

Report to: West Yorkshire and York Investment Committee

Date: 5 November 2020

Subject: **Capital Programme Update**

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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" 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:	

1 Purpose of this report

- 1.1 To update the Committee on progress made on the implementation of the Combined Authority's capital programme. The report provides an update on the Leeds Public Transport Investment Programme and the Broadband Programme.

2 Information

Capital Programme

- 2.1 Table 1 below summarises the expenditure as at quarter 1 on the Combined Authority's capital programme in 2020/21 against the in-year forecast:

Table 1

Capital Programme Expenditure 2020/21	Budget Forecast February 2020	In-Year Forecast June 2020	Actual Quarter 1 2020/21
Growth Deal Programme			
Priority 1 Growing business	£14,809,439	£11,368,691	£1,692,842
Priority 2 Skilled People and Better Jobs	£667,110	£667,273	£0
Priority 3 Clean Energy	£741,887	£1,022,946	£92,374
Priority 4a Housing and Regeneration	£6,500,000	£8,845,000	£0
Priority 4b West Yorkshire plus Transport Fund	£110,670,000	£87,384,018	£6,378,475
Priority 4c Economic Resilience	£4,181,524	£4,279,598	£170,132
Priority 4d Enterprise Zones	£12,337,000	£15,699,938	£3,798,672
Growth Deal - Other	£2,000,000	£2,500,000	£390,858
Growth Deal Total	£151,906,960	£131,767,464	£12,523,353
Leeds Public Transport Investment Programme	£88,233,338	£66,024,000	£10,743,900
Local Transport Plan	£13,129,332	£13,129,332	£2,474,561
Highways Maintenance / Pothole Action	£29,997,000	£29,997,000	£10,773,500
Clean Bus Technology Fund	£0	£4,264,302	£785,980
Ultra Low Emissions Buses	£0	£617,000	£0
Corporate Projects	£5,503,000	£6,385,714	£283,450
Broadband	£2,608,437	£2,198,052	£0
Transforming Cities Fund*	£55,000,000	£55,000,000	1,271,990
Getting Building Fund**	£0	£13,550,000	£0
Brownfield Housing Fund**	£0	£5,000,000	£0
Total Capital Spend	£346,378,067	£309,382,864	£38,856,733
*Amended forecast as incorrect forecast of £106million included in February 2020 CA report			
** New funding programme			

- 2.2 The grant claims and expenditure for quarter 2 are currently being processed and will be reported to the next meeting in December 2020.

The Getting Building Fund programme is also beginning to progress well, a total of five of the fifteen projects have now entered the appraisal process and seven further projects expected to be submitted by December. It is anticipated that most projects will have been considered by Investment Committee by the end of March 2021.

Leeds Public Transport Investment Programme

- 2.3 The Leeds Public Transport Investment Programme (LPTIP) was approved in 2017. The Department for Transport (DfT) have outlined a funding deadline of March 2021, giving the team 4 years from a standing start to develop, design and construct a complex programme. The purpose of the programme, outlined in the strategic economic case, was to support Connecting Leeds, Leeds City Council Transport Strategy, to improve transport across the City by:

- bus priority corridors along major routes into the city centre;
- creation and improvement of City Centre 'Gateways' including Headrow, Infirmary Street and the Corn Exchange;
- additional park and ride spaces through expansion of existing bus and rail park and ride sites, together with creation of a new site;
- potential development of new rail stations for key development and economic hubs;

- development work to provide improvements to rail stations accessibility;
- 1,000 more bus stops with real time information;
- improved facilities in district centres; and
- complementary private sector investment in bus services and low emission vehicles.

2.4 Progress on the programme remains strong with the following projects currently on site / complete:

- Elland Road Park & Ride Extension has recently opened to the public. This provides an additional 550 spaces, bringing the total to 1350. A fly through of the completed scheme is available via <https://vimeo.com/452227562/edcb02ff8c>
- Construction at Stourton Park and Ride continues to progress well with works underway on the slip road access, building foundations and surfacing. This scheme includes solar panels across the site, providing energy for electric bus operation and the terminal, a first of its kind in the UK.
- The A61S scheme is progressing well with works now underway at the Thwaite Gate junction.
- Work on The Headrow Gateway is also progressing well with the majority of footway works complete and the reintroduction of buses to the Headrow. A fly through of what the scheme will look like when complete is available via <https://www.youtube.com/watch?v=h-1Ep3f5hzs>

2.5 The following projects are expected to continue to be delivered in 2021/22:

Bus Infrastructure	Bus Delivery	Rail Package
Corn Exchange Gateway	Digital Hub	New Pudsey Park & Ride (Delivery via WY+TF)
Stourton Park & Ride	Real Time Information Phase 2	
A647	Leeds Bus Station	
A61S	Network Navigation	

2.6 The following projects have been completed to date:

Bus Infrastructure	Bus Delivery	Rail Package
Elland Road Park & Ride Extension	Real Time Information Phase 1	Rail Accessibility Programme (Paused at OBC)
A58 York Street		
A58 St Peters St		
A660 Holt Lane		

- 2.7 A number of schemes are now being taken forward via other funding programmes. This has been undertaken where schemes have been developed to a sufficient degree for further progress but delivery funding was not available within the LPTIP package. These schemes are detailed below:

Scheme	Funding Programme	Status
A58 Roundhay Road	Corridor Improvement Programme Phase 2	One scheme to be developed to delivery / two schemes developed to FBC
A660 Headingley Hill		
A61N Scott Hall Road		
Temple Green Park & Ride	Getting Building Fund	FBC+ to be submitted in Q3/4
Infirmay Street	Leeds City Centre Package as part of the Transport Fund*	Scheme in delivery due to complete Winter 20/21

*Scheme was originally in LCCP but was moved to LPTIP for contract delivery and cashflow purposes.

- 2.8 The total LPTIP expenditure is £183.43 million which comprises of £173.5 million from the DfT, £8.93 million Leeds City Council contribution and £1 million Combined Authority contribution. Other funding has also been sourced to support Connecting Leeds including £8.34 million of S106 contributions.

2.9 To ensure the programme is successfully delivered to the challenging timescales set out by DfT, it has been necessary to build in an element of over-programming together with adopting a prioritisation methodology. The methodology uses a RAG rating based on deliverability such as stakeholder support and timescales, scheme estimate and programme outputs to help prioritise. Therefore, periodically a affordability review has been undertaken, with the most recent review being carried following the pandemic. This has resulted in changes to the allocations of the DfT grant to each of the packages, as detailed in the table below.

Package	Original DfT allocation and Local Contributions	Revised allocation at October 2020 (to be finalised January 2021)
Bus Infrastructure	£118.62m	£132.10m
Bus Delivery	£25.95m	£26.20m
Rail	£34.5m	£21.20m
Programme Management	£4.43m	£4.0m
Totals	£183.5m	£183.5m

- 2.10 Confirmation has been received from the Department for Transport (DfT) that the final grant payment of £44.38 million will now be paid to the Combined Authority in November 2020 and projects that are contractually committed by March 2021 can be completed by March 2022.
- 2.11 There are two schemes which are currently at risk of not being contractually committed by March 2021 and with some spend extending into 2022/23. These are the Leeds Bus Station and A647. There is also a risk that spend for the Corn Exchange scheme will extend into 2022/23. DfT are aware of this and efforts are underway to ensure these schemes are contractually committed by March 2021 and that the bulk of the spend is in 2021/22.
- 2.12 The programme currently remains slightly over-programmed and work is ongoing to mitigate this position, however it will be dependent on the progress of individual projects. To date the value of over-programming has reduced through a combination of projects reallocating budget which is at risk of not being spent within the DfT parameters, identifying alternative sources of funding, and value engineering / cost reviews.
- 2.13 As part of the regular affordability reviews and managing the over programming there is insufficient funding to progress all schemes to full delivery. The reserve scheme, A58 Beckett St, is currently developed to Outline Business Case stage. If further funding is available within the LPTIP programme the scheme will develop a full business case.

- 2.14 A package level change request is being developed and is due to be submitted in early November. This will be presented to the Investment Committee at its meeting in January 2021. It will identify schemes which are no longer proceeding to delivery and are considered pipeline schemes, schemes transferring to other funds, such as the Transport Fund and Getting Building Fund. This change request will also seek additional funds for some projects, however this will be balanced within LPTIP budget and will be affordable.

Broadband

- 2.15 The City Region's Strategic Economic Plan (SEP) laid out an ambition to achieve 99% superfast broadband connectivity across West Yorkshire and York. The West Yorkshire and York Broadband programme commenced in 2013 and is overseen by a partnership agreement between the West Yorkshire and York councils and the Combined Authority. Contract 1 delivered 97% coverage. The Superfast Extension Programme (Contract 2) is on track to deliver up to 98% access to superfast broadband by end June 2021. Both of these contracts involved delivering fibre directly to a premise or to a nearby cabinet.
- 2.16 The challenging ambition of 99% coverage will continue to be progressed through Contract 3 which is using wireless technology to deliver to speeds of 1 Gb/s to many of the remaining and most difficult to reach rural properties. The new contract was signed in September 2020 with Quickline. The aim is to extend coverage to an additional 5,571 premises it will also provide ultrafast speeds for 1,261 business. The work already commencing with plans for initial locations to get service in December 2020. The infrastructure rollout will be complete by December 2022 and will meet the SEP's coverage aspiration.
- 2.17 Building Digital UK (BDUK) (part of the Department for Digital, Culture, Media & and Sport) are responsible delivering broadband networks to the nation. After an intense review, BDUK are satisfied that Quickline's innovate wireless solution was value for money as it mitigates the problem of delivering fibre to every remote premise. Quickline's solution aligns the Government drive for Gigabit Broadband by 2025 and critically it enables West Yorkshire to go faster and further. Funding for Contract 3 has been secured with grant through the Department for Environment, Food & Rural Affairs (DEFRA).

3 Financial implications

- 3.1 Financial implications are included within the body of the report.

4 Legal implications

- 4.1 There are no legal implications directly arising from this report.

5 Staffing implications

- 5.1 There are no staffing implications directly arising from this report.

6 External consultees

6.1 No external consultations have been undertaken.

7 Recommendations

7.1 It is recommended that the Investment Committee notes the progress made in implementing the Combined Authority Capital Programmes.

8 Background documents

8.1 None.

9 Appendices

9.1 None.