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**Report to:** West Yorkshire and York Investment Committee

**Date:** 7 November 2019

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

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**Director:** Marc Cole, Interim Director of Delivery

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## **1 Purpose of this report**

- 1.1 To put forward proposals for the progression of, and funding for, a number of West Yorkshire Combined Authority supported projects, for consideration by the Investment Committee at stages 1, 2 and 3 of the Combined Authority's assurance process.
- 1.2 The Investment Committee has delegated decision making authority, this was approved by the Combined Authority on 13 December 2018. Where Investment Committee is asked to make an approval decision this will be highlighted in the summary table and made clear in the recommendations.

## **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.
- 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.

### 3 Report

3.1 This report presents proposals for the progression of three schemes through the Combined Authority's assurance process in line with the Leeds City Region Assurance Framework. These schemes have a total combined funding value of £73.735 million when fully approved, of which the total value of £31.9 million will be funded by the Combined Authority. Further details on the schemes are summarised below and can be found as part of this report.

<b><u>Scheme</u></b>	<b><u>Scheme description</u></b>
<b>Leeds City Region Skills for Growth</b> Leeds City Region	<p>This scheme will support businesses to engage with schools, colleges and universities in order to improve the relevance of education and training to local labour market need, to support people in education to develop a better understanding of the career opportunities on their doorsteps and to enable them to develop the technical and transferable skills that businesses are looking for. The scheme will fund a number of education and skills advisors based in Local Authorities who will work directly with businesses and education providers.</p> <p>This scheme will help businesses to navigate the complex education landscape and to find the opportunities for engagement that best meet their requirements. Ultimately this will address a mismatch between the supply and demand for skills.</p> <p>The culmination of the scheme will be a high profile skills show bringing together the region's employers, and showcasing skills and apprenticeships to help young people experience many careers in one place, raising their aspirations for getting the best start in work and life.</p> <p>The scheme fits with Priority 2: Skills People, Better Jobs of the Leeds City Region Strategic Economic Plan.</p> <p>The scheme will be funded by ESIF, Local Skills Funds and business sponsorship.</p> <p><b><u>Impact</u></b></p> <p>This scheme will:</p> <ul style="list-style-type: none"><li>• Improve the relevance of education and training to local labour market need.</li><li>• Support people studying in schools, colleges and universities to develop a better understanding of the career opportunities on their doorsteps.</li><li>• Support learners, particularly those most disadvantaged, to develop the technical and transferable skills that businesses are looking for.</li><li>• Enhance learners' career opportunities.</li></ul> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 2 and for work to commence on activity 5 (full business case with finalised costs) subject to external funding being secured.</p> <p>Total value - £2.929 million</p>

	<p>Total value of Combined Authority funding - £2.429 million</p> <p>Funding recommendation sought - £0</p> <p>A recommendation to the Combined Authority is sought as part of this report.</p>
<p><b><u>Scheme</u></b></p> <p><b>White Rose Station</b></p> <p>Leeds</p>	<p><b><u>Scheme description</u></b></p> <p>This scheme will deliver a new rail station on the Leeds-Huddersfield line. The proposed station will sit between Morley and Cottingley on the Transpennine Route. This scheme will enable modal shift from road to rail and provide a better service for the local communities of Cottingley, Churwell and Millshaw.</p> <p>The scheme will be funded from the Leeds Public Transport Investment Programme and other public and private sector match funding.</p> <p>Please note that the funding made available through this report is to develop the final business case with finalised costs (FBC+) only. A funding strategy for delivery of the project will be set out in the FBC.</p> <p><b><u>Impact</u></b></p> <p>This scheme contributes to the delivery of all four Leeds Enterprise Partnership Strategic Economic Plan priority areas:</p> <ul style="list-style-type: none"> <li>• Growing Businesses</li> <li>• Skilled People, Better Jobs</li> <li>• Clean Energy and Environmental Resilience</li> <li>• Infrastructure for Growth</li> </ul> <p>The scheme has a forecast benefit cost ration of 3.2:1 judging the scheme as high value for money when assessed against the Department for Transport's value for money criteria.</p> <p>The scheme's wider social benefits include a reduction in emissions due to modal shift from road to rail, and an accessible rail station for commuters and shoppers including the provision of blue badge parking bays.</p> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 3 (outline business case) and for work to commence on activity 4 (full business case).</p> <p>Total value - £5 million</p> <p>Total value of Combined Authority funding - £5 million</p> <p>Funding recommendation sought - £2.611 million</p> <p>A recommendation to the Combined Authority is sought as part of this report.</p>

<b><u>Scheme</u></b>	<b><u>Scheme description</u></b>
<p><b>LTP- Integrated Transport Block - Districts' Programmes</b></p> <p>All West Yorkshire Districts</p>	<p>The scheme is a 3 year programme with a total value of £29.6 million for local transport improvements.</p> <p>This will be delivered from 1 April 2019 to 31 March 2022, using Integrated Transport Block (ITB) grant funding provided by the Department of Transport (DfT). Projects within this scheme will deliver maintenance and operational improvements, accident reduction (KSI) engineering works, local traffic management, accessibility improvements, education, training and promotion.</p> <p><b><u>Impact</u></b></p> <p>The outputs and outcomes of this scheme will be shaped by the West Yorkshire Transport Strategy's six core themes:</p> <ul style="list-style-type: none"> <li>• Inclusive Growth, Environment and Wellbeing</li> <li>• Road Network</li> <li>• Places to Live and Work</li> <li>• One System Public Transport</li> <li>• Smart Futures</li> <li>• Asset Management and Resilience</li> </ul> <p>Evidence provided by the Department of Transport suggests that the benefit cost ratio for the Integrated Transport Block as a programme are likely to be between 3:1 and 7:1.</p> <p>The programme will reduce negative environmental impacts associated with car travel such as carbon, pollution, community severance and road accidents</p> <p>The largest single individual scheme will be the Healthy Streets Demonstration Projects equal to £1 million for each district, this encompasses a range of interventions including accident reduction, traffic management, parking, play streets, public realm, cycling and walking routes, air quality improvements and electric vehicle charging points.</p> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 2 (case paper) and decision point 5 (full business case plus finalised cost) and for work to commence on activity 6 (Delivery).</p> <p>Total value - £26.9 million</p> <p>Total value of Combined Authority funding - £26.9 million</p> <p>Funding recommendation sought - £26.9 million</p> <p>A recommendation to the Combined Authority is sought as part of this report.</p>

3.2 Since the Investment Committee's meeting on 1<sup>st</sup> October 2019, the following decision points and change requests have been assessed in line with the Combined Authority's assurance process and approved through the agreed delegation to the Combined Authority's Managing Director. Under the delegation a total expenditure of £1.70 million has been approved.

<b><u>Scheme</u></b>	<b><u>Scheme description</u></b>
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<p><b>Kirklees Transport Scheme</b> Kirklees</p>	<p>This scheme is to deliver an updated transport model for Kirklees which will help Kirklees Council to plan for a range of major new transport improvements in the area. The model will be a variable demand model which will represent mode choice as well as allowing the impact of housing and other developments to be represented.</p> <p><b><u>Decision</u></b></p> <p>The Managing Director approved decision point 5 on 27<sup>th</sup> September 2019 and that work commence on delivery point 6. This will be funded by a contribution from the Combined Authority of £167,000, from the West Yorkshire plus Transport Fund, towards a total project value of £334,000. The remaining £167,000 will be funded by Kirklees Council.</p>
<p><b><u>Scheme</u></b> <b>Outwood Park and Ride Scheme</b> Wakefield</p>	<p><b><u>Scheme description</u></b></p> <p>The Outwood Park and Ride Scheme is part of the rail park and ride programme – a programme of car park extensions on rail station land owned by Network Rail or district partners, to meet increased user parking demand and enhance connectivity to, from and within West Yorkshire.</p> <p><b><u>Decision</u></b></p> <p>The Managing Director approved the request for change on 20<sup>th</sup> September 2019. The approval agrees to bring forward spend, from the original indicative approval of £1.54 million. Also, that the Combined Authority enters into an addendum to the existing funding agreement with Wakefield Metropolitan District Council. This will increase funding by up to £70,000 from £130,000 to up to £200,000.</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**. In addition, this appendix also provides a description of the approach for the future assurance approval pathway and the assurance tolerances for each scheme.

## **Projects in stage 1: Eligibility**



- 4.2 Projects at the eligibility stage are seeking entry into the portfolio and should demonstrate a strategic fit in terms of project outcomes, with further project definition including costs and detailed timescales to be developed as the project progresses through the assurance process. At this stage funding may be sought to enable this work to progress.

<b>Project Title</b>	<b>Leeds City Region Skills for Growth</b>
<b>Stage</b>	1 (Eligibility)
<b>Decision Point</b>	2 (Case paper)

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**

- 4.3 A call was issued by the Department for Work and Pensions (DWP) to commission ESF funded projects that will support Priority Axis 2 of the Operational Programme: Skills for Growth and Investment to be delivered from January 2020. A funding decision is expected on 31<sup>st</sup> October 2019.
- 4.4 The Leeds City Region Skills for Growth programme will build on the track record of current skills programmes, linking closely with other business-facing services and products to support businesses to engage with the full breadth of the education landscape in order to improve the relevance of education and training provision.
- 4.5 The scheme will target areas of disadvantage helping connect businesses with underrepresented groups within education who may otherwise not have the opportunities to gain skills and meaningful employment.
- 4.6 The main focus of the scheme will be to help businesses to navigate the complex education landscape and to find the opportunities for engagement that best meet their requirements. Ultimately this will address a mismatch between the supply and demand for skills. Businesses will be supported to

develop an education engagement plan which will identify the most suitable opportunities for them to engage with education, in response to their motivations for doing so (which may include CSR, immediate recruitment needs, hard-to-fill vacancies, long-term employment growth ambitions, a desire to build a more diverse workforce, building local profile and meeting contractual requirements).

- 4.7 This scheme is intended to support businesses to engage with schools, colleges and universities in order to improve the relevance of education and training to local labour market need, to support people in education to develop a better understanding of the career opportunities on their doorsteps and to enable them to develop the technical and transferable skills that businesses are looking for. Through this engagement, learners' career opportunities will be enhanced, building on robust evidence that meaningful interactions with employers has a significant positive impact on destinations.
- 4.8 There will be a particular focus on those most disadvantaged learners, including those from deprived communities or with special educational needs and disabilities, as attainment and employment rates for these groups are significantly lower than for the broader population.
- 4.9 The scheme will work with businesses to identify the best way/s for them to engage with education at all levels, and to develop a tailored engagement plan that responds to their specific needs, motivation and the amount of time they're looking to commit.
- 4.10 Following consultation and engagement with Local Authority Employment and Skills teams in the region it has been agreed that the best approach is to recruit 8 education and skills advisors and have them co-located with Local Authorities.
- 4.11 The culmination of the scheme will deliver a regional skills show to highlight practical skills required in key priority sectors and showcase the work of the programme.
- 4.12 Despite the Leeds City Region's economic strengths and assets, it is not realising its full potential. The decline of heavy industry has left pockets of serious deprivation and an economy that is less productive than those in many other parts of the country.
- 4.13 Analysis shows that there is a strong correlation between the performance of local areas on skills and their productivity performance. The City Region's deficit of people with higher level skills is reflected in its below-average productivity level. The West Yorkshire Combined Authority's latest Labour Market report contains a range of evidence that demonstrates the importance of stimulating demand for training among local business and working to ensure that available skills and education training provision is demand responsive.
- 4.14 The lack of information regarding jobs and routes to employment is highlighted by the sector skills gaps and number of young people who become NEET (Not

in Employment, Education or Training) which is above the national average in some local authority areas of Leeds City Region.

- 4.15 The Leeds City Region Employment and Skills Plan 2016-2020 identifies the need for 'Great Education connected to Business' at all levels of education. This is a key area of focus to ensure that the City Region's skills are developed.
- 4.16 The scheme will be managed by the Combined Authority and fits with Priority 2: Skills People, Better Jobs of the Leeds City Region Strategic Economic Plan.
- 4.17 A summary of the scheme's business case and location map is included in **Appendix 2**.

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

- 4.18 The outputs, benefits and inclusive growth implications will:
- Enable 375 small-medium enterprises to engage with education establishments ranging from supporting employer engagement, influencing the curriculum or offering an industrial placement programme
  - Create 300 employer led projects and business engagement activities that will impact and engage 1000 individuals
  - Develop teaching resources linked to robust regional Labour Market Information to provide differentiated resources for a range of audiences including SEND, university and primary audiences
  - Reach 8000 individuals through a regional Skills Show to highlight practical skills required in key priority sectors and showcase the work of the programme, targeting 30% attendance from disadvantaged and underrepresented groups.

### **Clean growth/climate change implications**

- 4.19 There are no direct clean growth/climate change implications related to this scheme.

### **Risks**

- 4.20 The key risks for this scheme and their mitigations include:
- Underachievement of results leading to a withdrawal of funding by DWP. This will be mitigated by performance and controls monitored weekly and corrective action taken immediately. Close monitoring proactive response put in place if required.

- Unable to secure £500,000 business sponsorship for the skills show which affects its reach and impact. Mitigation: Engagement already underway with regional employers to secure funding.
- Unsuccessful in gaining ESIF Funding. Mitigation: A smaller project will be undertaken with funding taken from the local skills fund. This would also mean a reduction in the impact and outcomes.

### Costs

4.21 The total scheme cost is £2.929 million. £1.464 million has been applied for from ESIF, £964,925 has been secured from the Local Skills Fund and £500,000 will be raised from business sponsorship.

### Assurance pathway and approval route

Assurance pathway	Approval route	Forecast approval date
2 (Case paper)	Recommendation: Investment Committee Decision: Combined Authority	12/12/2019
5 (Full business case with finalised costs)	Recommendation: Investment Committee Decision: Combined Authority's Managing Director	20/12/2019

### Other Key Timescales

4.22 The key timescales for this programme include:

- Outcome of ESIF Bid - November 2019
- Recruitment to the programme- March 2020
- Programme of work starts – April 2020
- Completion – March 2022

### Assurance Tolerances

Assurance tolerances
The Combined Authority contribution should remain within the costs set out in this report. That the timescales should remain within 3 months of the timescales set out in this report for the preferred way forward.

## Project responsibilities

<b>Senior Responsible Officer</b>	Michelle Burton
<b>Project Manager</b>	Jane Green
<b>Combined Authority case officer</b>	Heather Briggs

## Appraisal summary

- 4.23 The strategic fit for this scheme is clearly defined and alignment to the Leeds City Region objectives is clear. The scheme aligns with Priority 2: Skills People Better Jobs and will connect disadvantaged and underrepresented groups within education to businesses who may not otherwise gain this opportunity.
- 4.24 The total scheme cost is £2.929 million with £1.464 million applied for from ESIF. The outcome of this bid is currently unknown with the result expected at in early November 2019; a verbal update will be provided at the meeting. If the bid is not successful, a smaller programme is expected to be delivered with the benefits reduced accordingly.
- 4.25 The programme will be managed by the Combined Authority's Employment and Skills team using Managing Successful Programmes and Prince2 methodologies. Eight business partnership advisors and one Project Manager/ Team Leader will be recruited to manage the programme and ensure delivery of the benefits. It is estimated that recruitment to the posts will begin in January 2020 and be completed by March 2020.

## Recommendations

- 4.26 That Investment Committee recommends to the Combined Authority that:
- (i) The Leeds City Region Skills for Growth programme proceeds through decision point 2 and work commences on activity 5 (full business case with finalised costs)
  - (ii) An indicative approval to the Combined Authority's contribution of £2.429 million (which will be funded through £1.464 million from the ESIF fund and £964,925 from the Local Skills Fund) is given with full approval to spend being granted once the outcome of the ESIF bid is known and the scheme has progressed through the assurance process to decision point 5. The total project value is £2.929 million with the remaining £500,000 to be raised from business sponsorship.
  - (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.

## Projects in Stage 2: Development



- 4.27 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>White Rose Station</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

- 4.28 This scheme forms part of the Leeds Public Transport Investment Programme, a £185 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, improving transport journey times and usage and improve health outcomes by reducing overall transport emissions.
- 4.29 This scheme will develop a new rail station adjacent to the White Rose office park, approximately 750 metres south of the existing Cottingley station. The new station development includes:
- Station platforms with access via lifts and staircases to both platforms.
  - Development of a drop off/ pick-up area and taxi rank.
  - Provision of core passenger facilities including cycle storage, waiting shelters, CCTV and signage's for the station.
- 4.30 And will:

- Be accessible to all users, and fully compliant with the Equality Act
- Offer excellent public access with safe, well-lit walkways
- Incorporate new and upgraded cycle routes and pathways
- Be served by bus and vehicle drop off and pick up points
- Utilise sustainable construction methods and building operation

4.31 White Rose office park has been identified as the proposed site due to approximately 23,000 customers per week visiting the shopping centre and 10,000 people employed across the shopping centre, office park and industrial estate. In addition, approximately 900 students attend Elliot Hudson College located in the office park and major housing developments are planned in close proximity to the proposed station.

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

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

4.33 The forecast scheme outputs and benefits include:

- Provision of an accessible station for all users.
- Better connections for local people to employment opportunities, education and leisure.
- Access to labour markets for existing and prospective businesses at White Rose Office Park and White Rose shopping centre.
- Increase active mode travel.
- The forecast benefit cost ratio (BCR) for this scheme is 3.2:1 which represents high value for money.

### **Clean Growth/Climate Change Implications**

- Modal shift from car to rail of up to 200,000 passengers a year resulting in reduced congestion and improved air quality through the reduction of vehicles on Leeds arterial roads.
- Improve safety and health outcomes, by reducing total emissions and vehicle km's travelled on the network. This will assist the region in meeting its climate change targets by 2038.
- Further details of clean growth and climate change implications will be brought forward at decision point 4 (full business case).

### **Risks**

4.34 The key risks for this scheme are:

- The designs envisaged require that the platforms and other station facilities be built on top of an embankment. This will be mitigated by

investigations being undertaken to inform design and costs. The area is known for historical mining with 11 mine shafts in the vicinity, 2 of which are within the proposed footprint of the station. There may also be additional unknown shafts. This will be mitigated by undertaking investigations to inform design and costs.

## Costs

- 4.35 The total cost to deliver the project is estimated at £21.953 million.
- 4.36 The Combined Authority contribution for this scheme is £5 million which will be funded from the Leeds Public Transport Improvement Programme (LPTIP). This funding is to undertake detailed designs and approval to final business case with finalised costs (FBC+).
- 4.37 As part of this outline business case, development funds of £2.611 million are requested to develop the full business case and full business case with finalised costs. This will take the overall approval to £3.111 million. The remainder of the £5 million allocated LPTIP funds are proposed to be spent by March 2021 on project delivery costs, subject to approval of the FBC +.
- 4.38 A funding strategy to deliver the project is currently being developed and will be presented in the final business case (FBC). This will include developer contributions and other public sector match funding (currently being applied for).
- 4.39 It is proposed that the developer leads on the detailed designs and therefore a funding agreement is required between the Combined Authority and the developer. The funding agreement will clearly set out the requirements of the Combined Authority and any clawback requirements.

## 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: Investment Committee	20/02/2020
5 (Full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	31/03/2020

## Other Key Timescales

4.40 Key timescales for this scheme include:

- Stakeholder consultation Autumn 2019
- Scheme design completed December 2019
- Start of construction April 2020
- End of construction December 2020

4.41 The developer and the Combined Authority will be submitting a planning application for the station buildings to Leeds City Council in late 2019. Drop-in sessions to view and discuss these plans took place on:

- Tuesday 22nd October 2019 from 5.30pm to 9pm at The Hub, White Rose Office Park,
- Wednesday 23rd October 2019 from 4.00pm to 7.00pm at The White Rose Shopping Centre,
- Thursday 24th October 2019 from 4.00pm to 7.00pm at Cottingley Vale,
- There will also be a dedicated display of the proposals in the Planning Cabin located at White Rose Office Park throughout November.
- Comments can also be submitted via [info@WhiteRoseOfficePark.co.uk](mailto:info@WhiteRoseOfficePark.co.uk) before the end of November.

### Assurance Tolerances

Assurance tolerances
Combined Authority costs should remain within 10% of those outlined in this report The timeframes should remain within 3 months of those set out in this report.

### Project responsibilities

Senior Responsible Officer	Liz Hunter, Combined Authority
Project Manager	Pete Coello, Combined Authority
Combined Authority case officer	Heather Briggs

### Appraisal summary

4.42 The outline business case provides clear rationale for investment and the strategic nature of White Rose as an investment location for employment, education and housing development. Evidence has been provided on rationale for a new station to be developed at White Rose.

4.43 This scheme currently has a significant funding gap. Options for public and private sector funding are currently being explored. Scheme costs are required to be developed in further detail at the full business case stage to evidence that the total forecast scheme costs are affordable within secured funding.

## **Implications for Cottingley Rail Station**

- 4.44 The station forms part of an improved city transport system and is part of a wider transport investment and regeneration programme, the Leeds Public Transport Investment Programme. We will be doing detailed work to understand the potential implications of this development for Cottingley station, because it is unlikely that two stations that are so close together can be fully sustained. Following this assessment we will undertake additional substantial consultation with local people in 2020 to understand their needs and develop a scheme that best meets their requirements. We will also explore a range of options to ensure people in Cottingley and neighbouring areas have the access they need to the rail network and other transport links, including the potential for an on-demand bus service for the community.
- 4.45 The communications plan and benefits realisation plan are required to be developed further as the scheme progresses through the assurance process.

## **Recommendations**

- 4.46 That Investment Committee recommends to the Combined Authority that:
- (i) The White Rose Station project proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case).
  - (ii) Indicative approval to the total project value of £5 million has been 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).
  - (iii) Development costs of £2.611 million are approved in order to progress the scheme to decision point 5 (full business case with finalised costs), taking the total project approval to £3.111 million.
  - (iv) The Combined Authority enters in to a Funding Agreement with the developer for expenditure of up to £1.9 million from the LPTIP Fund.
  - (v) 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>LTP-Integrated Transport Block - Districts' Programmes</b>
<b>Stage</b>	2 (Development)
<b>Decision Point</b>	5 (Full business case with finalised costs)

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

## Background

- 4.47 The scheme will be funded from the Local Transport Plan – Integrated Transport Block. This is a £26.9 million fund, covering all West Yorkshire partner councils. The Integrated Transport Block (ITB) provides funding support to local authorities for transport capital improvement schemes worth less than £5 million.
- 4.48 The programme delivers small scale, locally responsive transport improvements, complementing larger schemes and programmes delivered by the Combined Authority and partners by filling the gaps not addressed by other funding allocations.
- 4.49 Programmes are shaped around the West Yorkshire Transport Strategy's six core themes. Each scheme within the programme will contribute in some part to these themes and the following targets:
- **Inclusive Growth, Environment and Wellbeing:** To improve the level of accessibility that our most deprived communities have to employment opportunities via bus, compared to car, within a 30 minute travel time, increasing from 25% to 35% by 2027.
  - **Road Network:** to achieve 10 years targets for mode share by 2027:
    - Car trips reduce from 69% to 63% mode share
    - Bus trips increase from 7% to 8% mode share to 8% and 2% respectively
    - Train trips increase from 1% to 2% mode share
    - Cycle trips increase by 2% to 3% mode share
    - Walking trips increasing from 21% to 22% mode share
  - **Places to Live and Work:** A 42% reduction in Killed & Serious Injured by 2027.

- **One System Public Transport:** Improve satisfaction with public transport (local rail and bus services) from a baseline value of 6.8 increasing to 8.0 by 2027.
- **Smart Futures:** Increase the % of advance smart-/m-ticket transaction from a baseline value of 92% to a target of 98% by 2020/21.
- **Asset Management and Resilience:** To improve satisfaction with infrastructure (roads, cycle paths, footways and street lighting) from a baseline value is 5.4 to a target value of 7 by 2027.

4.50 The Integrated Transport Block programme 2019-2022 is a collection of many, small scale transport projects. None of 2019-2022 programme components are major schemes greater than £5 million costs. The largest single individual schemes will be the Healthy Street demonstration projects with maximum Integrated Transport Block expenditure of £1 million. The intention of delivering a programme of demonstration projects is to understand the benefits and develop an appraisal approach to inform the development and prioritisation of future programmes.

4.51 Other Integrated Transport Block programme components are significantly smaller in scale and costs and generally business as usual. These have been assessed on the basis of their strategic fit, ability to address gaps in other funding programmes and delivery against local community and political priorities. Value for money assessment for these projects can be made on the basis of journey time savings and / or non-user benefits (e.g. accidents, local air quality, greenhouse gas benefits).

4.52 The overall programme for 2019-2022 was given indicative approval by the Combined Authority on 25th April 2019. The Combined Authority Board approved a proportionate approach to assurance for partner councils for the ITB programmes. The Combined Authority agreed that approval for partner councils' programmes is delegated to Investment Committee.

4.53 A summary of the scheme's business case is included in **Appendix 4** and a breakdown of projects by local authority is included at **Appendix 4a**.

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

4.54 The scale of outputs, benefits and inclusive growth implications of the scheme has the potential to deliver the following outputs, benefits and inclusive growth implications. These targets are set out in the West Yorkshire Transport Strategy. They are the Performance Management Framework of indicators and targets agreed by the Combined Authority as appropriate to supporting delivery of the LCR Strategic Economic Plan:

- More trips made by cycling (Target – 300% more trips made by cycling by 2027)
- More trips made by walking (Target – 10% more trips made by walking by 2027)
- More trips made by bus (Target – 25% more trips made by bus by 2027)

- Less trips made by car (Target – 3.5% less trips made by car by 2027)
- Less accidents resulting in killed and seriously injured (Target – 42% reduction in Killed Seriously Injured by 2027).
- The scheme will contribute to the achievements of West Yorkshire Transport Strategy targets which include interim targets for the first 10 years of the strategy to 2027 to increase trips made by sustainable transport and reduce trips by private car.
- The Department for transport have stated that Integrated Transport Block are likely to provide high or very high value for money. Available evidence suggests the benefit cost ratio for the Integrated Transport Block is likely to be between 3 and 7.

#### 4.55 Clean growth/climate change implications

- Promoting the modal shift to sustainable transport where practicable including encouragement to move away from private vehicles and to using public transport and other modes of travel (walking and cycling). This in turn will lead to a reduction in traffic emission by reducing the number of car miles travelled. This will assist the region in meeting its climate change targets by 2038.

#### Risks

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

4.57 **Risk:** Reduction in anticipated Integrated Transport Block funding for Year 2 and Year 3 of programme **Mitigation:** ensure regular communication is established with Department of Transport to quickly identify any potential changes in funding. Identification of any change in funding will be discussed with programme board, escalation to transport committee for decision on changes to programme.

4.58 **Risk:** Key stakeholders fail to support programme. **Mitigation:** Programme has been shaped and agreed by each of the partners councils - and is largely business as usual.

#### Costs

4.59 The Integrated Transport Block is £26.9 million. The funding is secured and we have agreed funding at each council level.

#### Assurance pathway and approval route

Assurance pathway	Approval route	Forecast approval date
2 (Case paper)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Investment Committee	07/11/2019

5 (Full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Investment Committee	07/11/2019
6 (Delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	31/03/2022
7 (Review and close)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	29/09/2022

### Assurance Tolerances

<b>Assurance tolerances</b>
The Combined Authority contribution should remain within the costs set out in this report. That the timescales should remain within 6 months of the timescales set out in this report for the preferred way forward.

### Project responsibilities

<b>Senior Responsible Officer</b>	Alan Reiss, Combined Authority
<b>Project Manager</b>	Steve Heckley, Combined Authority
<b>Combined Authority case officer</b>	Paul Coy

### Appraisal summary

- 4.60 The programme meets the transport strategy objectives. Sufficient information has been provided to the case officer to provide assurance that the programme can be managed within the five partner councils. The overall governance arrangements will be managed by the Chief Highway Officers. Key performance indicators for the programme will be reported to the Research and Intelligence team.
- 4.61 The information provided from the district councils have satisfied the Combined Authority that the projects within the programme will demonstrate value for money.
- 4.62 Overall, there is a good strategic, commercial, economic and management case for the Integrated Transport Block – 2019-2022 scheme.

## **Recommendations**

- 4.63 That Investment Committee recommends to the Combined Authority that:
- (i) The Integrated Transport Block – 2019-2022 – West Yorkshire Districts - programme project proceeds through decision point 2 and 5 and work commences on activity 6 (delivery).
  - (ii) An approval to the total project value of £26.9 million is given from the Local Transport Plan Integrated Transport Block fund.
  - (iii) Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 6 and 7 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



- 4.64 Once in Delivery and Evaluation the scheme is delivered and Combined Authority funding is drawn down. When delivery is completed a review is carried out to ensure that the scheme has met all its requirements and outputs in accordance with its Funding Agreement. Finally information about a scheme's performance following its completion is collected, in order to evaluate the success of the scheme.
- 4.65 There are no schemes requiring consideration at this assurance stage.

## **Decisions made through the delegation to the Managing Director**

- 4.66 Since Investment Committee's meeting on 1<sup>st</sup> October 2019, decisions regarding the following schemes has been exercised. These decisions were made through the delegation to the Combined Authority's Managing Director or Director of Delivery following a recommendation from Combined Authority's Programme Appraisal Team. In order for a decision to be made through a delegation to the Managing Director or Director of Delivery, the scheme must remain within the assurance tolerances that have been approved at an earlier decision point. All the schemes outlined below have remained within their approved delegations unless stated otherwise below.

### **Kirklees Transport Model Update**

- 4.67 This scheme is to deliver an updated transport model for Kirklees which will help Kirklees Council to plan for a range of major new transport improvements in the area. The model will be a variable demand model which will represent mode choice as well as allowing the impact of housing and other developments to be represented.
- 4.68 The decision was taken to update the Kirklees Transport Model using funding from the Combined Authority together with funding from Kirklees Council on a 50:50 basis.
- 4.69 The Managing Director approved decision point 5 on 27 September 2019 and that work commence on delivery point 6. This will be funded by a contribution from the Combined Authority of £167,000, from the West Yorkshire plus Transport Fund, towards a total project value of £334,000. The remaining £167,000 will be funded by Kirklees Council.

### **Outwood Rail Station Park and Ride**

- 4.70 The Outwood Park and Ride Scheme is part of the rail park and ride programme – a programme of car park extensions and accessibility on rail station land owned by Network Rail or district partners, to meet increased user parking demand and enhance connectivity to, from and within West Yorkshire.
- 4.71 The Managing Director approved the request for change on 20<sup>th</sup> September 2019. The approval agrees to bring forward spend, from the original indicative approval of £1.54 million. Also, that the Combined Authority enters into an addendum to the existing funding agreement with Wakefield Metropolitan District Council. This will increase funding by up to £70,000 from £130,000 to up to £200,000.

## **5 Financial implications**

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

## **6 Legal implications**

- 6.1 The payment of funding to any recipient will be subject to a funding agreement being in place between the Combined Authority and the organisation in question.

## **7 Staffing implications**

- 7.1 A combination of Combined Authority and local Partner Council project, programme and portfolio management resources are or are in the process of being identified and costed for within the schemes in this report.

## **8 External consultees**

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

## **9 Recommendations**

### **Leeds City Region – Skills for Growth**

- 9.1 That Investment Committee recommends to the Combined Authority that:
- (i) The Leeds City Region Skills for Growth programme proceeds through decision point 2 and work commences on activity 5 (full business case with finalised costs)
  - (ii) An indicative approval to the Combined Authority's contribution of £2.429 million (which will be funded through £1.464 million from the ESIF fund and £964,925 from the Local Skills Fund) is given with full approval to spend being granted once the outcome of the ESIF bid is known and the scheme has progressed through the assurance process to decision point 5. The total project value is £2.929 million with the remaining £500,000 to be raised from business sponsorship.
  - (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

### **The White Rose Station**

- 9.2 That Investment Committee recommends to the Combined Authority that:
- (i) The White Rose Station project proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case).
  - (ii) An indicative approval to the total project value of £5 million 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).

- (iii) Development costs of £2.611 million are approved in order to progress the scheme to decision point 5 (full business case with finalised costs), taking the total project approval to £3.111 million.
- (iv) The Combined Authority enters in to a Funding Agreement with the developer for expenditure of up to £1.9 million from the LPTIP Fund.
- (v) 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.

### **LTP-Integrated Transport Block - Districts' Programmes**

9.3 That Investment Committee recommends to the Combined Authority that:

- (i) The Integrated Transport Block – 2019-2022 – West Yorkshire Districts - programme project proceeds through decision point 2 and 5 and work commences on activity 6 (delivery).
- (ii) An approval to the total project value of £26.9 million is given from the Local Transport Plan Integrated Transport Block fund.
- (iii) Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 6 and 7 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.

## **10 Background documents**

10.1 None as part of this report.

## **11 Appendices**

11.1 Appendix 1 - Background

11.2 Appendix 2 - Leeds City Region – Skills for Growth business case summary

11.3 Appendix 3 - White Rose Station business case summary

11.4 Appendix 4 - LTP-Integrated Transport Block - Districts' Programmes business case summary

11.5 Appendix 4A – LTP Schemes broken down by Local Authority