
Report to: West Yorkshire Combined Authority

Date: 24 June 2021

Subject: **Capital Spending and Project Approvals**

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1. Purpose of this report

- 1.1 To report on proposals for the progression of, and funding for, a number of West Yorkshire Combined Authority supported projects that have been considered by the Investment Committee at stages 1, 2 and 3 of the Combined Authority's assurance process.
- 1.2 The schemes being considered for approval today were recommended by the West Yorkshire and York Investment Committee (the Investment Committee) on 8 June 2021. The other schemes being reported today were approved by the West Yorkshire and York Investment Committee (the Investment Committee) on 05 May 2021 and 08 June 2021 and are for the Combined Authority to note.
- 1.3 The recommendations can be found in Section 14 of this report.

2 Impact of COVID-19

- 2.1 The full implications of COVID-19 on the region and its economy and transport system are still to be understood and the impact on our programmes and schemes has been mixed. The schemes that were due to start in the first half of 2020/21 have experienced delays due to variety of factors, therefore, during schemes' business case development and appraisal process we are working closely with our council partners to ensure that the delivery timescales reflect the current issues and schemes are actively stress tested to ensure ongoing viability.
- 2.2 In the wake of COVID-19 it is more important than ever to assess the changes to the landscapes of our towns and cities and the impact on current and future planned schemes, particularly, but not exclusively, those relating to transport. The impact of COVID-19 in relation to travel behaviour into and around towns and cities will be assessed as part of scheme appraisal. However, the

business cases for some schemes in this report, were developed prior to COVID-19 and aim to address issues identified prior to lockdown restrictions. Therefore, the data presented for some schemes in this report, for example, expected increases in passenger numbers, reflects the pre COVID-19 position. Although it is generally expected that in the medium and long-term behaviours will return to pre COVID-19, as scheme business cases develop further, assumptions will be re-tested.

3 Integrated Clean Growth

- 3.1 The Combined Authority has taken action to ensure all decisions we make include Climate Emergency considerations. The Combined Authority:
- Has strengthened how clean growth and climate change impacts are considered as part of all schemes that come through the Combined Authority's Assurance Framework.
 - Requires LEP and the Combined Authority reports to include clean growth / tackling the Climate Emergency implications, including qualitative impact assessments.
- 3.2 To fully strengthen decision making across the whole of the Combined Authority's Assurance Framework a robust, quantifiable methodology and tool for assessing all new schemes predicted carbon emissions/wider clean growth impacts is being developed.
- 3.3 Work is currently underway to refine the toolkit methodology by assessing a selection of existing capital schemes progressing through assurance framework which are in scope of this assessment. The outcome of this assessment, including potential mitigation and recommendations for shortlisted schemes will inform the development of toolkit and will be discussed with partners, and reported to the Combined Authority by September 2021. Unfortunately, this has been slightly delayed to allow time to test, adapt and apply the carbon impact framework to the long list of Assurance Framework projects based on the learning and insight gained from an initial assessment of a smaller sub set of projects. The tool will be incorporated into the Assurance Framework so that it can be used to assess future proposals as they progress through the assurance process. This part of the commission will involve a significant training element to ensure carbon assessment is properly embedded in the assurance process.
- 3.4 Clean growth, including climate change, impact assessment / considerations are all now included in all Capital Spending and Project Approvals reports. This ensures that the business cases now reflect the Leeds City Region Climate Emergency priority and evidence that they will reduce carbon emissions (both directly and indirectly).

4 Transforming Cities Fund Programme Review 2021

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:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

- 4.1 The Transforming Cities Fund (TCF) commenced in March 2020. It is a £317 million programme funded by the Department for Transport (DfT).
- 4.2 The original TCF bid was around 3 funding scenarios; low, core and high. Funding was allocated by DfT to be used to progress all schemes in the ‘low scenario’.
- 4.3 The Combined Authority at its meeting on 27th July 2020 approved the use of future gainshare to support delivery of the ‘high scenario’ of the Transforming Cities programme at an additional cost of up to £164.5 million. Following this approval West Yorkshire scheme promoters are now developing a range of options as part of scheme Business Cases to identify which options have greater benefits and value for money to recommend for progression.
- 4.4 A total of 35 schemes are currently in various stages of development. A significant number of these schemes are forecasting construction completion dates after the DfT funding deadline of March 2023. These are highlighted in the review of the project milestones at Appendix 1. Work is underway with partners to review the scope of these schemes and identify opportunities to accelerate programmes to achieve construction earlier than currently forecast and will be the subject of a further review to be brought back to committee for consideration in January 2022. At this point all Outline Business Cases should be complete and the risks to delivery of the programme within the funding deadlines will be better understood.
- 4.5 It is expected that the Devolution gainshare funding will enable delivery beyond the March 2023 DfT funding deadline. However, this is funding of last resort and other funding avenues and local match funding contributions continue to be sought where possible. The gainshare funding will not be used to develop additional scope beyond the outline higher scenario on projects, or to fund expanded scope or completely new projects.
- 4.6 Discussions are ongoing with the DfT on the funding deadline through quarterly update meetings. To date there has been no flexibility indicated on carry over of funding beyond the March 2023 date. The Combined Authority will continue dialogue with DfT to make the case for flexibility on delivery timescales
- 4.7 The TCF programme was shaped around 22 packages of schemes in the Strategic Outline Business Case that was submitted to DfT. These Packages,

made up of groups of schemes, then came forward for approval at Strategic Outline Case. Individual scheme funding allocations are now needed to be formally approved, to provide clarity of scope and funding for scheme promoters across the 35 schemes. The total programme funding remains the same.

- 4.8 Therefore, alongside the review of indicative project milestones a review of scheme's Indicative Budget Allocations has been undertaken. This is presented in Appendix 2. Appendix 2 also provides an overview of those schemes that may require/request additional funding through their OBC approvals. It is important to note, that this is a high-level overview and in many cases detailed work on project costs and options is still in the early stages. It is expected that a more comprehensive financial review will be completed in January 2022.
- 4.9 Within the overarching £457 million TCF budget there is currently a risk/contingency and inflation amount of £63.440 million. Throughout the lifetime of the programme, it is expected that this will be allocated to individual schemes as required. The proposed guiding principles for allocation of this funding are:
- Uplifts to scheme budgets to be considered at OBC approval to allow appropriate appraisal and assessment of the funding requirements and scheme business case overall. (Scheme options within existing budget allocation should also be presented for consideration).
 - Schemes in FBC stage and beyond should have considered risk, contingency and inflation within their scheme budgets for delivery, so it is not expected that there will be significant calls for increased budget from these schemes.
 - The remaining funding is identified to cover risk, contingency and inflation, it is not for core delivery of scheme scope.
 - Unspent funding should be returned to the Programme pot and not utilised for further delivery or enhancements to schemes/expansion of scope.
 - It is expected that a proportion of the risk funding held at a programme level will be retained until the majority of schemes are within the construction phase to allow for the potential for unforeseen costs within this stage.
 - It is recognised that there may be a requirement to increase funding for a project due to exceptional circumstances where there is a need to deliver original bid aspirations.
- 4.10 As the schemes develop, some schemes have identified requirements for additional development funding to be released from their overall approved indicative funding allocation. The following are recommended for approval at this time to enable completion of the next assurance process activity (OBC or FBC):

- Huddersfield Trinity St Access Improvements - £103,773
- Huddersfield Rail Station Access - £76,679
- A61 Bus, Cycle and Walking Improvements - £79,990
- Wakefield City Centre, Bus, Cycle and Walking Improvements - £172,226
- A639 Bus, Cycle and Walking Improvements -£110,000
- York Tadcaster Road Corridor Improvement Scheme -£64,355

4.11 In addition, approval of an allocation of development funding across the programme provides significant benefits in terms of flexibility, agility to respond to risks and opportunities and expedience of activity to achieve milestones. Therefore, a further allocation of £1 million programme development funding is recommended for approval at this time to be overseen by the TCF Portfolio Board and approved by delegation to the Managing Director (who in turn will delegate to the Director of Delivery, and who will then take decisions taking on board the views of the TCF Portfolio Board – which comprises officers from all the authorities with TCF schemes).

4.12 The Transforming Cities Fund Review was presented to the Investment Committee on 8 June 2021.

4.13 The Investment Committee recommended to the Combined Authority:

- (i) That the progress made in the delivery of the TCF programme is noted, in particular the key messages presented on milestones, finances and risks.
- (ii) That a further TCF Programme review is conducted over the next six months to report back to Committee in January 2022. This should consider opportunities to phase projects and accelerate delivery of schemes and associated spend.
- (iii) That partners develop plans to phase delivery of projects where possible to accelerate delivery to not only maximise spend but also deliver earlier benefits to users by March 2023
- (iv) That the guiding principles around allocation of the remaining risk/contingency and inflation are noted
- (v) The changes to Indicative Funding Allocations set out in Appendix 2
- (vi) The approval to the £2.760 million uplift in Programme Management budget to £7.690 million to reflect the larger high scenario programme being delivered and anticipated longer timescales for delivery (set out in Appendix 2).
- (vii) That a further allocation of £1 million programme development funding is approved, to be overseen by the TCF Portfolio Board and approved by delegation to the Managing Director (who in turn will delegate to the Director of Delivery, and who will then take decisions taking on board the

views of the TCF Portfolio Board – which comprises officers from all the authorities with TCF schemes).

(viii) That the following development funding to be approved:

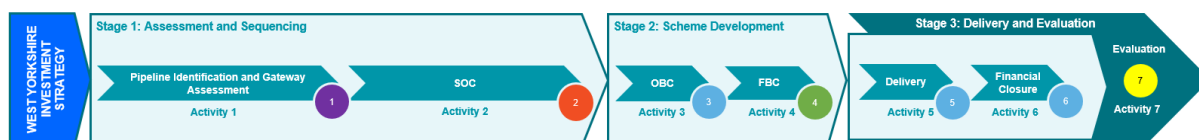
- Huddersfield Trinity St Access Improvements - £103,773
- Huddersfield Rail Station Access - £76,679
- A61 Bus, Cycle and Walking Improvements - £79,990
- Wakefield City Centre Bus, Cycle and Walking Improvements- £172,226
- A639 Bus, Cycle and Walking Improvements -£110,000
- York Tadcaster Road Corridor Improvement Scheme -£64,355

5 Report

5.1 This report presents proposals for the progression of 4 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 £17.640 million when fully approved, of which £14.967 million will be funded by the Combined Authority. A total expenditure recommendation to the value of £6.750 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.

5.2 The assurance process is a three-stage approach with the requirement that all projects subject to minor exceptions as detailed in the Assurance Framework, will as a minimum, need to formally pass decision point 2 (strategic outline case) and 4 (full business case), with the requirement to meet the intervening activities deemed on a project-by-project basis.

5.3 For more detail on the Combined Authority's Assurance Framework through which each of the schemes outlined in this report are being approved is provided in Appendix 3.



Stage 1: Assessment and Sequencing

5.4 Programmes / schemes will start to be developed through an ongoing dialogue with the Region's businesses, third sector and public organisations, in line with the WYIS. Schemes will access funding through either a commissioning process or through open calls. Programmes / schemes will be assessed through a Strategic Assessment (an early-stage gateway check and challenge review) to determine if they are eligible to proceed (Decision Point 1).

- 5.5 If approved the scheme will progress to Strategic Outline Case (SOC), where schemes will be expected to demonstrate a strategic fit in terms of project outcomes and set out their proposed approach to establishing value for money (VfM). At this stage, a long list of options will be considered with a shortlist being presented in the SOC. Consultation at this stage will be limited, but will be a key to the next activity, outline business case (OBC) in Stage 2. At this stage, funding may be sought to enable work to progress on the OBC. Schemes will also be required to submit an Appraisal Specification Report (ASR). It is at the end of this stage where the Combined Authority approve the indicative funding, approval pathway and route and tolerance levels (Decision Point 2).

Stage 2: Scheme Development

- 5.6 If approved the scheme will progress to Outline Business Case (OBC) unless the approval pathway set at decision point 2 does not require this. The OBC should revisit the options identified within the SOC to identify the option which optimises public value, confirm the affordability of the scheme and put in place the arrangements to ensure successful delivery. The OBC should be prepared in accordance with the Green Book five-case model and should include a draft Monitoring and Evaluation Plan and a Benefit Realisation Plan. The Economic Case must be developed in consistency with the agreed ASR. Guidance will be provided to scheme promoters around the level of detail to be submitted at this stage with regards to proportionality of the business case. The scheme will be presented for approval by the decision-maker (Decision Point 3) as set out in the approval pathway and route approved at Decision Point 2.
- 5.7 If approved the scheme will progress to Full Business Case (FBC) which will confirm the contractual arrangements for the preferred option. Affordability of the scheme is reiterated, and the scheme puts in place the final arrangements for delivery and monitoring and evaluation of the scheme. A Monitoring and Evaluation Plan and a Benefit Realisation Plan are mandatory products at this stage. The FBC should also be prepared in accordance with the five-case model and any conditions set at OBC should be resolved. The Economic Case must be developed in consistency with the agreed ASR. The scheme will be presented for approval by the decision-maker (Decision Point 4) as set out in the approval pathway and route approved at Decision Point 2.
- 5.8 The FBC approval will be granted with a condition that the scheme remains within set conditions. Where this condition has been met Approval to Proceed into Delivery (Activity 5) will be granted by the Managing Director (or by an officer under sub-delegated authority from the Managing Director). If the condition(s) is not met, the project will be required to re-submit the FBC.

Stage 3: Delivery and Evaluation

- 5.9 Once a scheme gains FBC approval and the conditions set have been met, the scheme can progress into Activity 5 (Delivery).
- 5.10 Upon scheme completion, a Delivery Closure Report is required that details how the scheme has performed. This includes whether delivery has remained

within the timeframes specified within the business case, has achieved the objectives of the scheme and associated outputs, documents what has been delivered and highlights the overall costs. The Delivery Closure Report will be presented for approval by the decision-maker (Decision Point 5) as set out in the approval pathway and route approved at Decision Point 2.

- 5.11 Following completion of Activity 6, the scheme will be required to submit a Financial Closure Report (Activity 6). The Financial Closure Report confirms the final costs for the scheme, ensuring all payments have been completed. The Financial Closure Report will be presented for approval by the decision-maker (Decision Point 6) as set out in the approval pathway and route approved at Decision Point 2.
- 5.12 The purpose of the Delivery and Financial Closure Reports is to assess the success of the scheme, identify best practice for future schemes, resolve all open issues and to capture feedback and lessons learnt to inform the development and delivery of future schemes.
- 5.13 Activity 7 (Evaluation) will be managed by the Combined Authority's Research & Intelligence team. This is a reporting point as opposed to the previous decision points in the process and will be undertaken when the scheme is completed for an evaluation of the benefits, outcomes and economic impact compared to the overall objectives set out in the SOC. Insights and learning intelligence from evaluation will also be fed back into policy and strategy in order to inform the design and development of future schemes. Interim evaluations may also be undertaken as required as set out in the Monitoring and Evaluation Plan.

Transition

- 5.14 There will be a transition period to the new Assurance Framework due to business cases being submitted and appraised prior to the new Assurance Framework being approved by the Government. Therefore, some of the schemes presented in this report reflect the old Assurance Framework (highlighted).

Value for Money - Benefit Cost Ratios

- 5.15 The Benefit to Cost Ratio (BCR) for some of the schemes in this report potentially represent low value for money, when assessed using the Department for Transport's Transport Appraisal Guidance TAG on the appraisal of transport schemes.
- 5.16 This is because whilst calculating benefits to costs of a transport scheme there are many more journeys made by car than are made by bus, cycling and walking and as a consequence the monetised benefits arising from improvements to bus, cycling and walking journeys may be outweighed by the monetised dis-benefits to car users.
- 5.17 However, a key strategic objective of investment is to encourage modal switch to more sustainable modes and therefore whilst the 'core' BCR (i.e. following

Green Book guidance on total impact on the society as a whole) for some schemes may be low, discounting the dis-benefits to car users from the appraisal will result in a higher BCR and where possible this 'range of BCR' will be presented to support decision making. This is in line with HM Treasury guidance where appraisal should take account of all five cases (strategic, commercial, economic, financial and management) and the economic case be balanced with these.

- 5.18 Her Majesty's Treasury (HMT) have now completed the review of the Green Book. The Green Book is guidance issued by HM Treasury on how to appraise policies, programmes and projects. This review has endorsed the Combined Authority's approach by clarifying that overall Value for Money judgement should not depend solely on the BCR but be informed by a balanced consideration of all relevant evidence, that is, appraisal should take account of all five cases (strategic, commercial, economic, financial and management) and the economic case be balanced with these.
- 5.19 In particular, HMT have clarified further that in assessing value for money, a stronger emphasis can now be placed on the strategic case and how the strategic objectives and priorities of the Combined Authority will be met through the delivery of a project. This might for example include, but not limited to, a greater focus on regional impacts to help deliver Levelling Up, ensuring transformational projects are given due consideration, supporting the climate change and good growth agenda (the Combined Authority aims to achieve net-zero by 2038), supporting an increase in active mode and public transport use, supporting / accelerating housing development and allowing a greater emphasis on the requirement to carry out equalities analysis as required by the Public Sector Equalities Duty. The specific approach will be determined on a programme-by-programme basis as funding and investment streams come forward.

Scheme Summaries

<p>Intra City Fund Capacity Funding</p> <p>West Yorkshire</p>	<p><u>Scheme description</u></p> <p>Intra-city transport (ICT) settlements have been designed to deliver investment in integrated cross-modal transport plans across a city region, with funding devolved to Mayors over a 5-year period to deliver. The Budget 2021 committed £4.2 billion for ICT capital settlements for Mayoral Combined Authorities (MCAs), commencing in 2022/23 plus capacity funding in 2021-22 to support MCAs to begin preparations.</p> <p>The Combined Authority received a DfT Grant Determination letter on 28 April 2021 that confirmed £7.4 million grant of capacity funding. The purpose of the funding is to aid preparations and planning for the ICTF settlement commencing in 2022, with a component of this funding to be used to support building longer-term local transport planning and delivery capacity as well as supporting bus reform plans. It must only be used for transport purposes.</p> <p>A scoping exercise has commenced to identify the priority capacity requirements of the £7.4 million capacity funds, including staff costs and consultancy support. The next stage is to produce a Strategic Outline Case (SOC) that will set these out in detail. However, development costs are required to produce the SOC and therefore a Strategic Assessment has been produced for indicative funding of £7.4 million and full approval of £3 million of development costs</p> <p><u>Impact</u></p> <p>The Connectivity and ICTF settlement will deliver on the themes of improving access to jobs, training, education and services, particularly for disadvantaged communities, reduced carbon emission, improved air quality and integrating local transport to support healthy lifestyles through investment in and encouraging greater use of sustainable modes of transport.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point decision point 1 (Pipeline Identification and Gateway Assessment) and work commences on activity 2 (Strategic Outline Case).</p> <p>Total value of the scheme - £7.4 million</p> <p>Total value of Combined Authority funding - £7.4 million</p> <p>Funding recommendation sought - £3 million</p>
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<p>Real-Time Information System Yorkshire (05 May 2021 IC)</p>	<p><u>Scheme description</u></p> <p>The Real-Time information system is a fundamental part of the public transport offer and is linked to many systems and projects across the region. It is the largest real-time system in the UK outside of Greater London with over 2,500 displays and provides up to date information for both future and current bus journeys.</p> <p>This scheme aims to appoint a new supplier to replace the existing system and carry out improvements for improved efficiency. The new supplier will be in place and the selected system will be in use when the current contract expires at the end of March 2022. Once the new supplier is in place and the system is operational, a second phase of system improvements will begin and will be completed by January 2023.</p> <p>The scheme is funded by the Local Transport Plan – Integrated Transport Block (ITB).</p> <p><u>Impact</u></p> <p>This scheme is expected to contribute towards carbon reduction by enabling modal shift to sustainable public transport due to an increased trust in bus services. The real-time system also provides traffic light priority to allow buses to progress through junctions without stopping thereby reducing standstill time.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 4 (full business case) and work commences on activity 5 (delivery), subject to the conditions set by the Programme Appraisal Team.</p> <p>Total value of the scheme - £2.376 million.</p> <p>Total value of Combined Authority funding - £1.404 million.</p> <p>Funding recommendation sought - £1.404 million.</p>
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<p>Demand Responsive Transport</p> <p>Leeds</p>	<p><u>Scheme description</u></p> <p>The East Leeds Demand Responsive Transport (DRT) scheme is part of the wider Connecting Leeds programme.</p> <p>The scheme involves a trial of a digitally enabled Demand Responsive Transport (DRT) service in two areas of East Leeds. This agile and dynamic public transport service will be accessed via a smart phone app which uses routing algorithms to match vehicles with capacity to users. The working name for the service is East Leeds Flexibus (ELF).</p> <p>The first DRT service will be in the area of Richmond Hill, Cross Green, Leeds Enterprise Zone and also extends into Leeds Bus Station. Links will also be provided to Killingbeck Asda and Hunslet Morrisons which are outside the service zone.</p> <p>The trial will utilise a fleet of seven all electric buses (six in regular service plus a spare), which will be owned by the Combined Authority and leased to an operator, who will be responsible for maintaining the fleet.</p> <p>The trial is scheduled to last for a period of three years, but the operating contract contains a break clause which can be activated at 18 months, at which point the service can be altered or terminated completely.</p> <p>The specification for the vehicles has been designed so that on termination of the DRT trial, they could be reallocated into the Combined Authority's AccessBus fleet should it be decided not to continue their operation on DRT services.</p> <p>The scheme is funded by the Leeds Public Transport Investment Programme (LPTIP), the Local Transport Plan Integrated Transport Block, the Better Deal for Bus Users, the Leeds City Council Supplementary Planning Document contributions, Leeds City Council Section 106 contributions and fare revenue.</p> <p><u>Impact</u></p> <p>Improved public transport links from local communities to: jobs, opportunities, the wider public transport network, local facilities including healthcare, retail and leisure opportunities</p> <p>Improved access to labour markets for employers, including those in Spatial Priority Areas.</p> <p>Reduction in emissions of Nitrogen Dioxide (NOx) on core public transport corridors</p> <p><u>Decision sought</u></p> <p>Approval to the Combined Authority's contribution for the capital cost of the electric buses of £1.544 million.</p> <p>Approval to proceed through decision point 4 (full business case) and work commences on activity 5 (delivery), subject to the conditions set by the Programme Appraisal Team.</p> <p>Total value of the scheme - £3.400 million.</p> <p>Total value of Combined Authority funding - £2.878 million.</p> <p>Funding recommendation sought - £1.544 million</p>
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<p>Leeds City Region Growth Service Leeds City Region (08 June 2021 IC)</p>	<p><u>Scheme description</u></p> <p>This scheme will deliver a dedicated, flexible business support service for the Leeds City Region's small and medium sized enterprises (SMEs). The support will be delivered by a team of Growth Managers as a key component of the Leeds City Region Growth Service. The Growth Managers will be located within the City Region's districts and employed by the local authorities. They will provide an information, diagnosis and brokerage function (IDB) for their clients. This involves understanding the needs of the business and then linking them directly to the right support at the right time, assisting businesses with their growth, sustainability, and resilience business needs.</p> <p><u>Impact</u></p> <p>The scheme is considered to offer good value for money when compared against national comparator data for business support schemes. The Growth Managers providing support through this scheme are embedded within Economic Development functions of the City Region's Local Authorities, providing proactive account management services which will support SME's in improving their business resilience and, as a result, be in a stronger position to address challenges and take advantage of future opportunities for growth.</p> <p>The scheme will create 173 new jobs in the LCR and provide three hours IDB support to 954 SMEs, and twelve hours support to 290 SMEs, enabling them to strengthen their positions within national and international markets and continually introduce new products and processes.</p> <p><u>Decision sought</u></p> <p>Approval of this change request for the Growth Service scheme to accept additional funding of £1.062 million of which 50% is from ERDF, 25% as CA match funding and 25% as Local Authority match funding and extend delivery to March 2023.</p> <p>Total value of the scheme - £4.464 million</p> <p>Total value of Combined Authority funding - £3.285 million</p> <p>Funding recommendation sought - £0.802 million</p>
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Decisions made through the delegation to the Investment Committee

- 5.20 Since the Combined Authority's meeting on 22 April 2021, 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. 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 the Investment Committee on 5 May 2021 and 08 June 2021. 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.

<p>Wakefield City Centre Package Phase 2: Ings Road</p> <p>Wakefield (05 May 2021 IC)</p>	<p><u>Scheme description</u></p> <p>This scheme is the second phase of improvements to the Wakefield Inner Ring Road. The primary aims are to reduce congestion during peak hours and improve safety and amenities. It will also address the lack of cycling infrastructure and pedestrian facilities. This will be achieved by a series of interventions along the Ings Road corridor, extending from Charlesworth Way to Chantry Bridge, a dual carriageway that forms the southern part of the Inner Ring Road (IRR) in Wakefield, also known as the “Emerald Ring”.</p> <p>The scheme is funded by the West Yorkshire-plus Transport Fund (WY+TF).</p> <p><u>Impact</u></p> <p>The scheme will address congestion resulting in reduced journey times and delays during the peak periods and encourage the use of active modes of transport whilst improving safety for pedestrians and cyclists.</p> <p>The scheme’s immediate area of impact is one with high levels of deprivation and low income, suggesting that more deprived / vulnerable social groups will primarily benefit from enhanced safety, improved air quality, better connectivity and accessibility to opportunities to be brought about by the scheme. Therefore, the scheme supports social inclusion and equality.</p> <p>The scheme’s value for money assessment reflects a benefit cost ratio (BCR) of 12.21:1 which represents ‘Very High’ value for money.</p> <p><u>Decision sought</u></p> <p>Recommendation to proceed through decision point 3 (Outline Business Case) and work commences on activity 4 (Full Business Case).</p> <p>Total value of the scheme - £4.530 million</p> <p>Total value of Combined Authority funding - £4.530 million</p> <p>Funding approval sought - £0.610 million.</p>
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<p>Scheme</p> <p>Beech Hill Phase 2 Halifax (05 May 2021 IC)</p>	<p><u>Scheme description</u></p> <p>Phase 2 will address fuel poverty, energy efficiency and climate change aspirations in the Leeds City Region. This will be achieved by a programme of energy efficiency improvements, including but not limited to, roof replacement, solid wall insulation and gas boilers on 70 mixed tenure properties. The scheme is an addition to a larger Beech Hill Estate Regeneration Project (Phase 1) that was funded through the Growth Deal.</p> <p>This scheme is funded by the Getting Building Fund (GBF).</p> <p><u>Impact</u></p> <p>This scheme will concentrate on delivering a reduction in carbon dioxide equivalent emissions (CO₂) by 3,705 tonnes via housing energy efficiency improvements (new roofs, wall cladding, windows) to 70 mixed tenure residential properties. This will reduce fuel poverty, increase energy efficiency and contribute to meeting the region carbon commitments. These properties are adjacent to the Phase 1 site and improvements to these properties will also enhance the investment in Phase 1 and future investment in the area.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 5, full business case with finalised costs, and work commences on activity 6, delivery for Phase 2.</p> <p>Total value of the scheme - £2.299 million</p> <p>Total value of Combined Authority funding - £1.200 million</p> <p>Funding recommendation sought - £1.200 million</p>
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**A61 North Corridor:
Scott Hall Road**

Leeds

(05 May 2021 IC)

Scheme description

The A61 North Scott Hall Road scheme will deliver a new outbound bus lane, a fully segregated bi-directional cycle lane, and upgrade traffic signal equipment.

Development costs only for the scheme will be funded by the West Yorkshire-plus Transport Fund (WY+TF) through the Corridor Improvement Programme phase 2 (CIP2).

No construction funding has been allocated from the CIP2 budget for the delivery of the scheme. Instead, CIP2 will develop the A61N Scott Hall Road into a shovel ready scheme, as it seeks to identify construction funding through alternative sources.

Impact

The scheme is anticipated to encourage modal shift to public transport through improved bus journey times and journey reliability along the corridor. The scheme is also expected to encourage an uptake in cycling with delivery of a fully segregated and therefore safe cycle lane.

The scheme supports principles of Inclusive Growth by enhancing public transport access to retail, employment and housing, benefitting those without a car or from deprived communities. The scheme also improves cycling provision, encouraging a healthy and active lifestyle for short commuter or leisure trips. Encouraging modal shift to public transport or cycling will also improve the air quality and the urban environment for residents within the proximity of the A61 corridor.

The value for money assessment submitted to the Department for Transport (DfT) Local Pinch Point (LPP) bid reflected a benefit cost ratio of 1.48:1, judging the scheme as Low value for money when considered against the DfT's value for money criteria. Appraisal of the value for money assessment is to be refined at full business case stage.

Decision sought

Approval to the change request for the inclusion of A61 North Scott Hall Road into the Corridor Improvement Programme Phase 2 (CIP2), to revise the programme dates as outlined in this report and £0.849 million development costs from the West Yorkshire plus Investment Fund of which £0.458 million to reimburse the LPTIP programme and £0.391 million to progress the scheme to full business case (activity 4).

Total value of the scheme - £9 million

Total value of Combined Authority funding - £0.849 million

Funding recommendation sought - £0.849 million

<p>Net Zero Region Accelerator West Yorkshire (08 June 2021 IC)</p>	<p><u>Scheme description</u></p> <p>The scheme will influence achieving a net-zero carbon West Yorkshire by 2038 and is part of the West Yorkshire Economic Recovery Plan, the Combined Authority's response to the COVID-19 pandemic. The scheme is one of three, aimed at creating jobs, supporting a more inclusive, resilient, and sustainable economy, and building on the region's strengths and opportunities, as set out in the recovery plan.</p> <p>The scheme will run up to March 2024 and is seeking approval for £0.8 million to fund up to four new posts in the Combined Authority to deliver the programme, provide a revenue budget for research, evidence gathering and specialist external services that support programme delivery and to develop a list of projects to a point where they can be delivered, subject to further investment being secured, that will boost green jobs, restore nature, tackle air pollution and the climate emergency.</p> <p>An investment prospectus will also be created, available online and in hard copy format, to showcase the region's investment ready projects to potential banks, lenders, investors, insurers, funding agencies, UK government and public and private decision makers. A high-level version of the prospectus will be produced for the 26th United Nations Climate Change Conference (COP26), which is scheduled to take place in Glasgow in November 2021. This will give the Combined Authority the opportunity to showcase the region's work to tackle the climate emergency and present low carbon investment opportunities to a global audience including heads of state and climate experts.</p> <p>The Combined Authority gave agreement in principle, on 9 March 2021, to share up to £7 million revenue funding for three schemes, from the Combined Authority's gainshare to fund the economic recovery. The Combined Authority also delegated approval for this scheme to the Investment Committee.</p> <p><u>Impact</u></p> <p>To date the lack of capacity and a dedicated support programme to build a pipeline and prepare a prospectus, outlining the opportunities for investment, has limited the Combined Authority's ability to increase the level of green investment in the region. A pipeline of investment ready zero carbon and nature recovery projects will enable the region to secure the required funding and investments needed to deliver its net zero 2038 target and support a post COVID-19 economic recovery.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 2 (strategic outline case) and decision point 4 (full business case) and work commences on activity 5 (delivery).</p> <p>Total value of the scheme - £0.8 million Total value of Combined Authority funding - £0.8 million Funding recommendation sought - £0.8 million</p>
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<p>Health Innovation Support</p> <p>West Yorkshire</p> <p>(08 June 2021 IC)</p>	<p><u>Scheme description</u></p> <p>The scheme is part of the West Yorkshire Economic Recovery Plan, the Combined Authority's response to the COVID-19 pandemic. The scheme is one of three, which are aimed at creating jobs, supporting a more inclusive, resilient, and sustainable economy, and building on the region's strengths and opportunities, as set out in the recovery plan.</p> <p>The scheme is seeking approval for £0.2 million, to fund one new Combined Authority post (Regional Healthtech Lead), for three years. The postholder will work with partners to:</p> <ul style="list-style-type: none"> • develop a virtual healthtech cluster to improve collaborative working across the health innovation sector and support existing health innovation businesses in the City Region and, • develop a pipeline of investment ready projects. <p>The Combined Authority gave agreement in principle, on 9 March 2021, for up to £7 million revenue funding from the Combined Authority's gainshare to fund the economic recovery, to be shared between the three schemes. The Combined Authority also delegated approval for this scheme to the Investment Committee.</p> <p><u>Impact</u></p> <p>The postholder, working with partners, will have a clear focus on getting new health technologies into the NHS, care homes and other health and care systems and will also develop a pipeline of future investable projects and act as coordinator/ leader of health innovation in the region, to support development and commercialisation of ideas and deployment into the health and care system to support both economic and health outcomes.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 2 (Strategic Outline Case) and decision point 4 (Full Business Case) and work commences on activity 5 (Delivery).</p> <p>Total value of the scheme - £0.2 million</p> <p>Total value of Combined Authority funding - £0.2 million</p> <p>Funding recommendation sought - £0.2 million</p>
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<p>Entrepreneurship Package of Support</p> <p>West Yorkshire</p> <p>(08 June 2021 IC)</p>	<p><u>Scheme description</u></p> <p>The Entrepreneurship Package of Support forms part of the West Yorkshire Economic Recovery Plan (Recovery Plan), the Combined Authority's response to the COVID-19 pandemic. The scheme is one of three, which are aimed at creating jobs, supporting a more inclusive, resilient, and sustainable economy, and building on the region's strengths and opportunities, as set out in the recovery.</p> <p>The Entrepreneurship Package of Support is seeking approval for £6 million from this indicative allocation to fund business support activity to both inspire and create demand for enterprise and also put in place practical support to start up business (including high growth support).</p> <p>The Entrepreneurship Package of Support will encourage people from across West Yorkshire to set up a business and provide the support if they decide to do so - leading to the creation of new businesses and jobs. Workstream 1 will aim to stimulate interest from individuals to consider enterprise as a career. Individuals through this (and other provision in the region) will then be supported through to either Workstream 2 (general business start-up support) or Workstream 3 (start-ups with high growth potential) or helped to access alternative employment support if they decide not to set up a business.</p> <p>The Combined Authority gave agreement in principle at their meeting on 9 March 2021 to share up to £7 million revenue funding for three schemes from the Combined Authority's gainshare to fund the economic recovery. The Combined Authority also delegated approval for this scheme to the Investment Committee.</p> <p><u>Impact</u></p> <p>The scheme will support inclusive growth through supporting underrepresented groups to start businesses. The scheme aims to create quality new businesses, jobs, and apprenticeships. The scheme opportunities will be actively promoted to individuals and businesses looking to develop clean growth businesses and solutions to climate change and clean growth.</p> <p>The scheme is assessed to deliver very good value for money when compared to similar programmes.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point decision point 2 (strategic outline case) and 4 (full business case) and work commences on activity 5 (delivery).</p> <p>Total value of the scheme - £6 million</p> <p>Total value of Combined Authority funding - £6 million</p> <p>Funding recommendation sought - £6 million</p>
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<p>TCF: Skipton Railway Station Gateway - Active Travel Improvement Scheme</p> <p>Skipton</p> <p>(08 June 2021 IC)</p>	<p><u>Scheme description</u></p> <p>The scheme consists of a number of complementary elements in the Skipton Railway Station Gateway area. These include improving public spaces, improving accessibility and connectivity between the railway station, the bus station, and Skipton Town Centre (through high-quality walking and cycling routes along Broughton Road and the route linking the railway station area with the bus station) and upgrading existing pedestrian and cycling facilities along the Auction Mart canal footpath.</p> <p>The scheme will transform Skipton Rail Station into a multi-modal, sustainable travel hub improving the connectivity between Skipton, Craven district, and the wider Leeds City Region, supporting inclusive and sustainable economic growth.</p> <p>The scheme aligns with all five priorities of the Strategic Economic Framework primarily contributing to “deliver 21st century transport infrastructure” through investment in sustainable travel infrastructure cycling and walking unsustainable infrastructure provision, public spaces, and connectivity enhancements.</p> <p>At decision point 2 (Strategic Outline Case) an indicative approval of £5.803 million from the Transforming Cities Fund (TCF) was given, representing the TCF Low Scenario. Match funding of £0.200 million, brought the total scheme value to £6.003 million. The scheme is now seeking indicative approval for an additional £1.828 million from the TCF Fund, bringing the total TCF contribution to £7.631 million, with £0.200 million of match funding, bringing the total scheme value to £7.831 million.</p> <p>The scheme is jointly funded by the Transforming Cities Fund (TCF), North Yorkshire County Council (NYCC) and Craven District Council (CDC) contributions.</p> <p><u>Impact</u></p> <p>The scheme is expected to encourage more trips by bus, rail, bike and on foot, supporting clean growth through the reduction in car trips and car kilometres on the Skipton Road network, contributing to reduced greenhouse gas emissions and improved air quality. The scheme is anticipated to have wider social benefits, promoting inclusive growth by improving accessibility to Skipton railway and bus stations and consequently to employment and educational opportunities within Craven District and across the wider Leeds City Region.</p> <p>The scheme’s value for money assessment reflects a benefit cost ratio (BCR) of 3.77:1 which represents ‘high’ value for money.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 3 (outline business case) and work commences on activity 4 (full business case).</p> <p>Total value of the scheme - £7.831 million</p> <p>Total value of Combined Authority funding - £7.631 million</p> <p>Funding approval sought - £0.934 million</p>
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<p>TCF: Harrogate Railway Station Gateway - Active Travel Improvement Scheme</p> <p>Harrogate (08 June 2021)</p>	<p><u>Scheme description</u></p> <p>The scheme consists of a number of complementary elements in the Harrogate Railway Station Gateway area.</p> <p>The scheme will provide wider footpaths and improved crossing points for pedestrians as well as segregated/dedicated lanes for cyclists, whilst retaining one lane for motorised traffic along Station Parade, the part-pedestrianisation of James Street and reconfiguration of local junctions to enhance safety.</p> <p>The scheme aims to improve access to and from the Harrogate Station Gateway area by bike and on foot and provide better integration with the bus station and improvements to bus journeys, improving links with the town centre and the wider Leeds City Region. The proposed interventions will ultimately transform Harrogate Rail Station to a 21st century, recognisable gateway, and a sustainable, multi-modal transport hub.</p> <p>The scheme aligns with all five priorities of the Strategic Economic Framework primarily contributing to “deliver 21st century transport infrastructure” in Harrogate Town Centre and “Enable Inclusive Growth” by providing sustainable infrastructure, accessible for all social groups.</p> <p>At decision point 2 (Strategic Outline Case) an indicative approval of £7.893 million from the Transforming Cities Fund (TCF) was given, representing the TCF Low Scenario. Match funding of £0.300 million, brought the total scheme value to £8.193 million. The scheme is now seeking indicative approval for an additional £2.745 million from the TCF Fund, bringing the total TCF contribution to £10.638 million, with £0.300 million match funding to bringing the total scheme value to £10.938 million.</p> <p>The scheme is jointly funded by the TCF Fund, North Yorkshire County Council and Harrogate Borough Council contributions.</p> <p><u>Impact</u></p> <p>The scheme will encourage a higher uptake of walking and cycling for local, short distance trips and promote bus and rail for longer distance, cross boundary trips. The scheme will support clean growth by reducing car trips on the Harrogate Road network, contributing to improved air quality. The scheme is anticipated to have wider social benefits, contributing to inclusive growth by improving access to the Harrogate Station Gateway area and employment and educational opportunities.</p> <p>The scheme’s value for money assessment reflects a benefit cost ratio (BCR) of 1.7:1 which represents ‘medium’ value for money.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 3 (outline business case) and work commences on activity 4 (full business case).</p> <p>Total value of the scheme - £10.938 million</p> <p>Total value of Combined Authority funding - £10.638 million</p> <p>Funding approval sought - £0.800 million</p>
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<p>Steeton and Silsden Crossing</p> <p>Steeton and Silsden (08 June 2021 IC)</p>	<p><u>Scheme description</u></p> <p>Steeton and Silsden are located 1.5 kilometres apart in the Aire Valley, in the north-east of Bradford Metropolitan District Council's geography.</p> <p>Cycling and walking between the two towns is made difficult by multiple natural and man-made barriers. The primary underlying cause is the A629 dual carriageway, which separates Steeton and Silsden. The road has very high volumes of traffic, a 70mph speed limit and lies near the Airedale Rail Line, the River Aire and the Leeds and Liverpool Canal.</p> <p>The scheme proposes to deliver a pedestrian and cycle bridge, over the western arm of the A629 roundabout. The bridge will be five metres wide, so it complies with government guidance for designing high-quality, safe cycle infrastructure. To provide safe and easy access to the bridge, the scheme will also include a three-metre wide, shared use footpath, linking the bridge to Silsden and the Leeds Liverpool canal towpath and another footpath will link the bridge to Steeton and Silsden Rail Station.</p> <p>The scheme will be developed up to Full Business Case stage only, using the £0.7 million from the Department for Transport's (DfT) Cycle City Ambition Grant 'top up'.</p> <p>The current scheme costs are £5.52 million and at this stage funding to progress the scheme beyond Full Business Case to delivery has not been identified.</p> <p><u>Impact</u></p> <p>Currently, there is no cycling and walking provision and only uncontrolled crossing facilities at each arm of the roundabout on the A629, which has led to an over reliance on the private car and the negative impacts on emissions, environment, and health that this brings. The proposed scheme provides a safe walking and cycling route between Steeton and Silsden, segregated from the highway, which will promote cycling and walking as a viable alternative to the car.</p> <p>The preferred scheme shows a BCR of 1.79 which represents 'medium' Value for Money.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 3 (Outline Business Case) and work commences on activity 4 (Full Business Case).</p> <p>Total value of the scheme - £5.52 million</p> <p>Total value of Combined Authority funding – £0.7 million. Currently no delivery funding allocated for the scheme.</p> <p>Funding recommendation sought - £0.49 million</p>
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6 Information

- 6.1 Location maps for each of the schemes presented in this report (where applicable) are provided in Appendix 4.
- 6.2 All the schemes set out in this report have been or will have been considered by the investment committee on 05 May 20021 or 8 June 2021.
- 6.3 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.
- 6.4 This report provides information required to enable the Combined Authority to approve each of the above elements.

Projects in Stage 1: Assessment and Sequencing

Project Title	Intra City Fund Capacity Funding
Stage	1 (Assessment and Sequencing)
Decision Point	1 (Pipeline Identification and Gateway Assessment)

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:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Background

- 6.5 Intra-city transport (ICT) settlements have been designed to deliver investment in integrated cross-modal transport plans across a city region, with funding devolved to Mayors over a 5-year period to deliver. The Budget 2021 committed £4.2 billion for ICT capital settlements for Mayoral Combined Authorities (MCAs), commencing in 2022/23 plus capacity funding in 2021-22 to support MCAs to begin preparations.
- 6.6 Her Majesty’s Treasury (HMT) has outlined the approach to Intra-city Transport Fund (ICTF) settlements to:
 - Boost local growth and productivity
 - Level-up opportunity and connectivity for local communities
 - Drive decarbonisation
 - Provide long term fiscal sustainability.
- 6.7 The process for securing capital funding from 2022 is to be confirmed in Department for Transport (DfT) guidance expected over the summer 2021, but a letter from HMT highlights “To ensure investment is directed towards where it is most aligned with the above objectives and offers the best value for money, city regions’ share of the £4.2bn funding will be determined through negotiations based on the development of local transport plans. These plans must include a prioritised, disaggregated, profiled and costed list of projects aligned with the objectives outlined above”. The ICTF award could, over a 5 year period, be twice the size of the Transforming Cities Fund settlement.

- 6.8 The WY Connectivity Infrastructure Plan is consistent with HMT objectives and provides the basis of the development of the ICTF bid. The Connectivity Plan provides a spatial picture of where transport is most needed, informed by, and /or developed in tandem with the partner councils Local Plans and growth priorities. The Connectivity Plan was also developed as decarbonisation delivery plan, informed by the CA's adopted target of net zero carbon by 2038 and evidence of the Carbon Emissions Pathways Study.
- 6.9 The scope of the ICTF bid will need to be developed in accordance with the guidance, but DfT has indicated broad agreement with the Combined Authority's initial thoughts on the shape of the first 5 year settlement being focused on key principles and building blocks that will support the longer term 20 year plan set out in the Connectivity Infrastructure plan. The initial building blocks discussed with partners and the DfT are Mass Transit, Support Bus reform, Build Back Active and Behaviour Change, Communications and Engagement.
- 6.10 The Combined Authority received a DfT Grant Determination letter on 28 April 2021 that confirmed £7.4 million grant of capacity funding. The purpose of the funding is to aid preparations and planning for the ICTF settlement commencing in 2022, with a component of this funding to be used to support building longer-term local transport planning and delivery capacity as well as supporting bus reform plans. It must only be used for transport purposes.
- 6.11 The Combined Authority will need a balance of resources to shape and get the pipeline moving. There have been initial discussions with partners to scope requirements and further collaboration on the proposals for ICTF settlement and capacity building will follow, but within West Yorkshire it is proposed capacity funding is applied to:
- Overall development of pipeline - The Connectivity Plan provides a long list of options, some at idea stage. The partners need to move to a sequencing of investments that makes sense over 5 year periods, starting with a programme for 2022-27.
 - Bringing individual schemes through the pipeline and getting them developed.
- 6.12 Partnership working was integral to the Connectivity Plan and is key to developing and delivering the ICTF bid. Capacity funding provides an opportunity to take a fresh look at the capacity and skillsets of the partners. There is inconsistency in the capacity and skillsets between partners and thematic areas.
- 6.13 A scoping exercise has commenced to identify the priority capacity requirements of the £7.4 million capacity funds, including staff costs and consultancy support. The next stage is to produce a Strategic Outline Case (SOC) and address immediate staffing requirements arising from the approved restructuring of the Combined Authority to set itself up for the development of multi-year, multi-model programmes of transport investment and the tight timeline prescribed by HMT for the development of the first Intra City Transport

settlement. Development costs are required to do this and therefore a Strategic Assessment has been produced for indicative funding of £7.4 million and full approval of £3 million of development costs. The Combined Authority are requested to approve these.

Tackling the Climate Emergency Implications

6.14 The Connectivity and ICTF settlement will deliver on the themes of driving forward inclusive, sustainable economic growth, reduced carbon emission, improved air quality and integrating local transport to support healthy lifestyles through investment in and encouraging greater use of sustainable modes of transport. Specifically:

- Providing for convenient, efficient door to door journeys that will support the sustainable development of new employment and housing growth in the region.
- Deliver mode shift away from car travel to sustainable transport modes with a consequent reduction in carbon (and other polluting and harmful transport emissions).
- Improve transport/fuel efficiency for businesses through reduced travel costs and time.
- Help the transition to more zero-carbon vehicles and deliver parts of a Future Mobility offer linked to facilities on offer at mobility hubs.
- Deliver electrified transport infrastructure – accelerating the rollout of Electric Vehicle charging points across West Yorkshire.
- Future proof transport infrastructure for addressing climate change through the application of green and blue infrastructure standards.

Outputs, Benefits and Inclusive Growth Implications

6.15 The Connectivity and ICTF settlement will deliver on the themes of improving access to jobs, training, education and services, particularly for disadvantaged communities. Specifically:

- The Connectivity Infrastructure Plan is informed by 24 corridor studies undertaken across the whole of the West Yorkshire geography. These studies took as their starting point the identification of inclusive growth corridors identified through discussion with partner councils – the plan then analysed a range of data to understand the location, demographics and transport barriers of the most deprived and excluded communities. This analysis provided the basis for developing connectivity concepts and prioritised interventions to overcome transport barriers and better connect excluded communities to employment and training opportunities.
- Our infrastructure design will follow these overarching principles that Infrastructure will be inclusive and accessible for all ages and abilities and will reflect our diverse communities.

- Provide a quality environment and support businesses to invest and thrive – the project will make a statement about West Yorkshire as a modern, clean, well connected place.
- Enhance the role of transport hubs as Gateways to places, and support the regeneration of those facilities and their immediate neighbourhoods
- Support planned housing growth within the West Yorkshire Districts by providing enhanced connectivity.
- Enhance sustainable travel options between rail and bus stations and mobility hubs and will expand the catchment of a sustainable transport network to benefit disadvantaged communities and help develop a healthy and active work force.
- Enable young and unemployed people to access work and apprenticeships, by reducing travel barriers through enhanced, integrated transport connectivity.
- Help create liveable centres and neighbourhoods, where increased walking and cycle use can help reduce car dominance for shorter distance and ad-hoc trips.
- Help provide training and job creation opportunities - through particularly the larger scale Mass Transit and rail investment programmes.
- Will expand the concept of a single, connected public transport network and will support, and accelerate, the densification of employment and housing in town and city centres, growth areas and around sub-urban rail stations.
- The scheme will aim to provide an equitable and fair transport system to all residents and visitors of West Yorkshire but with a particular focus on disadvantage communities.

Risks

6.16 The scheme risks will be developed as part of the Strategic Outline Case.

Costs

6.17 This scheme has £7.4 million grant of capacity funding from the DfT.

6.18 A scoping exercise has commenced to identify the priority capacity requirements of the £7.4 million capacity funds, including staff costs and consultancy support. The next stage is to produce a Strategic Outline Case (SOC) that will set these out in detail. However, development costs are required to produce the SOC and therefore a Strategic Assessment has been produced for indicative funding of £7.4 million and full approval of £3 million of development costs. The Combined Authority are requested to approve these.

6.19 The £3 million development costs will be required to meet initial needs to establish capacity:

- Whilst the structure of the team and associated costs are being worked through an overall total of £1.25 million is required for staff costs to commence work on scheme development, transport analytics and community relationships and behaviour change for the Transport Pipeline Development and the Mass Transit programme.
- Consultancy support to the Combined Authority and for partner scheme development costs of £1.75 million in the following areas:
 - Rail Strategy, Implementation Plan and early programme development.
 - Modelling - Implementing recommendations of the West Yorkshire Transport Model Review.
 - Bus Service Improvement Plan development and delivery, Bus Enhanced Partnership scheme development.
 - Behavioural Change insight and research support and concept development.
 - Policy and strategy development including Demand Management options.
 - Audit of capacity and skillsets of the West Yorkshire partners.
 - ICTF Bid development.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
2 (strategic outline case) to 4 (full business case)	Recommendation: Finance & Resources Committee Decision: Combined Authority	09/09/2021
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	31/03/2023
6 (financial closure)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	31/03/2023
7 (evaluation)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	30/09/2023

Other Key Timescales

- 6.20 The development of the ICTF settlement bid is short term. DfT guidance is awaited but it is expected that the settlement bid process is likely to involve

two stages, with a first submission for June 2021 (date tbc in discussion with DfT), followed by a more detailed, formal pipeline by July 2021 (date tbc in discussion with DfT) to reach agreement with the DfT following the Spending Review.

Assurance tolerances

Assurance tolerances
These will be set at Strategic Outline Case

Project Responsibilities

Senior Responsible Officer	Liz Hunter, West Yorkshire Combined Authority
Project Manager	Steve Heckley, West Yorkshire Combined Authority
Combined Authority case officer	Strategic Assessment Review Group, West Yorkshire Combined Authority

Appraisal Summary

- 6.21 It is recognised that capacity resource is a critical issue and the grant awarded by DfT would enable this to be addressed, expressly for the purpose of capacity building to develop a programme for the Intra City Transport Fund bid.
- 6.22 If successful in the bid for ICTF, there is a potential for a 5-year award which could be twice the size of the Transforming Cities Fund settlement.
- 6.23 Recommendations for strengthening the strategic case and therefore the Strategic Outline Case are:
- Highlight the lessons learned from TCF and Growth Fund as well as the Connectivity Plan's evidence base.
 - Emphasise how the decisions on local schemes will be devolved to the local assurance framework.
 - While ICTF provides an opportunity to make substantial early progress with mass transit there will also be a need to provide early investment to improve connectivity by other modes, contributing to covid recovery, levelling up and inclusive growth and decarbonisation agendas.
 - Explore and highlight the commercial risks and how these will be managed.
 - Highlight how the development of the pipeline will be integrated into the West Yorkshire Investment Strategy and not created as a stand-alone parallel.

Recommendations

6.24 The Combined Authority approve:

- (i) The Intra City Fund Capacity Funding scheme proceeds through decision point 1 (Pipeline Identification and Gateway Assessment) and work commences on activity 2 (Strategic Outline Case).
- (ii) An indicative approval to the Combined Authority's contribution of £7.400 million (which will be funded from the DfT Intra City Fund Capacity Fund) is given.
- (iii) Development costs of £3 million are approved in order to progress the scheme to decision point 2 (Strategic Outline Case).
- (iv) The Combined Authority enters into any Funding Agreements required with our Partner Councils for expenditure of up to £0.500 million from the DfT Intra City Fund Capacity Fund.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

Projects in Stage 2: Development

Project Title	Real Time information System
Stage	2 (development)
Decision Point	4 (full 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

- 6.25 The Real Time passenger information system has been in operation across Yorkshire since the early 2000's. It is the largest real-time system in the UK outside of Greater London with over 2,500 displays and provides up to date information for both future and current bus journeys.
- 6.26 The Real-Time information system is a fundamental part of the public transport offer and is linked to many systems and projects across the region. The current supplier's contract is due to expire at the end of March 2022.
- 6.27 The existing system relies on multiple feeds and file transmissions that require significant manual monitoring and intervention to maintain data quality. This scheme is aiming to improve and modernise the system for efficient management to ensure all elements are under one supplier's control and provide accurate and up to date information to the real-time displays across the city region. Having information that is readily accessible is key in encouraging bus use which is particularly important following the impacts of COVID-19 on travel behaviour.
- 6.28 This scheme aims to appoint a new supplier to replace the existing system and carry out improvements for improved efficiency. The new supplier will be in place and the selected system will be in use when the current contract expires at the end of March 2022. Once the new supplier is in place and the system is operational, a second phase of system improvements will begin and will be completed by January 2023.
- 6.29 The scheme will be funded from capital receipts or the Local Transport Plan - Integrated Transport Block. The Integrated Transport Block (ITB) provides funding support to local authorities for transport capital improvement schemes worth less than £5 million.

Tackling the Climate Emergency Implications

- 6.30 This scheme is expected to contribute towards carbon reduction by enabling modal shift to sustainable public transport due to an increased trust in bus services. The real-time system also provides traffic light priority to allow buses to progress through junctions without stopping thereby reducing standstill time.

Outputs, Benefits and Inclusive Growth Implications

- 6.31 The scheme outputs and benefits include:
- A more modern and responsive real-time system that reduces the amount of manual checking and provides accurate and up to date information to the real time displays across the Yorkshire region.
 - Increased public trust in the local transport network by providing accurate information on departures and disruptions.

Risks

- 6.32 The scheme risks include:
- Failure to appoint a suitable supplier for the system. This will be mitigated by tailoring the procurement to match the current market offering across multiple suppliers. Pre-market engagement has taken place with suppliers to look at options and the tender was published in February 2021.
 - The appointed supplier fails in delivery of the system. This has been mitigated by pre-market engagement with suppliers. The current system will be supported by the existing supplier.

Costs

- 6.33 This scheme has an estimated total cost of £2.376 million, of which £1.404 million will be funded by the Combined Authority through capital receipts or Local Transport Plan (LTP) funding. Final costs will be confirmed upon submission of the next activity in the assurance process.
- 6.34 Match funding for this scheme of £0.126 million from City of York Council is confirmed. Further match funding (approx. £0.846 million) from South Yorkshire Passenger Transport Executive (SYPTTE) has been agreed, but the exact amount will be confirmed once procurement costs are known.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	24/06/2020

ATP (approval to proceed)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	30/06/2021
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	31/03/2023

Other Key Timescales

6.35 Other Key timescales are:

- Delivery of Phase 1 (new supplier) is expected to be completed by January 2022.
- Completion of the full scheme including system improvements is expected to be completed by January 2023.

Assurance Tolerances

<p>Assurance tolerances</p> <p>The scheme has approval to proceed within the following assurance tolerances.</p>
<p>That Combined Authority costs remain within 10% of those outlined in this report.</p> <p>That delivery timeframes remain within 3 months of those outlined in this report.</p> <p>That the outputs remain within 20% of those outlined in this report.</p>

Project Responsibilities

Senior Responsible Officer	Andrew Bradley, Combined Authority
Project Manager	Graham Davies, Combined Authority
Combined Authority case officer	Heather Briggs

Appraisal Summary

- 6.36 The business case sets out the importance of this scheme with live timetable feeds being used over 3.7 million times per month pre-COVID. The real-time system has a critical role in publishing public transport information and there is a clear demand for this system to continue.
- 6.37 There are some concerns regarding the success of procurement given the complexities of the system. The project team are working closely with the Combined Authority's procurement team to mitigate this risk and ensure successful procurement of a new supplier.

Recommendations

- 6.38 The Investment Committee recommends to the Combined Authority that, subject to the conditions set by the Programme Appraisal Team:
- (i) The Real Time information System scheme proceeds through decision point 4 (full business case) and work commences on activity 5 (delivery).
 - (ii) Approval to the Combined Authority's contribution of £1.404 million (which will be funded from capital receipts or the Local Transport Plan (Integrated Transport Block) is given. The total scheme value is £2.376 million.
 - (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

Conditions

- 6.39 The following conditions have been set by the Programme Appraisal Team to gain Approval to Proceed to Delivery:
- (i) The total scheme cost is within those set out in the FBC approval.
 - (ii) Confirmation that capital receipts or Local Transport Plan (LTP) funding is available.
 - (iii) Confirmation of match funding from South Yorkshire Passenger Transport Executive (SYPTTE).
 - (iv) Confirmation that a project board has been set up and met and that a Project Manager has been appointed.
 - (v) Confirmation of maintenance / revenue costs and how these will be funded.

Project Title	East Leeds Demand Responsive Transport (DRT)
Stage	Stage 2 (Development)
Decision Point	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:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Background

- 6.40 The East Leeds Demand Responsive Transport (DRT) scheme is part of the wider Connecting Leeds programme, which aims to transform the public transport offer for Leeds via a range of measures including bus priority on five key corridors, new park and ride facilities, a programme of improvements at transport interchanges and hubs and a co-ordinated wayfinding programme.
- 6.41 The scheme involves a trial of a digitally enabled Demand Responsive Transport (DRT) service in two areas of East Leeds. This agile and dynamic public transport service will be accessed via a smart phone app which uses routing algorithms to match vehicles with capacity to users. The working name for the service is East Leeds Flexibus (ELF).
- 6.42 This is the first trial of digital DRT within West Yorkshire and if successful it will be used to determine and inform the wider roll out of the service model elsewhere in the region as part of a wider programme. The scheme will also be used to test the pricing, marketing and routing of the services.
- 6.43 DRT offers a flexible bus service which is based on demand rather than a traditional fixed route. The DRT service will aim to complement and enhance other public transport services in the area, linking communities to the wider public transport network as well as other key destinations in the service areas. Engagement with local ward members to finalise the service offer and operating areas is in progress.
- 6.44 The first DRT service will be in the area of Richmond Hill, Cross Green, Leeds Enterprise Zone and also extends into Leeds Bus Station. Links will also be provided to Killingbeck Asda and Hunslet Morrisons which are outside the service zone. This area currently has very poor access to supermarkets and the DRT service will seek to address this as well as providing improved access to health centres, St James' Hospital and local employment opportunities. This

service will also provide local links into the Aire Valley Enterprise Zone, which is identified in the Strategic Economic Plan as a Spatial Priority Area

- 6.45 The second DRT service is expected to support access from 5,000 new homes to local economic and employment centres, transport hubs, health and education facilities. It will provide links from the East Leeds Extension development sites to and from Seacroft centre and Cross Gates.
- 6.46 The trial will utilise a fleet of seven all electric buses (six in regular service plus a spare), which will be owned by the Combined Authority and leased to an operator, who will be responsible for maintaining the fleet.
- 6.47 The trial is scheduled to last for a period of three years, but the operating contract contains a break clause which can be activated at 18 months, at which point the service can be altered or terminated completely.
- 6.48 The Monitoring and Evaluation plan for the scheme will include comprehensive collection and analysis of data which can be used to inform decisions on whether this trial should be extended and whether DRT services of this type would be viable in other areas of West Yorkshire.
- 6.49 The specification for the vehicles has been designed so that on termination of the DRT trial, they could be reallocated into the Combined Authority's AccessBus fleet should it be decided not to continue their operation on DRT services.
- 6.50 The vehicles are expected to be delivered from July 2021 in readiness for a start of service in September 2021
- 6.51 The approved operating model means that the Combined Authority is accepting the revenue risk for the service.
- 6.52 The scheme comes forward at full business case with finalised costs (decision point 5) of £3.400 million including revenue costs. This is funded by £1.160 million from Leeds Public Transport Investment Programme (LPTIP), £0.741 million from Local Transport Plan Integrated Transport Block, £0.753 million from Better Deal for Bus Users, £0.297 million from Leeds City Council Supplementary Planning Document contributions, £0.225 million from Leeds City Council Section 106 contributions and £0.177 million from fare revenue. This represents an overall increase in cost of £1.166 million from the previously approval of £2.234 million. This can be attributed to the firming up of delivery capital and operating costs through the procurement of the vehicle fleet and service operator via competitive tenders.

Tackling the Climate Emergency Implications

- 6.53 This scheme will encourage the use of public transport as an alternative to car use, thus improving the efficiency of the transport network and making better use of road space.
- 6.54 The scheme uses a fleet of seven fully electric buses which will assist in achieving carbon reduction targets.

6.55 The use of zero tailpipe emission electric vehicles will also contribute to efforts to improve air quality, but the impacts are categorised as slight.

Outputs, benefits and inclusive growth implications

6.56 The outputs are:

- The establishment of two DRT bus services in East Leeds
- A fleet of seven vehicles which will service the DRT trial and be transferred to the AccessBus fleet at the end of the trial.

6.57 The benefits are:

- Jobs, employment and training - Increase in the ratio of the number of East Leeds jobs accessible by bus, compared to car.
- Business Growth in East Leeds - Connecting employers in East Leeds to new employee markets by public transport, specifically markets with low car ownership.
- Social Inclusion - Improve public transport travel opportunities to community facilities, services and education opportunities in East Leeds, specifically areas with low car ownership.
- Mode Shift - promoting modal shift away from car to public transport.
- Attract New Public Transport Users - Increase public transport use in the area by offering an integrated, inclusive, responsive service.
- Research & Innovation - Develop understanding of the opportunities for DRT to enhance the public transport offer in West Yorkshire.
- Air Quality (NO_x, kg/year) - Reduction in emissions of Nitrogen Dioxide (NO_x) on core public transport corridors.

6.58 The inclusive growth implications are:

- Improved public transport links from local communities to: jobs, opportunities, the wider public transport network, local facilities including healthcare, retail and leisure opportunities
- Improved access to labour markets for employers, including those in Spatial Priority Areas.
- Improved understanding of how digital demand responsive transport can contribute to enhancing the public transport offer in West Yorkshire.

Risks

6.59 The key risks and mitigating measures are: -

- Service Delivery/Service User Risks - Full benefits of scheme may not be realised due to impact of COVID-19 on service operations and travel behaviour. Mitigation: The communications plan will include “safe to

travel” messages and will promote the service at every opportunity. A tender is being prepared for marketing activity.

- Financial Risks – Revenue risk to the CA, excessive public subsidy through not generating sufficient patronage, social distancing measures being continued beyond current timescales. Mitigations: Communications and marketing activity will promote scheme and improve uptake. Early monitoring and evaluation will be fed back into the service and will inform decisions on activating the 18- month break which has been inserted in the operating contract.
- Competition Risks – The new services may conflict with or compete with existing transport services. Mitigations: The DRT largely serves areas are not currently linked to the core transport network or have poor transport links. The service will not provide direct travel to the City Centre but will link to existing bus and rail hubs.
- Communication and Stakeholder Management Risks - The full benefits of the scheme may not be realised due to communication of the scheme and stakeholder management. Mitigations: The communications and stakeholder management plans will promote the scheme. A tender is being prepared for marketing activity.

Costs

- 6.60 The total cost of the scheme at full business case plus costs is £3.400 million. The capital costs for the vehicles are funded by £1.160 million from Leeds Public Transport Investment Programme (LPTIP) and £0.741 million from Local Transport Plan Integrated Transport Block (LTP). The operating (revenue) costs are funded by £0.753 million from the Better Deal for Bus Users grant from Government, £0.297 million from Leeds City Council Supplementary Planning Document contributions, £0.225 million from Leeds City Council Section 106 contributions. The operating costs are partly offset by fares revenue for which a prudent assessment of £0.177 million has been estimated. The Combined Authority will carry the revenue risk and a contingency of £0.047 million has been identified from the tendered bus service budget to underwrite this risk.
- 6.61 The stated total scheme cost of £3.400 million represents an overall increase of £1.166 million from the OBC estimate of £2.234 million. This can be attributed to the firming up of capital and operating costs by the procurement of the vehicle fleet and service operator contract through competitive tenders.
- 6.62 The capital cost for the electric buses is £1.544 million (£220,606 per bus), which will be funded from LPTIP and LTP. The remaining LTP funding and the other funding streams will fund the revenue costs (£1.856 million).
- 6.63 All funding has been secured with the exception of the £0.297 million from Leeds City Council Supplementary Planning Document contributions and £0.225 million from Leeds City Council Section 106 contributions (total £0.522 million).

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
5 (full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	24/06/2021
Decision point 6 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	30/09/2024

Other Key Timescales

6.64 Other Key timescales are:

- Delivery of the bus fleet is scheduled to be in July 2021.
- The DRT service is planned to commence in September 2021 and monitoring and evaluation will commence at the same time.
- A review will be carried out after the first 12 months of operation which will inform a decision on whether to proceed with the second 18-month period of the trial, (commencing March 2023) or terminate the scheme.
- If a decision is taken to proceed with the second 18-month period, the operating contract will end in September 2024.

Assurance Tolerances

Assurance tolerances
The scheme has approval to proceed within the following assurance tolerances.
That Combined Authority costs remain within 10% of those outlined in this report.
That delivery timeframes remain within 3 months of those outlined in this report.

Project Responsibilities

Senior Responsible Officer	Dave Pearson
Project Manager	West Yorkshire Combined Authority
Combined Authority case officer	Fiona Whitehead

Appraisal Summary

6.65 This DRT trial, the first in West Yorkshire, presents an opportunity to understand what level of contribution that flexible, dynamic, digitally enabled, zero emission bus services can make to the regions Clean Growth ambitions and the ongoing efforts to significantly increase bus trips.

- 6.66 The trial will cover some of the most deprived areas of Leeds, which traditionally have lower levels of car ownership and allows the local communities to access employment, training, healthcare, retail and leisure opportunities and also gain access the wider public transport network for onward journeys, lowering barriers to opportunities. It will help to rebalance the local economy towards the more deprived residents.
- 6.67 The trial will use a fleet of seven fully electric buses, that have been designed to allow them to be transferred to the Combined Authority's AccessBus fleet at the end of the DRT trial. Customers will access the service via a smartphone app and the scheduling software will link them to vehicles which have capacity to take them to their chosen destination. The buses will have flexible routing which does not always follow set routes or use formal bus stops.
- 6.68 The scheme recognises uncertainties regarding the levels of uptake that the services will attract, and the promoters have prudently put in place a break clause within the operating contract which allows the trial to be ended or altered after 18 months of the planned three-year period of operation. A report detailing the outcomes from the first year of operation will be presented in time for a decision to be taken on whether to activate the 18-month break clause.
- 6.69 Funding is in place to purchase the vehicle fleet and operate the trial for the first 18 months without calling on the funding that is currently unsecured. However, the second period of the trial would require this funding to be secured and therefore it is recommended that only the purchase the vehicle fleet and operation of the trial for the first 18 months is approved at this stage the conditions set by the Programme Appraisal Team below must be met before the trial is extended beyond 18 months. A number of conditions have also been recommended before the project is approved to progress to delivery.

Recommendations

- 6.70 The Combined Authority approves that:
- (i) Approval to the Combined Authority's contribution for the capital cost of the electric buses of £1.544 million (which will be funded through £1.160 million from the Leeds Public Transport Investment fund and £0.384 million from the Local Transport Plan fund) is given.
- 6.71 The Combined Authority approves that, subject to the conditions set by the Programme Appraisal Team:
- (i) The East Leeds DRT scheme proceeds through decision point 4 (full business case) and work commences on activity 5 (delivery).
 - (ii) Approval to the Combined Authority's contribution of £1.334 million (which will be funded through £0.357 million from the Local Transport Plan fund, £0.753 million from the DfT Better Deal for Bus Users fund, £0.177 million from fare revenue and a contingency of £0.047 million

identified from the tendered bus service budget) is given. The total scheme value is £3.400 million including revenue costs.

- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

Conditions

6.72 The following conditions have been set by the Programme Appraisal Team to gain Approval to Proceed to Delivery:

- (i) The total scheme cost is within those set out in the FBC approval.
- (ii) Confirmation that the Monitoring and Evaluation plan for the scheme has been developed and sets out what success means to allow the decision to be made on whether this trial should be extended beyond the initial 18 months.

6.73 The following conditions have been set by the Programme Appraisal Team before the trial is extended beyond 18 months:

- (i) Confirmation that the £0.297 million from Leeds City Council Supplementary Planning Document contributions and £0.225 million from Leeds City Council Section 106 contributions have been secured.

Projects in Stage 3: Delivery and Evaluation

Project Title	Leeds City Region Growth Service
Stage	3 (delivery and evaluation)
Decision Point	Change request (activity 6)

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

Background

- 6.75 This scheme will deliver a dedicated, flexible business support service for the Leeds City Region's SMEs. The support will be delivered by a team of 20 FTE SME Growth Managers as a key component of the Leeds City Region Growth Service. The Growth Managers provide Information, Diagnosis and Brokerage (IDB) support to SMEs in Leeds City Region that are eligible for European Regional Development Fund (ERDF) support (this covers businesses with under 250 staff and excludes some sectors, such as retail and primary agriculture). The IDB role involves an initial meeting with an eligible SME to determine their business needs via the use of a diagnostic tool, and then brokering the SME to the most appropriate support to meet those needs on an ongoing basis. It can also include specialist one-to-many support related to key business topics.
- 6.76 The project will focus on business resilience by supporting the SMEs to undertake more holistic and longer-term financial planning that will enable them to address the challenges, and take advantage of any opportunities, arising from changing business environment. It will also focus on SMEs that are in larger supply chains and have suppliers of their own. Private sector support will be procured to develop a financial health check product that will be used to improve cash-flow and risk management.
- 6.77 This change request is required because of MHCLG's invitation to extend the delivery timescales of this scheme by 12 months from its original delivery end date of March 2022. As a result of this invitation, this scheme through this Change Request will secure additional funding of £1.062 million.
- 6.78 The objectives of the scheme are to:

- Support and facilitate the growth and sustainability of SMEs in Leeds City Region
- Put SMEs in stronger positions to identify, and plan effectively for, short to mid—term changes in the economic, regulatory, and legislative environment.
- Gather direct intelligence from SMEs on the main issues, challenges and opportunities facing them in the current climate.
- Support a number of SMEs to find sustainable, long-term solutions to their accommodation requirements.
- Develop a contemporary financial health product and successfully apply it for SMEs.
- Support SMEs to trade more successfully and sustainably within the national and international markets.

6.79 The scheme seeks approval of additional funding of £1.062 million, £0.531 million of which is funded by ERDF, £0.288 million is funded by BEIS and £0.242 million is funded by the Local Authority Delivery Partner councils. The funding from ERDF and Local Authority delivery partners is secured. However, the contribution from BEIS is reliant on the Autumn 2021 budget. In the interim it is recommended that this funding gap to be underwritten from other combined authority resources.

6.80 The Mayor and Chief Executives have been briefed on the role and impact of the Growth Managers and they are supportive.

Tackling the Climate Emergency Implications

6.81 The scheme supports clean growth by gaining commitment, where appropriate, from recipient businesses to carry out an energy efficiency audit to identify ways to reduce energy usage and improve collection/use of waste. Appropriate recipient businesses will also be referred to the Travel Plan Network team to look at sustainable and active travel options for employees. Furthermore, where appropriate, businesses are also referred to the Leeds Enterprise Partnership's Resource Efficiency Business (ReBiz) programme to get support and advice with lowering energy usage, reducing water and waste costs, and minimise the impact on the environment by promoting recycling and reuse activities.

Outputs, benefits and inclusive growth implications

- The SME's supported will improve their business resilience and, as a result, be in a stronger position to address future challenges and take advantage of future opportunities for growth. A significant proportion of the SMEs will receive support with property relocation / reconfiguration, which will make their futures more secure, sustainable, and productive.
- At a more macro level, the Leeds City Region will become stronger as a result of 690 of its SMEs becoming more resilient, sustainable, and productive. This will enable them to strengthen their positions within

national and international markets and continually introduce new products and processes.

- The Government's backing for the Growth Service is clear indication of it meeting national policy objectives in the field of business support, and that extends to the Growth Manager function. Partner Councils and the West Yorkshire Mayor are also supportive of the Growth Manager function.
- Existing clients will be referred to grant schemes to support productive investment and the provision of advice and consultancy on access to finance. The Investment Readiness project will be a key referral product and the Growth Manager's most common product-referral is to the LEPs Capital Grants programme.
- 290 SMEs to receive a minimum of 12 hours support, 954 SMEs to receive a minimum of 3 hours of Information, Diagnostic and Brokerage (IDB) support and 173 new jobs will be created.
- In the current economic climate, support for SMEs to recover from the impacts of the pandemic will be a priority e.g., support to pivot products and services through more effective use of digital technology.

Risks

6.82 The scheme risks include:

- There is a risk that the BEIS funding may not be approved in the Autumn 2021 budget and Combined Authority may be required to provide match-funding from other combined authority resources. This risk is mitigated by communicating effectively with BEIS and through the strong assurances that the government is supportive of the successes previously achieved by the national Growth Hub Network.

Costs

6.83 The scheme costs are:

- The scheme seeks approval of additional funding of £1.062 million, £0.531 million of which is funded by ERDF, £0.288 million is funded by BEIS and £0.242 million is funded by the Local Authority Delivery Partner councils. The funding from ERDF and Local Authority delivery partners is secured. However, the contribution from BEIS is reliant on the Autumn 2021 budget. In the interim it is recommended that this funding gap to be underwritten from other combined authority resources.
- The total scheme costs through this Change Request are £4.464 million which will be funded by £2.232 million ERDF and £2.232 million from BEIS Growth hub and Local Authority Delivery Partner funding.

Assurance Pathway and Approval route

Assurance pathway	Approval route	Forecast approval date
Change Request	Recommendation: Investment Committee Decision: Combined Authority	24/06/2021
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	31/03/2023
6 (financial closure)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	26/06/2023
7 (evaluation)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	26/06/2023

Assurance Tolerances

Assurance tolerances
<p>Combined Authority costs remain within those outlined in this report.</p> <p>Delivery (DP5) timescales remain within 6 months of those outlined in this report.</p>

Project Responsibilities

Senior Responsible Officer	Henry Rigg, West Yorkshire Combined Authority
Project Manager	Jo Wilkinson, West Yorkshire Combined Authority

Combined Authority case officer	Namrata Chhabra, West Yorkshire Combined Authority
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Appraisal Summary

- 6.84 Based on the expansion of an existing successful programme, this proposal is closely aligned to the priorities of the Strategic Economic Framework.
- 6.85 There is a growing level of demand for the type of information, diagnosis and brokerage support proposed. Additional funding will result in additional benefits and outputs.

Recommendations

- 6.86 The Investment Committee recommends to the Combined Authority that:
- (i) The change request to the Growth Service Programme to extend the delivery timescales to March 2023 and formal acceptance of £1.062 million of additional funding and approval of Combined Authority's contribution of £0.802 million, including the interim underwriting of the BEIS contribution from other combined authority resources, pending the Autumn 2021 budget outcome.
 - (ii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

7 Tackling the Climate Emergency Implications

7.1 The Climate Emergency implications have been considered on all projects included in this report as part of their business case development.

8 Inclusive Growth Implications

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

9 Equality and Diversity Implications

9.1 Equality Impact Assessments (EQIA) have been undertaken on all projects included in this report as part of their business case development.

10 Financial Implications

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

11 Legal implications

11.1 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.

12 Staffing implications

12.1 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.

13 External consultees

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

14 Recommendations

Transforming Cities Fund Programme Review 2021

14.1 The Combined Authority approve:

- (i) That the progress made in the delivery of the TCF programme is noted, in particular the key messages presented on milestones, finances and risks.
- (ii) That a further TCF Programme review is conducted over the next six months to report back to Committee in January 2022. This should consider opportunities to phase projects and accelerate delivery of schemes and associated spend.

- (iii) That partners develop plans to phase delivery of projects where possible to accelerate delivery to not only maximise spend but also deliver earlier benefits to users by March 2023
- (iv) That the guiding principles around allocation of the remaining risk/contingency and inflation are noted
- (v) The changes to Indicative Funding Allocations set out in Appendix 2
- (vi) The approval to the £2.760 million uplift in Programme Management budget to £7.690 million to reflect the larger high scenario programme being delivered and anticipated longer timescales for delivery (set out in Appendix 2).
- (vii) That a further allocation of £1 million programme development funding is approved, to be overseen by the TCF Portfolio Board and approved by delegation to the Managing Director (who in turn will delegate to the Director of Delivery, and who will then take decisions taking on board the views of the TCF Portfolio Board – which comprises officers from all the authorities with TCF schemes).
- (viii) That the following development funding to be approved:
 - Huddersfield Trinity St Access Improvements - £103,773
 - Huddersfield Rail Station Access - £76,679
 - A61 Bus, Cycle and Walking Improvements - £79,990
 - Wakefield City Centre Bus, Cycle and Walking Improvements - £172,226
 - A639 Bus, Cycle and Walking Improvements - £110,000
 - York Tadcaster Road Corridor Improvement Scheme - £64,355

The Intra City Fund Capacity Fund

14.2 The Combined Authority approve:

- (i) The Intra City Fund Capacity Funding scheme proceeds through decision point 1 (Pipeline Identification and Gateway Assessment) and work commences on activity 2 (Strategic Outline Case).
- (ii) An indicative approval to the Combined Authority's contribution of £7.400 million (which will be funded from the DfT Intra City Fund Capacity Fund) is given.
- (iii) Development costs of £3 million are approved in order to progress the scheme to decision point 2 (Strategic Outline Case).
- (iv) The Combined Authority enters into any Funding Agreements required with our Partner Councils for expenditure of up to £0.500 million from the DfT Intra City Fund Capacity Fund.

- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

The Real Time Information System

- 14.3 The Investment Committee recommends to the Combined Authority that, subject to the conditions set by the Programme Appraisal Team:
- (i) The Real Time information System scheme proceeds through decision point 4 (full business case) and work commences on activity 5 (delivery).
 - (ii) Approval to the Combined Authority's contribution of £1.404 million (which will be funded from capital receipts or the Local Transport Plan (Integrated Transport Block) is given. The total scheme value is £2.376 million.
 - (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

14.4 Conditions

The following conditions have been set by the Programme Appraisal Team to gain Approval to Proceed to Delivery:

- (i) The total scheme cost is within those set out in the FBC approval.
- (ii) Confirmation that capital receipts or Local Transport Plan (LTP) funding is available.
- (iii) Confirmation of match funding from South Yorkshire Passenger Transport Executive (SYLTE).
- (iv) Confirmation that a project board has been set up and met and that a Project Manager has been appointed.
- (v) Confirmation of maintenance / revenue costs and how these will be funded.

East Leeds Demand Responsive Transport (DRT)

- 14.5 The Combined Authority approves that:
- (i) Approval to the Combined Authority's contribution for the capital cost of the electric buses of £1.544 million (which will be funded through £1.160 million from the Leeds Public Transport Investment fund and £0.384 million from the Local Transport Plan fund) is given.
- 14.6 The Combined Authority approves that, subject to the conditions set by PAT:

- (i) The East Leeds DRT scheme proceeds through decision point 4 (full business case) and work commences on activity 5 (delivery).
- (ii) Approval to the Combined Authority's contribution of £1.334 million (which will be funded through £0.357 million from the Local Transport Plan fund, £0.753 million from the DfT Better Deal for Bus Users fund, £0.177 million from fare revenue and a contingency of £0.047 million identified from the tendered bus service budget) is given. The total scheme value is £3.400 million including revenue costs.
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

14.7 Conditions

The following conditions have been set by the Programme Appraisal Team to gain Approval to Proceed to Delivery:

- (i) The total scheme cost is within those set out in the FBC approval.
- (ii) Confirmation that the Monitoring and Evaluation plan for the scheme has been developed and sets out what success means to allow the decision to be made on whether this trial should be extended beyond the initial 18 months.

14.8 The following conditions have been set by the Programme Appraisal Team before the trial is extended beyond 18 months:

- (i) Confirmation that the £0.297 million from Leeds City Council Supplementary Planning Document contributions and £0.225 million from Leeds City Council Section 106 contributions have been secured.

Leeds City Region Growth Service

14.9 The Investment Committee recommends to the Combined Authority that:

- (i) The change request to the Growth Service Programme to extend the delivery timescales to March 2023 and formal acceptance of £1.062 million of additional funding and approval of Combined Authority's contribution of £0.802 million, including the interim underwriting of the BEIS contribution from other combined authority resources, pending the Autumn 2021 budget outcome.
- (ii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

15 Background Documents

- 15.1 Business case summaries for the schemes recommended for approval by the Investment Committee on 05 May 2021 and 08 June 2021 are available here:

[5 May 2021 Investment Committee](#)

[8 June 2021 Investment Committee](#)

16 Appendices

Appendix 1 – Transforming Cities Fund Review project milestones

Appendix 2 – Transforming Cities Fund Review project indicative budget allocations

Appendix 3 – Background to the Combined Authority's assurance framework.

Appendix 4 – Location maps for the schemes presented in this report