivery of the scheme and associated mitigation measures are:

- Unforeseen services discovered during construction lead to an increase in scheme costs and programme delay – mitigated by further detailed surveys and regular liaison with statutory services undertakers
- Potential objections from stakeholders and local interest groups with concerns over environmental or habitat impacts – mitigated by early engagement with local stakeholders and further refinements to scheme design to reduce land take and limit the impact on exists trees and habitats

- Third party land requirements lead to an increase in scheme costs and programme delay – mitigated by refinements to scheme design to limit land take and positive engagement with affected landowners (Canal & River Trust and Low Road Primary school)

4.139 The total cost of the scheme is £18.247 million. The Combined Authority will fund £18.037 million from the devolved DfT Leeds Public Transport Investment Programme. The remaining costs (£210,000) will be funded by Leeds City Council.

### Assurance pathway and approval route

Assurance pathway	Approval route	Forecast approval date
4 (Full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Investment Committee	01/10/2019
5 (Full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	13/02/2020

### Other Key Timescales

- Scheme construction begins (at risk prior to Combined Authority funding approval) – September 2019
- Construction complete – February 2021

### Assurance Tolerances

Assurance tolerances
Any increase to Combined Authority costs will require further approval from the Investment Committee Timescale for scheme completion to remain within 3 months of the timescales set out in this report

### Project responsibilities

<b>Senior Responsible Officer</b>	Gary Bartlett, Leeds City Council
<b>Project Manager</b>	Sabby Kharia, Leeds City Council
<b>Combined Authority case officer</b>	Ian McNichol

## **Appraisal summary**

- 4.140 The scheme has a strong strategic case. It is a priority scheme in the Leeds Public Transport Investment Programme Bus Infrastructure Package and its objective are well aligned with SEP Priority 4 (Infrastructure for Growth and other key local transport and economic growth strategies. Similarly, the case for change is strong based on evidence of the performance of other similar schemes including the A65 Quality Bus Corridor (QBC) in Leeds and the potential to enhance the benefits of the proposed Stourton Park & Ride facility which will operate along the A61 (South) corridor into Leeds City Centre
- 4.141 The scheme has the potential to generate a BCR of 2.1:1 which demonstrates high VfM when assessed against the DfT's criteria The BCR has increased from 1.5:1 at outline business case (decision point 3) following further refinements to scheme design, including additional cycling and walking provisions as well as reduced land take to limit the impact on existing trees.
- 4.142 The total cost of the scheme has risen by circa 30% since outline business case decision (point 3) as a result of:
- An increase in the costs for general plant and traffic management linked to an increase in the construction programme and a more detailed traffic management plan
  - An increase in the estimated cost of earthworks due to changes in scheme scope to reduce/mitigate land take
  - The addition of cycle 'hubs' and more comprehensive bus shelter renewal
  - The additional costs of the contractor insolvency bond
  - An increase in the risk contingency to account for residual unknown statutory services costs
- 4.143 Any further increase in Combined Authority costs for the scheme will require further approval from the Investment Committee

The scheme is part of the established governance, programme and project management arrangements for the LPTIP programme. Contractors have been appointed and there is a clearly defined delivery plan in place. The approach to risk and mitigation is appropriate to the scale and complexity of the scheme and the overall delivery programme appears reasonable. Recommendations

## **Recommendations**

- 4.144 That the Combined Authority approves that:
- (i) The A61 (South) Corridor scheme proceeds through decision point 4 (Full business case) and work commences on full business case with finalised costs (decision point 5).
  - (ii) An indicative approval to the Combined Authority's contribution of £18.037 million, funded through Leeds Public Transport Investment

Programme is given with full approval to spend being granted once the scheme has progressed through the assurance process to full business case with finalised costs (decision point 5). The total scheme cost is £18.247 million.

- (iii) Future approvals are made in accordance with the assurance pathway and approval route in this report including at full business case with finalised costs (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 assurance tolerances outlined in this report.



<b>Project Title</b>	<b>East Leeds Orbital Route</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	5 (Full business case with finalised costs)

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

- 4.145 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.
- 4.146 The East Leeds Orbital Route (ELOR) scheme is a significant project that has been developed as a series of transport improvements across four packages:
- Phase 1: Outer Ring Road (ORR) Junction Improvements - operational improvements to existing junctions on the ORR, running along the A6120/A61, to contribute to improving the overall management of strategic traffic. This phase is already under construction and practical completion is expected for November 2019.
  - Phase 2: East Leeds Orbital Road - a new 7km dual carriageway that will stretch from the ORR at Red Hall round the east side of Leeds to Thorpe Park, joining up with the Manston Lane Link Road. This will be a 50mph route complete with enhanced landscaping together with pedestrian and cycle infrastructure. Construction is to commence December 2019.
  - Phase 3: A6120 Enhancements - the forecast reduction in traffic levels through delivery of phases 1 and 2 will provide opportunity to enhance public realm and improve the cycling and walking environment along the A6120 between Red Hall and the M1. This phase is forecast to commence in July 2021.
  - Phase 4: Manston Lane Link Road - the initial build out of the link road completed in May 2019, this was delivered by the Thorpe Park developer

independently. Phase 4 will involve connecting the Manston Lane Link Road to the ELOR scheme.

- 4.147 The series of transport improvement measures across the four packages that make up the ELOR scheme have been developed to address several drivers for change such as forecast population growth, deprivation and East Leeds regeneration, poor public realm, and the existing transport issues of congestion and limited active travel provision.
- 4.148 A key outcome of the scheme will be bringing forward the major East Leeds Extension housing development, unlocking delivery of up to 5000 new homes, and providing connectivity to employment opportunities to the Thorpe Park business park.
- 4.149 The scheme principally supports delivery of priority area 4 'infrastructure for growth' of the Leeds City Region Strategic Economic Plan (SEP) but will also contribute to the delivery of the other SEP headline indicators of growing business, skilled people / better jobs, and clean energy and environmental resilience.
- 4.150 The overarching scheme will expand the transport network in East Leeds giving easier access to housing developments and supporting employment growth. The ELOR package has been designed to minimise environmental impact. It will deliver several environmental benefits to support environmental resilience and accounting for the recently declared climate emergency in Leeds. The scheme design will enhance the general environment for non-motorised users, reducing impact of the scheme. This will be achieved through high quality landscaping, planting, the provision of sustainable drainage systems, significant non-motorised user provision, as well as low energy lighting and low maintenance infrastructure.
- 4.151 The scheme has now come forward at full business case with finalised costs (decision point 5) with a total forecast scheme cost of £147.49 million, which reflects a £20.87 million increase to outline business case estimates. The promoter details the original scheme costs were generated in 2015 and updated in 2017 prior to the planning application submission, and in the very early stages of the land acquisition process. Since 2017, substantial effort has been put in to successfully achieve planning approval, progress through the Compulsory Purchase Order, and develop the main scheme design whilst satisfying stakeholder requirements.
- 4.152 A net result of the total scheme cost increase is the additional £7.35 million now sought from the Combined Authority through West Yorkshire plus Transport Fund, increasing the WY+TF ask to £90.33 million which is affordable within the programme.

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

- 4.153 The scheme outputs and benefits are:

- Delivery of highway infrastructure to release development land for the build out of the East Leeds Extension housing development, which has ambition to deliver up to 5000 new homes.
- To improve the connectivity of East Leeds and provide access to the key East Leeds employment areas through additional highway capacity and active travel (non-motorised) infrastructure, enabling improved journey times and a reduction in traffic flow.
- Contribute to the overall management of traffic in order to reduce congestion on the A6120.
- The scheme supports inclusive growth of a better quality of life for East Leeds residents and visitors through improvements to traffic flow which leads to better air quality and other environmental parameters along existing transport corridors, as well as better connectivity to employment, housing and communities.
- The value for money assessment reflects an initial benefit cost ratio (BCR) of 1.9:1, judging the scheme as medium value for money. It is established the adjusted BCR improves to 5:1 (very high value for money) when accounting for wider scheme benefits and monetised impacts.

## **Risks**

4.154 The scheme risks across the four phases of the ELOR scheme are:

- Scope change following political or public involvement, or during construction to accommodate public or business interests, risking delay to the programme and increase to scheme costs. To be mitigated through early and continuous engagement with businesses and residents in the design and development of areas of key interest or sensitivity.
- Unforeseen archaeological finds impacting scheme design and implementation. To be mitigated through baseline surveys and relevant assessments, and consultation with Historic England and West Yorkshire Archaeology Service during prelim data collection stage.

## **Costs**

4.155 The scheme has come forward at full business case with finalised costs (decision point 5) with a total forecast scheme cost of £147.49 million.

4.156 The Combined Authority through the West Yorkshire plus Transport Fund is to contribute £90.33 million, of which:

- £11.81 million approved by the Combined Authority up to Gateway 1 (decision point 2) in June 2015, to fund design and preparation costs for phase 1 (ORR), the outline business case costs for the ELOR project, plus land acquisition costs.
- An additional £14.047 million approved by members at the Combined Authority Board of December 2017, to fund delivery of phase 1 (ORR) –

Junction Improvements, expected to complete in November 2019 within the tendered cost budget.

- Taking the total approval to date to £25.857 million.

4.157 The promoter is to contribute £57.16 million through prudential borrowing, with this financial contribution to be recovered over time from third party house builders in the East Leeds Extension land via planning obligations, to be included in S106 developer agreements related to planning approvals that will come forward for the residential development that ELOR will unlock.

4.158 The Combined Authority to enter in to an addendum to the existing funding agreement with Leeds city council, for additional expenditure of £64.473 million from the West Yorkshire plus Transport Fund, taking the total approval to £90.33 million.

### Assurance pathway and approval route

Assurance pathway	Approval route	Forecast approval date
5 (Full business case with finalised costs)	Recommendation: Investment Committee Decision: Combined Authority	10/10/2019
6 (Delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	31/05/2022

### Other Key Timescales

- Phase 1 construction to complete in November 2019.
- Phase 2 construction to commence in December 2019.
- Phase 2 construction forecast to complete September 2021.
- Phase 3 construction to commence July 2021.
- Phase 3 construction to complete May 2022.

### Assurance Tolerances

Assurance tolerances
That any scheme cost increase remains within 10% of costs set out in this report. That the delivery phase remains within 6 months of timescales set out.

### Project responsibilities

Senior Responsible Officer	Gary Bartlett, Leeds City Council
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<b>Project Manager</b>	Rob O'Brien, Leeds City Council
<b>Combined Authority case officer</b>	Asif Abed

### **Appraisal summary**

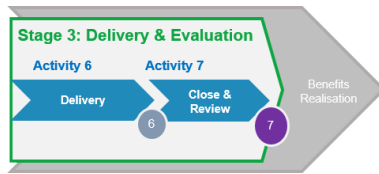
- 4.159 The strategic drivers for the overarching ELOR scheme are well established, with the proposed series of improvements in East Leeds demonstrating support to the delivery of local and regional transport fund strategies and policies, as well as the socio-economic factors to support the City Region Strategic Economic Plan, including facilitating housing and employment growth.
- 4.160 The commercial case suitably details the procurement for delivery of phase 1 and the development (detailed design) of phases 2 and 3, with the management case demonstrating deliverability of the programme, detailing the governance and project delivery partners in place.
- 4.161 The scheme cost has increased from initial estimates, with adequate rationale provided to justify the increase. It has been noted that detailed design and development of target costs for phase 2 is nearing completion whilst for phase 3 and 4, they will be concluded as part of scheme implementation, therefore the risk of costs exceeding estimates will remain until all phases have an agreed target cost developed. The risk of increase in costs to the Combined Authority is minimal however, given any increase is to be under-written by the promoter.
- 4.162 The value for money assessment reflects a medium value for money scheme as part of the Department for Transport's assessment, and judged as a very high value for money when accounting for wider monetised impacts and benefits. The economic case has been suitably developed with modelling and appraisal reflecting reasonable calculation of scheme benefits and assumptions.

### **Recommendations**

- 4.163 The Investment Committee recommends to the Combined Authority that:
- (i) The East Leeds Orbital Route project proceeds through decision point 5 and work commences on activity 6 (delivery)
  - (ii) Approval to the Combined Authority's contribution of £90.33 million to be funded through the West Yorkshire plus Transport Fund, is given. The total project value is £147.49 million.
  - (iii) The Combined Authority enters into an addendum to the existing funding agreement with Leeds City Council for additional expenditure of £64.473 million, taking the total approval to £90.33 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 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**



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

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

4.165 The Investment Committee is authorised to progress a scheme under the Assurance Framework in accordance with any bespoke approval pathway and approval route, subject to an exception relating to exceeding the cumulative total of the financial approval and tolerance levels agreed by the Combined Authority by more than 25%. Decisions regarding the following schemes have been made by Investment Committee on the 3 September 2019 and 1 October 2019. The decisions were made by the Investment Committee following a recommendation from Combined Authority Programme Appraisal Team. All the schemes outlined below have remained within the financial approvals and tolerance levels agreed by the Combined Authority unless stated otherwise below.

#### **Bradford City Centre Heritage Properties (Conditioning House)**

4.166 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.

The Investment committee gave approval to proceed through decision point 3 (outline business case) and work commences on activity 5 (full business case with finalised costs)

Total value - £13.847 million

#### **Leeds Flood Alleviation Scheme 2**

4.167 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.

The Investment Committee agreed approval to proceed through decision point 5 and work commence on activity 6 (delivery).

Total value - £76.390 million

## **Gain Lane Enterprise Zone**

- 4.168 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.
- 4.169 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.

The Investment Committee gave approval to proceed through decision point 5 and work commences on activity 6 (delivery).

Total value – Combined Authority funding plus substantial private sector investment

## **A62 / A644 (Wakefield Road) Link Road**

- 4.170 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.
- 4.171 The Investment Committee approved the change request for Activity 3 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. The Investment Committee also agreed to increase total approved Combined Authority funding to £965,000 for development costs from £750,000 (an increase of £215,000)

## **A629 Phase 2**

- 4.172 This scheme is phase 2 of a wider series of interventions along the A629 Halifax - Huddersfield corridor. The scheme is to be funded from the £120.6 million West Yorkshire plus Transport Fund allocation to the A629 corridor programme.
- 4.173 The Investment Committee agreed the change request at Activity 4 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. Investment Committee also agreed increase total approved Combined Authority funding to £3.613 million from £2.981 million (an increase of £632,000).



### **Corridor Improvement Programme - A58/A672**

- 4.174 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.
- 4.175 The investment committee approved the change request at activity 4 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.

### **Corridor Improvement Programme - A646/A6033**

- 4.176 This scheme seeks to deliver a package of highway improvements to address identified pinch-points on the A646/A6033 corridor.
- 4.177 The investment Committee approved the activity 4 change request 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.

### **York Guildhall**

- 4.178 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.
- 4.179 The Investment Committee agreed the change request to activity 6 to approving amendments to the project timeframe from December 2018 to March 2021.
- 4.180 Total value - £20.197 million

### **City Connect phase 3 - Cooper Bridge Links**

- 4.181 The scheme will deliver a 6.5km cycle and walking route between the settlements of Bradley and Brighouse crossing the Kirklees and Calderdale border. The route will predominantly be delivered off the highway but provide strategic links to the highway network
- 4.182 The scheme gained approval to proceed through decision point 3 (outline business case) and to commence work on activity 4 (full business case). The total scheme cost is £2.328 million.

### **Headrow City Centre Gateway**

- 4.183 The scheme will enhance a major gateway to Leeds city centre for bus users, pedestrians, and cycle users, through a series of bus infrastructure, public realm, pedestrian and cycling improvements.

- 4.184 The scheme gained approval to proceed through decision point 4 (full business case) and to commence work on activity 5 (full business case with finalised costs). The total scheme cost is £22.75 million.

### **Stourton P&R**

- 4.185 The scheme will deliver a new park & ride site capable of accommodating up to 1200 vehicles. The site will be fully electric, with solar panel provision to operate the site and support charging to run the fully electric bus services to/from Leeds city centre.
- 4.186 The scheme gained approval to proceed through decision point 4 (full business case) and to commence work on activity 5 (full business case with finalised costs). The total scheme cost is £36.99 million.

### **Rail Park & Ride Programme - Mytholmroyd**

- 4.187 The scheme forms part of the Rail Park and Ride Programme and will create a new car park consisting of 193 additional car parking spaces, 10 new blue badge spaces, cycle stands and future proofing for electric charging bays at Mytholmroyd Rail Station.
- 4.188 The Activity 6 change request to increase the total scheme cost from £3.64 million to £3.952 million and to extend the delivery timeframe from December 2019 to December 2020 was approved. The total scheme cost is 3.952 million.

## **5 Clean Growth Implications**

- 5.1 Clean growth implications are outlined in each scheme, see above.

## **6 Inclusive growth implications**

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

## **7 Financial implications**

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

## **8 Legal implications**

- 8.1 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.
- 8.2 The information contained in Appendix 3 is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the content of the appendix as exempt outweighs the public interest in disclosing the information as publication could prejudice current and future decision making.

## **9 Staffing implications**

- 9.1 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.

## **10 External consultees**

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

## **11 Recommendations**

### **Halifax Bus Station**

- 11.1 That the Combined Authority approves that:

- (i) Grant indicative approval to forecast scheme cost of £15.4 million, with delivery funding dependent on the TCF bid outcome.
- (ii) Grant approval of an additional £200,000 from the West Yorkshire plus Transport Fund, taking total approval to £566,415
- (iii) Approve the Combined Authority, in partnership with Calderdale Council, expenditure up to £566,415 on the scheme
- (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**

- 11.2 The Combined Authority approves 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 the scheme to decision point 5 (full business case with finalised costs).
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 through a delegation to the 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**

11.3 The Combined Authority approves 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 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.

## **Temple Green Park & Ride**

11.4 That the Combined Authority approves that:

- (i) The Leeds Public Transport Investment Programme Temple Green Park & Ride Extension project proceeds through outline business case (decision point 3) and work commences on full business case (decision point 4).
- (ii) An indicative approval to the Combined Authority's contribution of £6.954 million (which will be funded through the Leeds Public Transport Investment Programme) is given, with full approval to spend being granted once the scheme has progressed through the assurance process to full business case plus finalised costs (decision point 5). The total project value is £7.386 million.
- (iii) Development costs of £841,000 are approved in order to progress the scheme to full business case plus finalised costs (decision point 5), with a further £1.42 million approved to fund land purchase costs expended at risk by Leeds City Council, taking total approval to £2.261 million.
- (iv) The Combined Authority enters into a variation of the existing Funding Agreement with Leeds City Council for Leeds Public Transport Investment Programme schemes, for expenditure of up to £2.261million from the Leeds Public Transport Investment Programme fund.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision points 4 and 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's

Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

### **Castleford Growth Corridor**

11.5 That the Combined Authority approves that:

- (i) The Castleford Growth Corridor scheme proceeds through decision point 3 and work commences on activity 4 (FBC).
- (ii) An indicative approval to the Combined Authority's contribution of £6.858 million to be funded from the West Yorkshire plus Transport Fund is given, with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (FBC with finalised costs). The total project value is £7.079 million.
- (iii) Development costs of £1.639 million are approved in order to progress the scheme to decision point 5 (FBC with finalised costs), of which £660,000 is to fund the business case development costs, with £979,000 to fund forecast land acquisition costs. This takes the total approval to £1.839 million.
- (iv) The Combined Authority enters into an addendum to the existing Funding Agreement with Wakefield Council for expenditure of up to £1.839 million from the West Yorkshire plus Transport Fund.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 4 and 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

### **South Kirkby Enterprise Zone**

11.6 That the Combined Authority approves that:

- (i) The South Kirkby Enterprise Zone scheme proceeds through decision point 3 and work commences on activity 5 (FBC with finalised costs).
- (ii) An indicative approval to the Combined Authority's contribution of up to a maximum of £2.826 million which will be funded through the Local Growth Fund is given with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (FBC with finalised costs).
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 through a delegation to the 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.

### **Steeton & Silsden Rail Car Park**

11.7 That the Combined Authority approves that:

- (i) The Steeton & Silsden Rail Car Park project proceeds through full business case with finalised costs (decision point 5) and work commences on activity 6 (Delivery).
- (ii) Approval to the total project value of £3.879 million is given from the West Yorkshire plus Transport Fund.
- (iii) The Combined Authority enters into a Section 56 Rail Funding Agreement with Arriva Rail North for expenditure of up to £3.759 million from the West Yorkshire plus Transport Fund.
- (iv) The Combined Authority enters in to a lease for Northern to use part of the Combined Authority owned car park as a temporary compound.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

### **A61 (South) Corridor**

11.8 That the Combined Authority approves that:

- (i) The A61 (South) Corridor scheme proceeds through decision point 4 (Full business case) and work commences on full business case with finalised costs (decision point 5).
- (ii) An indicative approval to the Combined Authority's contribution of £18.037 million, funded through Leeds Public Transport Investment Programme is given with full approval to spend being granted once the scheme has progressed through the assurance process to full business case with finalised costs (decision point 5). The total scheme cost is £18.247 million.
- (iii) Future approvals are made in accordance with the assurance pathway and approval route in this report including at full business case with finalised costs (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 assurance tolerances outlined in this report.

## **East Leeds Orbital Route**

11.9 The Investment Committee recommends to the Combined Authority that:

- (i) The East Leeds Orbital Route project proceeds through decision point 5 and work commences on activity 6 (delivery)
- (ii) Approval to the Combined Authority's contribution of £90.33 million to be funded through the West Yorkshire plus Transport Fund, is given. The total project value is £147.49 million.
- (iii) The Combined Authority enters into an addendum to the existing funding agreement with Leeds City Council for additional expenditure of £64.473 million, taking the total approval to £90.33 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 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

## **12 Background documents**

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

[3 September 2019 Investment Committee](#)

[1 October 2019 Investment Committee](#)

## **13 Appendices**

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

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

**Exempt Appendix 3** - South Kirkby