

Report to: West Yorkshire and York Investment Committee

Date: 4th March 2021

Subject: **Leeds Public Transport Investment Programme (LPTIP) Review 2020 – Part Two**

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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 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:	

1 Purpose of this report

- 1.1 This report covers Part two of the review of the Leeds Public Transport Investment Programme (LPTIP) and sets out recommendations for managing the bus delivery and rail elements of the programme up to the programme's end. This report follows on from the Part one report which was presented to and approved by Investment Committee on the 7th January 2021. The Part one report covered the bus infrastructure package and programme management elements.

2 Information

Background

- 2.1 The Leeds Public Transport Investment Programme (LPTIP) commenced in 2017. This is a £183.4 million programme using devolved Department for Transport funding supplemented with contributions from Leeds City Council and the Combined Authority. The £183.4 million of investment is being monitored through the Combined Authority's assurance process. A further £86.76 million has been leveraged as match funding from bus operating companies' investment in fleet, as well as £8.77 million from Section 106, European Regional Development Fund (ERDF) and Leeds City Council's Capital Programme.

The funding contributions which are monitored through the Combined Authority's assurance process are as follows:

Funding Source	Amount (£) million
Department for Transport	173.50
Leeds City Council	8.93
Combined Authority	0.97
Total	183.4

- 2.2 This programme aims to support economic growth by unlocking transport constraints, improve public transport journey times, reliability and usage and improve health outcomes by reducing overall transport emissions. In this way, the programme seeks to contribute towards the doubling of bus patronage over a 10-year period in a manner which contributes to carbon reduction by encouraging modal shift away from the private car and supports inclusive growth by making it easier to access education, employment, and public services. It will also create:
- A world-class connected city, that allows seamless end to end public transport journeys internationally, nationally, regionally, and locally.
 - An ambitious city, that attracts and plans for inclusive growth.
 - A smart city that embraces innovative technology to efficiently use, manage and maintain the transport network.
 - A people-focused city, with well-connected neighbourhoods and a city centre that is easily accessible for everyone.
 - A healthy city, that allows more people to walk, cycle and be more active, with reduced traffic and emissions to create cleaner air.
- 2.3 Following the approval of the Strategic Outline Case (SOC) at decision point 2 in April 2017, the Department for Transport (DfT) outlined a funding deadline of March 2021, giving the team less than four years from initial concept stage to develop, design and construct a complex programme and fully expend £173.5 million of external grant.
- 2.4 The programme is split into three separate packages plus an overall programme management element:
- Bus infrastructure package
 - Bus delivery package
 - Rail package
 - Programme Management
- 2.5 The packages comprise a number of schemes, which have progressed or are progressing through the Combined Authority's assurance process individually.

- 2.6 At decision point 2, a development grant of £15.31 million was approved by the Combined Authority for the development of schemes within LPTIP. The DP2 approval stipulated that WYCA enter into a Funding Agreement with Leeds City Council for expenditure of up to £11.535m, for the development of the Bus Infrastructure Package and a contribution towards Programme Management costs.
- 2.7 The £15.310m DP2 approval allocated £1.95m for Rail development of feasibility work and £1.45m for the Bus Delivery package.
- 2.8 The LPTIP bus delivery and rail packages have been reviewed and now reflect changes which have occurred in the programme throughout its duration. Where necessary this report sets out recommendations for updated approvals where changes have occurred.
- 2.9 The changes proposed are affordable within the overall LPTIP funding for which the Combined Authority is the accountable body. The programme was developed with a high level of over-programming to provide resilience and allow for scheme substitution in the event that a particular scheme was found to be undeliverable within the funding period.
- 2.10 The changes proposed to development costs do not exceed the overall allocation of £15.31 million at decision point 2. Where additional funding is sought from the Combined Authority this does not exceed the Department for Transport funding envelope of £173.5 million, for which the Combined Authority is the accountable body.
- 2.11 Other costs outside the £173.5 million envelope will be borne by Leeds City Council's LPTIP contribution (£8.93 million), the Combined Authority's contribution (£0.97 million) or local Section 106 contributions.

3 Overall Programme Update

- 3.1 The LPTIP has been successful in developing an aspirational package of projects from development through to delivery, and in some cases completion, in under four years. The LPTIP is fully committed to the funding allocation from the DfT and is focused on maximising the usage of the total funding package to ensure maximum grant uptake and to fulfil the objectives of the programme.
- 3.2 The schemes within LPTIP are all now well defined and understood and in most cases are now in the delivery phase. Those schemes which are not yet in delivery are expected to receive FBC+ approval early in quarter 1 of 21/22. The majority of the schemes will complete construction in FY 21/22 with a small number of schemes to complete early in FY 22/23. Where schemes do continue beyond FY 21/22, they will have expended any DfT grant monies and be funded in the latter stages by local contributions.
- 3.3 To date 18 schemes have received Full Business Case plus finalised costs (FBC+) approval through the assurance process and moved into the delivery

phase, with 4 of these schemes having completed works. The programme has developed 41 separate projects within the bus infrastructure, rail and bus delivery packages. A number of these projects have transferred to other funding streams, have been added to the future delivery pipeline or were only intended to use LPTIP funds for business case development, and will progress to FBC+ through other funding sources.

- 3.4 Through discussion with the Department for Transport the deadline for delivery of 31 March 2021 has been extended. The current programme is that schemes are required to be contractually committed by the 31 March 2021 and substantially complete by 31 March 2022. The programme is expected to therefore end in quarter 2 or quarter 3 of financial year 2022/23.
- 3.5 The current financial profiles indicate that circa £70.71 million of funds will be required in 2021/22, which will consist of £30.1 million of DfT LPTIP contribution, £9.7 million of Leeds City Council and Combined Authority match funding, together with external contributions of £27.4 million.
- 3.6 As of February 2020, the programme is currently showing an anticipated over-programming position of £2.43 million. This is being dealt with through movements in package savings, together with pro-actively value engineering projects to reduce the costs. When looked at across the packages, both the Bus Delivery and Rail packages are within their funding allocations and any over-programming sits against the Bus Infrastructure package.
- 3.7 The programme shows the successful partnership working between the Combined Authority and Leeds City Council in delivering a package of interventions for the medium and long term. The schemes within LPTIP add up to more than their constituent parts and will contribute to transformational change for public transport and active travel in the city.
- 3.8 The completion of many of the LPTIP schemes will occur over the next 12 months and their contribution towards restarting public transport following the easing of lockdown regulations will be key. The communications campaigns and behavioural change measures are planned to integrate with any messages on restarting public transport to ensure coherent messaging.
- 3.9 A more detailed update on the Bus Delivery and Rail packages is provided in Appendices 1 and 2. The status of each of the projects within LPTIP is provided in Appendix 3.

Proposed revisions to the Bus Delivery and Rail Packages

- 3.10 The LPTIP Bus Delivery and Rail package costs have been reviewed through a series of Global Finance meetings which have taken place over the last 18 months. This has resulted in changes to the Bus Delivery and Rail package scheme budgets and the reduction overall of the package budgets.

Reprofiling of decision point 2 development cost approval

- 3.11 The programme gained its decision point 2 (Strategic Outline Case) approval from the Combined Authority in June 2017 and £15.31 million of development costs were approved. The Bus delivery package was allocated £1.45m from this approval and the Rail Package was allocated £1.95m from this approval.
- 3.12 A change is now proposed in how the programme-wide development cost approval is allocated across schemes in the bus delivery and rail packages. This is necessary to:
- Ensure sufficient allocation to cover development costs to date for pipeline schemes which are to transfer to a different funding stream through to delivery.
 - For the Rail Package additional development fund approval is required for Thorpe Park to cover the historic development costs to date. The costs to LPTIP of the New Pudsey rail Park and ride and Rail Accessibility Programme (RAP) schemes have reduced below the previous DP2 allocation. This allows development cost approval to transfer to Thorpe Park.
- 3.13 The proposed reallocation of decision point 2 approvals is shown in Appendix 4 (table 1). This includes development costs for schemes now reprioritised into the development pipeline.
- 3.14 It is important to note that the changes proposed will mean that the costs will remain within the £15.31 million decision point 2 approval.

Recommendation

- 3.15 That Investment Committee approves:
- (i) The reprofiled decision point 2 development costs, as set out in Appendix 4 (table 1).

Reprofiling of indicative costs

- 3.16 During the life of the LPTIP programme a number of the bus delivery and rail package schemes have met challenges in developing and submitting the required business cases within the constrained timelines of the programme. This has resulted in a reduction in the indicative funding allocation for the bus and rail delivery packages, with funds transferred to the Programme to ensure delivery of achievable schemes and to reduce the over-programming position.
- 3.17 The changes to the indicative allocations are shown in Appendix 4 (table 2).

Recommendation

- 3.18 That Investment Committee approves:
- (i) The reprofiled indicative allocations, as set out in Appendix 4 (table 2).

Reallocation of funds to Behavioural Change Package

- 3.19 Over the past 12 months an overarching Behavioural change package has been developed in order to target interventions around the LPTIP, sustain any behaviour changes that have occurred and to promote the changes implemented by LPTIP. It was agreed at the LPTIP Programme Board that this programme would be funded from both the Bus Delivery and Bus Infrastructure packages equally. An allocation of £50,000 has therefore been set aside from the Bus Delivery package.
- 3.20 It should be noted that the funding and approval for the behavioural change package was included in the LPTIP Part 1 review.

Recommendation

- 3.21 That Investment Committee approves
- (i) The allocation of £50,000 from the Bus Delivery Package for the delivery of a Behavioural change campaign.

Approval of funding for LCC on the rail package schemes.

- 3.22 A number of the rail package schemes have required the input of Leeds City Councils officers to progress. This has incurred a cost to these schemes which to date has been agreed by the package leads but has not had a formal approval with a funding agreement in place which would allow the transfer of funds. It is therefore requested that the amounts shown for LCC inputs to the rail package are approved.
- 3.23 The LCC costs on the rail package schemes are shown in Appendix 4 (table 3).

Recommendation

- 3.24 That Investment Committee approves:
- (i) The LCC costs for rail package schemes, as set out in Appendix 4 (table 3).
 - (ii) That the Combined Authority issues addendums to the existing Funding Agreements with Leeds City Council for expenditure from the LPTIP Fund.

4 Financial implications

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

5 Legal implications

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

6 Staffing implications

6.1 There are no staffing implications directly arising from this report.

7 External consultees

7.1 No external consultations have been undertaken.

8 Recommendations

8.1 The Investment Committee approves:

- (i) The reprofiled decision point 2 development costs, as set out in Appendix 4 (table 1).
- (ii) The reprofiled indicative allocations, as set out in Appendix 4 (table 2).
- (iii) The allocation of £50,000 from the Bus Delivery Package for the delivery of a Behavioural change campaign.
- (iv) The LCC costs for rail package schemes, as set out in Appendix 4 (table 3).
- (v) That the Combined Authority issues addendums to the existing Funding Agreements with Leeds City Council for expenditure from the LPTIP Fund.

9 Background documents

9.1 None.

10 Appendices

10.1 Appendix 1 – Bus Delivery Package Update

10.2 Appendix 2 – Rail Package Update

10.3 Appendix 3 – LPTIP Scheme Status

10.4 Appendix 4 – Detailed Package Costs and Proposed Approvals