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**Report to:** West Yorkshire Combined Authority

**Date:** 17 March 2022

**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, West Yorkshire Combined Authority supported projects that have been considered at stages 1, 2 or 3 of the Combined Authority's assurance process.
- 1.2 The schemes outlined in this report have come directly to the Combined Authority as they are seeking decision point 2 (Strategic Outline Case) approval and delegation of authority to the relevant thematic committee to approve future change requests. The schemes will be reported to the relevant thematic committee as appropriate.
- 1.3 The recommendations can be found in Section 13 of this report.

## **2 Impact of COVID-19**

- 2.1 With the impact of COVID-19 on the region and its economy, 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.
- 2.2 Although it is generally expected that in the medium and long-term behaviours will return to the pre COVID-19 position, the impact of COVID-19 in relation to travel behaviour into and around towns and cities will be assessed as part of scheme appraisal and any assumptions made to address issues identified prior to the pandemic will be re-tested.

## **3 Tackling the Climate Emergency Implications**

- 3.1 The Combined Authority has taken action to ensure all decisions we make include Climate Emergency considerations. The Combined Authority:

- 3.2 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.
- 3.3 Requires LEP and the Combined Authority reports to include clean growth / tackling the Climate Emergency implications, including qualitative impact assessments.
- 3.4 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.
- 3.5 Work to complete the toolkit methodology is now complete and the toolkit and its guidance are being implemented into the Assurance Framework. The draft assessments of a selection of existing capital schemes progressing through the assurance process are being discussed with relevant scheme sponsors ahead of the publication of this part of the project by July 2022. This phased approach to the publication of the key components of the Carbon Impact Assessment project recognises the delays due to difficulties encountered carrying out carbon impact assessments on an initial subset of schemes. This has allowed the consultants to take these challenges into account in making improvements to the methodology. The work also involves the development of training and support material to ensure carbon assessment is properly embedded in the assurance process.
- 3.6 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).

### **Additional approval**

#### **York Central**

- 3.7 York Central is a major mixed-use regeneration scheme located on one of the largest city centre brownfield sites in the country. The total scheme costs are up to £99,460,000. The Combined Authority's contribution to the total scheme costs is £23,500,000, from the West Yorkshire Plus Transport Fund (WY+TF).
- 3.8 The Combined Authority has worked with City of York Council (CYC) and its partners over several years to develop proposals for the site and its surrounding areas. The scheme will deliver transformational housing and commercial development at the 45-hectare site located directly next to York Railway Station.
- 3.9 The scheme has the potential to deliver up to 2500 homes, up to 87,700 square metres of office space, a 400-bed hotel, up to 12,000 square metres of retail and leisure space as well as the creation of public spaces including an urban park.

- 3.10 Since its Full Business Case approval as part of the York Central Access and York Station Frontage package of schemes, Homes England has taken over as lead for the scheme, from City of York Council.
- 3.11 A change request approved in March 2021, split the package into individual schemes (York Central, York Station Gateway and Askham Bar Park & Ride Improvements) with separate funding and assurance and approval routes. The change request also confirmed that as there were proposals to change the lead delivery partner from City of York Council to Homes England, the Full Business Case with finalised costs, when submitted, would need to be considered by the Combined Authority, as previous approvals were given on the basis that City of York Council would be the lead delivery partner, not Homes England.
- 3.12 The scheme is now seeking delegated authority from the Combined Authority to the Place, Regeneration and Housing Committee to approve the scheme due to expediency of delivery.
- 3.13 In order to ensure that schemes can be delivered within the tight timescales, the Combined Authority is requested to approve:
- (i) The delegation of authority to the Place, Regeneration and Housing Committee, to approve the York Central scheme in accordance with the Assurance Framework (Full Business Case with finalised costs), so that delivery can commence in line with delivery timeframes.

#### **Contribution to Capital Programme Update – March 2022**

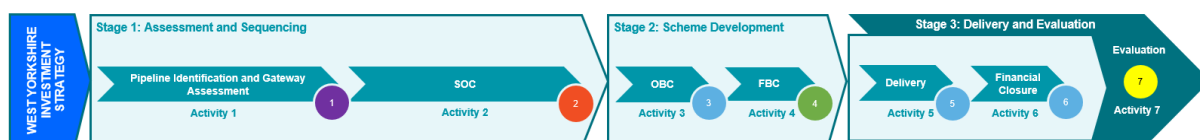
- 3.14 As part of the Levelling Up White Paper announcement in February 2022, the Combined Authority has been given informal notification from government that it will receive an additional £22,280,000 of Brownfield Housing Fund (BHF) grant to add to the existing programme, with the same funding criteria and the same programme end date of March 2025. Once firm details have been received, a change request will be progressed through the Assurance Framework to extend the budget and increase the output targets.
- 3.15 Whilst the level of required additional outputs has still to be advised, it has been suggested that the level of additional spend would be flat lined across the three remaining years of the programme, which will be a significant challenge.
- 3.16 A review of the current BHF programme pipeline, as endorsed by the Combined Authority, is ongoing. A small number of projects have been withdrawn from the programme by the sponsors since July 2021, which has reduced the programme from an over-programmed position on both outputs and spend, to a shortfall on spend, prior to the additional funding announcement.
- 3.17 A review of the Strategic Housing Pipeline and the projects supported through the BHF sister programme, the Housing Revenue Fund, as well as projects

from the BHF Wave 4 reserve list indicates that these projects are not yet in a position to progress into the main programme.

- 3.18 Therefore, the Combined Authority has released a further Call for Projects to the widest possible audience, to ensure that the challenging delivery timescales and spend targets can be met. The call is expected to close on 31 March 2022 but may be extended depending on level of interest.
- 3.19 The Combined Authority is requested to note the release of the further Call for Projects for the Brownfield Housing Fund.

## 4 Report

- 4.1 This report presents proposals for the progression of schemes through the Combined Authority's assurance process in line with the Combined Authority's Assurance Framework. These schemes have a funding value of £1,463,424,178 when fully approved, of which £890,876,500 will be funded by the Combined Authority. A total expenditure recommendation to the value of £117,688,827 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.
- 4.2 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.
- 4.3 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 1.



### Stage 1: Assessment and Sequencing

- 4.4 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 West Yorkshire Investment Strategy (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).
- 4.5 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

- 4.6 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.
- 4.7 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.
- 4.8 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

- 4.9 Once a scheme gains FBC approval and the conditions set have been met, the scheme can progress into Activity 5 (Delivery).
- 4.10 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.

- 4.11 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.
- 4.12 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.
- 4.13 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.

#### **Value for Money - Benefit Cost Ratios**

- 4.14 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.
- 4.15 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.
- 4.16 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.
- 4.17 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.

- 4.18 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><b>CRSTS Capacity Fund</b></p> <p>West Yorkshire</p>	<p><b><u>Scheme description</u></b></p> <p>The government's City Region Sustainable Transport Settlement (CRSTS) programme has been designed to deliver investment in integrated and sustainable transport across a city region, with funding devolved to Mayors over a five-year period to deliver.</p> <p>Department for Transport (DfT) CRSTS capital funding settlements are complemented by revenue funding allocations to Mayoral Combined Authorities, known as CRSTS Capacity Funding.</p> <p>Government's CRSTS guidance sets out a brief description of the purpose of capacity funding, as each eligible MCA with appropriate governance arrangements has been allocated capacity funding to support this programme. Given the long-term and integrated nature of settlements, part of this resource funding should be used to support building longer-term local transport planning and delivery capacity, which could include developing local in-house capability across WY authorities, potentially including formal project and programme leadership training. This funding should be used only for transport purposes, not wider priorities.</p> <p>To date £3,000,000 (tranche 1) has been approved and a further approval of £2,756,411 (tranche 2) is requested and allocated as detailed in Appendix 2.</p> <p><b><u>Impact</u></b></p> <p>The Combined Authority's proposed scope of this funding and core requirements are set out below and the details of individual activities to be funded through tranche 1 and 2 (of 3) are provided in Appendix 2.</p> <ul style="list-style-type: none"> <li>• Supporting development of the pipeline of future schemes.</li> <li>• Developing transport policy and strategy that will help to identify schemes for the future pipeline.</li> <li>• Supporting development of the CRSTS 2022-27 programme.</li> <li>• Increasing capacity and skills within the Combined Authority and partner councils</li> </ul> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 2 (business justification) and work commences on activity 5 (full business case).</p> <p>Total value of the scheme - £7,400,000</p> <p>Total value of Combined Authority funding - £7,400,000</p> <p>Funding recommendation sought - £2,756,411</p> <p>A decision by the Combined Authority is sought as part of this report</p>
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<p><b>Gainshare Capacity Funding</b></p> <p>West Yorkshire</p>	<p><b><u>Scheme description</u></b></p> <p>Capacity funding for the Combined Authority and Local Authorities to enable pipeline development work to be undertaken against the West Yorkshire Investment Strategy (WYIS) six Investment Priorities.</p> <p>This scheme will be funded from the Single Investment Fund (SIF).</p> <p><b><u>Impact</u></b></p> <p>Over the medium term, a pipeline of overarching programmes / projects for each investment priority will be developed across the region. Over the three-year period the funding will contribute to progressing each of the Investment Priorities of the WYIS, ensuring that it is complimentary to existing programmes, strategies, existing resources and adds value.</p> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 2 (business justification) and work commences on activity 5 (delivery).</p> <p>Total value of the scheme - £11,400,000</p> <p>Total value of Combined Authority funding - £11,400,000</p> <p>Funding recommendation sought - £11,400,000</p> <p>A decision by the Combined Authority is sought as part of this report</p>
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<p><b>CRSTS Programme</b></p> <p>West Yorkshire</p>	<p><b><u>Scheme description</u></b></p> <p>The Department for Transport invited the Combined Authority to bid for funding from its new City Region Sustainable Transport Settlement (CRSTS) fund, for transformational change to be made in local transport networks. The outcome of the bid is expected in Spring 2022.</p> <p>The City Region Sustainable Transport Settlement (CRSTS) 2022- 2027 programme was developed by the Combined Authority in partnership with the five West Yorkshire partner councils.</p> <p>The programme will fund transport improvements including walking and cycling infrastructure across West Yorkshire and will enable more people to access public transport, and to feel safe and comfortable to walk and cycle more in line with district, regional and national strategies.</p> <p>The programme includes new bus priority and cycle corridor schemes, rail improvements, integration and shared mobility measures which could include integrated ticketing and Information, Demand Responsive Transport Trials, electrification and wider roll out of West Yorkshire Car Club Vehicles and pilot Mobility Hubs, electric vehicle (EV) charging and development and initial delivery of a new mass transit system. The CRSTS programme also includes general highways improvement programmes, asset management and renewal programmes, and road safety measures.</p> <p>The CRSTS Programme includes 61 infrastructure schemes which form 10 packages, supported by programme wide activity including a behaviour change programme in line with the Combined Authority's approach to transport investment</p> <p><b><u>Impact</u></b></p> <p>The programme will enable more people to access public transport and encourage more people to travel by bike or on foot as an alternative to car travel, leading to increased levels of physical activity and improved health, particularly in urban communities in areas of higher deprivation, reduce air and noise pollution and reduce isolation.</p> <p>The programme has a benefit cost ratio of 2.3:1 representing high value for money.</p> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 2 (strategic outline case) and work commences on the development of the relevant business case for each individual scheme, subject to the successful outcome of a funding bid to the Department for Transport (DfT).</p> <p>Total value of the scheme - £1,232,000,000</p> <p>Total value of CRSTS funding - £830,000,000</p> <p>Funding recommendation sought - £63,455,916</p> <p>A decision by the Combined Authority is sought as part of this report</p>
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<p><b>Transformational - West Yorkshire Mass Transit</b></p> <p>West Yorkshire</p>	<p><b><u>Scheme description</u></b></p> <p>The Combined Authority in collaboration with partner councils are developing a mass transit system which will offer a new public transport option and an attractive alternative to car travel. The plan sets out a bold and ambitious plan for a new form of transport for West Yorkshire. Alongside cycling and walking, bus and rail, Mass Transit will be essential in helping our communities thrive and the economy to flourish, bringing people and places closer together.</p> <p>The Combined Authority in collaboration with partner councils published the West Yorkshire mass transit vision in January 2021. Looking beyond district boundaries this vision considers corridors linking communities, employment, and other local and regional assets.</p> <p>The programme has been funded from the West Yorkshire plus Transport Fund Transformation Fund up to this point, with a previous approval of £2,041,000 granted at the 27 July 2020 Combined Authority meeting. From March 2022 onwards development funding is being sought from the City Region Sustainable Transport Settlement (CRSTS) where an allocation for £200,000,000 for Mass Transit has been included. The Combined Authority are awaiting a grant determination letter from the Department for Transport (DfT) regarding this funding.</p> <p><b><u>Impact</u></b></p> <p>Alongside cycling, walking, bus and rail, mass transit will be essential in helping our communities thrive and the economy to flourish, bringing people and places closer together. By offering a new public transport option and attractive alternative to car travel, we expect mass transit to help combat climate change and provide climate resilient infrastructure, connect West Yorkshire's important places, support levelling up and help rebalance the economy, improve health and wellbeing and support economic recovery.</p> <p>At this stage a Value for Money position for Mass Transit is not available and will be completed in the following stages.</p> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 2 (strategic outline case) and work commences on activity 3 (outline business case for the Programme Integration Business Case and on activity 2 (strategic outline case) for the four phased corridor projects within the programme.</p> <p>That the Combined Authority endorses the proposed Mass Transit Programme scope, ambition and network and the approach to phase development of projects within the overall programme.</p> <p>That the Combined Authority notes that future assurance of any Mass Transit business case will be "called in" by central government</p> <p>Total value of the programme – Not known at this stage but £200,000,000 has been made available through CRSTS to develop the mass transit programme. Delivery of individual mass transit projects is subject to further funding.</p> <p>Total value of Combined Authority funding - £202,041,000</p> <p>Funding recommendation sought - £31,887,500</p> <p>A decision by the Combined Authority is sought as part of this report</p>
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<p><b>TCF: Leeds Public E-bike Share</b></p> <p>Leeds</p>	<p><b><u>Scheme description</u></b></p> <p>This scheme is a public bike share scheme using electric bikes. The current funding level would allow provision of approximately 630 e-bikes located at 140 hubs / docking stations.</p> <p>The promoters, Leeds City Council, will require operators to offer users a variety of payment methods and ways to unlock the bikes. It is anticipated that the bikes will be available at all times, however there will be the ability to limit use, for example during adverse weather, public events or if required for public safety.</p> <p>The scheme is funded via the Transforming Cities Fund (TCF) Carbon Mitigation Measures Fund.</p> <p><b><u>Impact</u></b></p> <p>The scheme aims to address transport related emissions, due to high levels of dependence on car travel, a key challenge facing Leeds. The scheme aims to diversify the public transport offer in Leeds, providing an inclusive cycling and walking (active) travel system and improving access to bikes.</p> <p>The scheme supports the TCF objectives to make sustainable travel the obvious choice and decarbonise the transport network. It also supports aspirations for a 300% increase in cycle use by 2030. The scheme aims to maximise the use of the expanding cycle network within Leeds and normalise the use of bikes by improving access to them and by appealing to the widest range of potential users.</p> <p>The key benefits of the scheme will be increased participation in cycling and walking, with associated beneficial effects on health and wellbeing, promoting a shift from car travel, reduction in carbon emissions and improved connectivity.</p> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 2 (strategic outline case) and work commences on activity 4 (full business case).</p> <p>Total value of the scheme - £2,394,178</p> <p>Total value of Combined Authority funding - £2,000,000</p> <p>Funding recommendation sought - £0</p> <p>A decision by the Combined Authority is sought as part of this report</p>
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<p><b>Business Productivity Programme</b></p> <p>West Yorkshire</p>	<p><b><u>Scheme description</u></b></p> <p>The Business Productivity Programme (BPP) aims to boost small and medium sized enterprises' (SMEs) productivity by providing an integrated package of investment grants alongside specialist advisory support.</p> <p>It also aims to provide specialist advice to a minimum of 158 businesses (525 over the full three-year programme), 120 (400 over the full programme) of which will also receive financial support through grant investment. Net Zero considerations will be integrated into all grant appraisals and there will be a focus on engaging with a more diverse range of SMEs, including those not previously supported by the Combined Authority.</p> <p>The programme will be available to all sectors, but it is expected that the manufacturing sector will have the highest level of engagement. The programme will prioritise businesses with less than 50 employees to increase additionality, and targets will be set for take-up per district of West Yorkshire, with SME Growth Managers (employed by Local Authorities as part of the Growth Service model) the main engagement route.</p> <p>The integrated package will support businesses to boost productivity, 'scale-up' and create 'Good Jobs' by upskilling existing employees or creating new jobs that pay at least the Real Living Wage.</p> <p>This scheme will be funded from the Single Investment Fund (SIF). Specifically, the gainshare allocation for Investment Priority 1, to fund the programme up until the end of June 2023.</p> <p>The aim is to bid for UK Shared Prosperity Fund (SPF) monies to fund the remainder of the programme up to end of March 2025, once there is more clarity on the criteria and application process for the Fund.</p> <p><b><u>Impact</u></b></p> <p>The project will support businesses to grow, improve productivity and deliver 'Good Jobs', by creating new ones and / or upskilling existing employees.</p> <p>The scheme aims to increase SMEs' productivity by introducing newer, more efficient, and environmentally friendly technologies and operating techniques.</p> <p>Specialist advisory support will help upskill existing staff, provide new 'Good Jobs' and support businesses to contribute to inclusive growth, for example, by engaging with local schools, social enterprises or other third sector organisations, and/or, recruiting apprentices from groups who are disadvantaged in the employment market.</p> <p><b><u>Decision sought</u></b></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 - £4,500,000</p> <p>Total value of Combined Authority funding - £4,500,000</p> <p>Funding recommendation sought - £4,500,000</p> <p>A decision by the Combined Authority is sought as part of this report</p>
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<p><b>Skills Bootcamps</b></p> <p>West Yorkshire</p>	<p><b><u>Scheme description</u></b></p> <p>Skills Bootcamps are intensive, flexible training courses lasting up to 16 weeks, which have the key aim of supporting adults to fulfil their potential, by enabling access to high quality training at Level 3 (equivalent to advanced technical certificate / diploma or A-Levels) and above.</p> <p>The scheme will enable people to access in-demand jobs, apprenticeships, and new opportunities in sectors with skills shortages, including digital, construction and the green economy, leading to higher-skilled, higher paid employment. The scheme will support employers to meet their skills needs to support business growth.</p> <p>Learners will gain specific technical skills relating to key sectors through study, leading to qualifications, peer mentoring, confidence building and sector specific information offering clear pathways to employment and progression opportunities. Each learner's experience will be unique and developed based on their needs and ambitions.</p> <p>Courses will be delivered in person or online with some being a combination of both and will cover a range of subjects including cyber security, artificial intelligence, automation engineering, working in green energy, digital skills in construction and sector specific project management.</p> <p>The Combined Authority will work with training providers to design and develop adult training courses to meet the needs of individuals, while providing employers with the skilled recruits they need for current and future vacancies.</p> <p>The Combined Authority has submitted a proposal for up to £3,689,000 from the Department for Education's (DfE) Wave 3 Skills Bootcamps funding to deliver Skills Bootcamps in West Yorkshire for one year from April 2022 to March 2023.</p> <p>DfE is expected to award funding by the end of March 2022, with delivery starting in April / May 2022.</p> <p><b><u>Impact</u></b></p> <p>The scheme has a target of improving the skills of 1,000 individuals across the West Yorkshire region, enabling them to access in-demand jobs, apprenticeships, and new opportunities in sectors with skills shortages, leading to higher-skilled, higher paid employment. The scheme will support employers to meet their skills needs to support business growth and support the region's economic recovery.</p> <p><b><u>Decision sought</u></b></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 - £3,689,000</p> <p>Total value of Combined Authority funding - £3,689,000</p> <p>Funding recommendation sought - £3,689,000</p> <p>A decision by the Combined Authority is sought as part of this report</p>
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- 4.19 Since the Combined Authority's meeting on 3 February 2022, 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 Place, Regeneration and Housing Committee at its meetings on 07 February 2022 and 08 March 2022. Under the delegation a total expenditure of £8,309,268 has been approved. The decisions were made by the Place, Regeneration and Housing Committee following a recommendation from Combined Authority Programme Appraisal Team.
- 4.20 The following schemes were presented at the Place Regeneration and Housing Committee meeting on 7 February 2022. The full agenda and papers for the meeting can be found on the Combined Authority website [here](#).

<b>TCF Heckmondwike Bus Hub</b>	<p>Approval of outline business case and for work to commence on full business case</p> <p>Funding approved - £328,000</p> <p>Total value of the scheme - £4,970,541</p> <p>Total value of Combined Authority funding - £4,970,541</p>
<b>TCF: Selby Station Gateway Scheme</b>	<p>Approval of outline business case and for work to commence on full business case</p> <p>Funding approved - £4,069,000 (£2,135,000 of which is subject to conditions being met)</p> <p>Total value of the scheme - £22,560,216</p> <p>Total value of Combined Authority funding - £20,502,216</p>
<b>Leeds City Centre Package – City Square Plus</b>	<p>Approval of outline business case and for work to commence on full business case</p> <p>Funding approved – no funding requested at this stage</p> <p>Total value of the scheme - £15,380,000</p> <p>Total value of Combined Authority funding - £6,430,000</p>
<b>BHF Castleford</b>	<p>Approval of outline business case and for work to commence on full business case</p> <p>Details of the costs and funding approved were outlined in an exempt appendix as these are commercially sensitive.</p>
<b>BHF Pontefract</b>	<p>Approval of Full business case approved and for work to commence on activity 5 (delivery).</p> <p>Details of the costs and funding approved were outlined in an exempt appendix as these are commercially sensitive.</p>
<b>Transforming Cities Programme Review</b>	<p>Approval of the review's proposed changes.</p> <p>Funding recommendation sought – no funding requested at this stage</p> <p>Total value of Combined Authority funding - £457,000,000</p>

<b>Getting Building Fund</b>	<p>Progress noted on the delivery of the GBF programme</p> <p>Funding recommendation sought - no funding requested at this stage</p> <p>Total value of the scheme - £56,200,000</p> <p>Total value of Combined Authority funding - £56,200,000</p>
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4.21 The following schemes were presented at the Place Regeneration and Housing Committee meeting on 8 March 2022. The full agenda and papers for the meeting can be found on the Combined Authority website [here](#).

<b>TCF Dewsbury Bus Station</b>	<p>Approval of outline business case and for work to commence on full business case</p> <p>Funding approved - £0</p> <p>Total value of the scheme - £14,337,600</p> <p>Total value of Combined Authority funding - £14,337,600</p>
<b>York Station Gateway</b>	<p>Approval of the change request for development costs of £1,050,000, to extend the scheme delivery timescales to August 2024 and to reallocate the already approved development costs of £2,684,000 from the West Yorkshire plus Transport Fund to the Transforming Cities Fund.</p> <p>Funding approved - £1,050,000</p> <p>Total value of the scheme - £26,379,433</p> <p>Total value of Combined Authority funding - £26,379,433</p>
<b>BHF Leeds East</b>	<p>Approval of outline business case and for work to commence on full business case</p> <p>Details of the costs and funding approved were outlined in an exempt appendix as these are commercially sensitive.</p>
<b>BHF Burmantofts</b>	<p>Approval of outline business case and for work to commence on full business case</p> <p>Details of the costs and funding approved were outlined in an exempt appendix as these are commercially sensitive.</p>
<b>BHF Bingley</b>	<p>Approval of full business case and for work to commence on activity 5 (delivery)</p> <p>Details of the costs and funding approved were outlined in an exempt appendix as these are commercially sensitive.</p>
<b>BHF South Bradford</b>	<p>Approval of full business case and for work to commence on activity 5 (delivery)</p> <p>Details of the costs and funding approved were outlined in an exempt appendix as these are commercially sensitive.</p>



<b>Transport Fund Review 2021</b>	<p>Approval of the review's proposed changes.</p> <p>Funding recommendation sought – no funding requested at this stage</p> <p>Total value of the scheme - £1,000,000,000</p> <p>Total value of Combined Authority funding - £1,000,000,000</p>
<b>Leeds Public Transport Investment Programme (LPTIP) Review 2022 – Part Three</b>	<p>Approval of the review's proposed changes.</p> <p>Funding recommendation sought – no funding requested at this stage</p> <p>Total value of the scheme - £183,400,000</p> <p>Total value of Combined Authority funding - £174,470,000</p>

## 5 Information

5.1 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.

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

## Projects in Stage 1: Assessment and Sequencing

<b>Project Title</b>	<b>City Region Sustainable Transport Settlement (CRSTS) Capacity Fund</b>
<b>Stage</b>	1 (Assessment and Sequencing) and 2 (Project Development)
<b>Decision Point</b>	2, 3 and 4 (Business Justification)

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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

### Background

- 5.3 The government's City Region Sustainable Transport Settlement (CRSTS) programme has been designed to deliver investment in integrated and sustainable transport across a city region, with funding devolved to Mayors over a five-year period to deliver. The Budget 2021 committed £4.2 billion for CRSTS capital settlements for Mayoral Combined Authorities (MCA) commencing in 2022/23. £830,000,000 of CRSTS capital funding was indicatively awarded to the Combined Authority. A Programme Business Case for the CRSTS programme that will be delivered through this £830,000,000 was submitted to government in January 2022.
- 5.4 Department for Transport CRSTS capital funding settlements are complemented by revenue funding allocations to Mayoral Combined Authorities, known as CRSTS Capacity Funding. An allocation of £7,400,000 revenue funding was made to West Yorkshire and grant funding was confirmed and paid to the Combined Authority in May 2021.
- 5.5 A Strategic Assessment was submitted in June 2021 and approval granted by the Combined Authority on 21 June 2021 to progress to SOC, with financial approval for £3,000,000 of initial funding to enable development of the SOC and the CRSTS Prospectus and subsequent Programme Business Case submissions to Government.
- 5.6 This Business Justification sets out a proposal for a further approval of £2,840,000 for (tranche 2). A further tranche of activities will be developed, and approval sought for the remaining £1,560,000 through an update to this Business Justification document providing detail on remaining proposals.

5.7 To note: Alongside confirmation of the indicative capital allocation of £830,000,000 for West Yorkshire, the ministerial letter sent in November 2021 confirmed that in addition to the resource funding provided in 2021/22, Government will provide further funding to support the development and delivery of the CRSTS settlements – with £50,000,000 revenue funding across the eight participating MCAs in 2022/23, then £25,000,000 in 2023/24 and £25,000,000 in 2024/25. If the same approach to apportioning to MCAs is applied as used for the 2021/22 funding, then this would suggest an additional £17,100,000 could be allocated to the Combined Authority and partners in coming years.

5.8 Government's CRSTS guidance sets out a brief description of the purpose of capacity funding, as follows:

- Each eligible MCA with appropriate governance arrangements has been allocated capacity funding to support this programme. Given the long-term and integrated nature of settlements, part of this resource funding should be used to support building longer-term local transport planning and delivery capacity, which could include developing local institutional capability, potentially including formal project and programme leadership training. This funding should be used only for transport purposes, not wider priorities.
- There is no further detailed guidance on how the funding is to be used and as part of a devolved long term funding settlement, a degree of local discretion can be expected in line with the commitment in the West Yorkshire Devolution Deal.
- No monitoring or reporting requirements have been identified in any CRSTS guidance documentation, and there are no conditions attached to the grant funding determination.
- Although payment was made in 2021/22, there are no conditions or known requirements for funding to be spent in year and it is expected that funding can be utilised through the CRSTS period to deliver support when required, to meet local needs.

5.9 The Combined Authority's proposed scope of this funding and core requirements are set out below and the details of individual activities to be funded through tranche 1 and 2 (of 3) are provided in Appendix 2.

- Supporting development of the pipeline of future schemes
- Developing transport policy and strategy that will help to identify schemes for the future pipeline
- Supporting development of the CRSTS 2022-27 programme
- Increasing capacity and skills within the Combined Authority and partner councils

5.10 A summary of the scheme's business case is included in Appendix 3.

## **Tackling the Climate Emergency Implications**

5.11 One of the national CRSTS objectives is decarbonising transport, especially promoting modal shift from cars to public transport, walking and cycling. This CRSTS Capacity Funding will support delivery of the CRSTS Programme which will help achieve the national objective and the West Yorkshire SEF priority, and its Climate and Environment Action Plan aims by:

- Enabling mode shift through improvements to bus, cycle, walking and rail provision in the region. This includes measures to provide priority for buses, in line with the National Bus Strategy requirements, alongside safe, segregated cycle provision, which will make these genuinely competitive transport modes as an alternative to car travel. The mode shift achieved through this programme will help us to meet the travel behaviour changes identified as required in the Connectivity Infrastructure Plan and our Climate and Environment Action Plan 2021-2024.
- Providing a new form of low carbon, high-capacity transport through development and initial delivery of a mass transit system for the region, with further delivery planned through subsequent settlements.
- Enabling decarbonisation of the transport system and vehicles, through investment in zero emission buses and EV charging infrastructure to increase the proportion of electric cars and vans within the overall fleet

## **Outputs, Benefits, and Inclusive Growth Implications**

5.12 The scheme outputs are set out below and the details of individual activities to be funded through tranche 1 and 2 (of 3) are provided in the attached Appendix 2:

- Progress overall development of a transport pipeline between 2022 and 2027 including developing transport policy and strategy that will help to identify schemes for the future pipeline
- Bring individual schemes through the pipeline and get them developed by 2027 or earlier if required to meet other funding opportunities.
- Increasing capacity and skills within the Combined Authority and partner councils and ensure that all West Yorkshire partners have access to appropriate resources, capacity, and skills to deliver the above throughout the programme period (2022-2027).
- A CRSTS bid prospectus set out the headline details of a delivery programme for a five-year period from 2022 to 2027. Further work is required within the required Programme Business Case to provide programme/scheme definition and to support programme set up and scheme development to ensure that delivery can commence from April 2022. Work is then required to develop future schemes for delivery through a future CRSTS settlement (from 2027 onwards) or other funding opportunities that arise. This will involve prioritisation of future schemes within the pipeline for development.

5.13 The scheme benefits are set out below:

- Direct public sector benefits – increased capability and capacity of Combined Authority and partner council staff to manage programmes and deliver high quality transport projects
- Financial benefits such as reduced need for future consultancy support through greater use of in-house resource, following improvements in internal capacity and capability. Some consultancy support is still proposed as part of this Capacity Fund programme to address immediate resource pressures and skills gaps.
- Increased potential for securing future investment through pipeline development, leading to better preparedness for funding opportunities and schemes that have been developed to a greater extent ahead of opportunities arising
- Reduced risk to future investment programmes – through schemes that have been developed to a greater extent before being included in a funded investment programme, de-risking their delivery, for example cost and schedule risks and overall programme risk
- Wider benefits to society – through better, higher quality schemes delivered by better resourced and skilled delivery teams within the Combined Authority and partner councils

5.14 One of the national CRSTS objectives is levelling-up services towards the standards of the best. This CRSTS Capacity Funding will support delivery of the CRSTS Programme, which will help achieve the national objective and the West Yorkshire SEF priority of inclusive growth:

- Prioritising transport on corridors which connect deprived communities to economic opportunities
- Supporting transport interventions which improve access to new housing and employment sites, particularly for walking and cycling which can provide a low-cost travel option for residents
- Interventions in areas of low car ownership, enabling a greater proportion of residents in these areas to access opportunities further afield through sustainable travel
- Ensuring that information about public transport is accessible to all groups, regardless of disability or native language.
- Reducing the many negative impacts of car-based travel, especially where these are borne by those least likely to drive
- Build on existing programmes to continue to fill strategic gaps in our network and bring more people within range of attractive, efficient, sustainable transport options.

## **Equality and Diversity Implications**

- 5.15 The CRSTS Capacity Funding offers the opportunity to increase skills and understanding of issues affecting all users of the transport system, through general and targeted equality diversity and inclusion (EDI) training. This will link to wider organisational EDI training plans and the Combined Authority's Equality Diversity and Inclusion Officer will be involved in the development of training delivered using CRSTS Capacity Funding.
- 5.16 The CRSTS programme which will be supported through CRSTS Capacity Funding aims to make improvements that will increase access for all residents to our transport system and to the opportunities it provides connectivity to. Accessibility improvements to rail and bus facilities across all five West Yorkshire districts will open up the public transport network to a wider range of customers and enable more journeys to be made by sustainable means, whilst interventions in areas of low car ownership, enabling a greater proportion of residents in these areas to access opportunities further afield through sustainable travel. The programme will also see improvements to information and ticketing for public transport is accessible to all groups, regardless of disability or native language

## **Risks**

- 5.17 The key scheme risks are:
- Recruitment of staff – issues with recruiting to some posts have been experienced within the Combined Authority and partner councils in recent years. As this proposal has a focus on increased in house skill and resource levels, this is dependent on the Combined Authority and partner councils being able to recruit to posts. There is also a risk of roles being filled in some authorities through existing staff being recruited from other partners.  
Mitigation: A district resource audit has been undertaken, which has identified current vacancies within partner councils and a plan being developed collaboratively by West Yorkshire partners to address these wider issues around recruitment and retention including improvements to the image and communications of the work of the Combined Authority and partner councils to attract more candidate to the transport industry, public sector work and to West Yorkshire authorities.
  - Insufficient funding to meet demand for support, for example training. Constrained local authority learning and development budgets in the past have led to a training deficit amongst partners and with the range of staff involved in programme and scheme delivery, there may be significant interest and requirement identified for training to be provided across all West Yorkshire partners. This could lead to fewer staff being trained than are needed to successfully deliver CRSTS and future programmes and schemes to the best possible levels of quality, or imbalances in levels of training across teams and partners.  
Mitigation: Initial training needs have been identified as part of the district resource audit and a more detailed training plan will be developed in

conjunction with partner councils to agree a consistent approach that targets resource in the most appropriate way

- Preserving enhanced capacity and capabilities - Investment into resources and skills, for example through recruitment and training, and the broader capacity and capability of the Combined Authority and partner councils will put at risk if staff cannot be retained.  
Mitigation: as part of wider planning around recruitment and resourcing (see above), measures to increase staff retention will be explored and implemented. This could include consideration of pay grades and working conditions as well as containing to provide development opportunities and create structures that enable progression within authorities.
- External supplier availability (where external support is still required) - External suppliers, for example consultancy support, is required in some specialist areas (e.g. rail, training provision) and where internal resource is not sufficient to deliver work in house. Demand for consultancy support arising from the Combined Authority and partner councils for other workstreams, as well as wider industry requirements, could lead to difficulties in successfully procuring suitable support.  
Mitigation: external support will be aimed at meeting specialist needs rather than addressing general resource gaps, and consideration of delivery internally will be made if this can deliver outputs to timescales required. Existing frameworks will be used, and market testing undertaken where appropriate for the nature and scale of work.

## **Costs**

- 5.18 Department for Transport CRSTS capital funding settlements are complemented by revenue funding allocations to Mayoral Combined Authorities, known as CRSTS Capacity Funding. An allocation of £7,400,000 revenue funding was made to West Yorkshire and grant funding was confirmed and paid to the Combined Authority in May 2021.
- 5.19 A Strategic Assessment was submitted in June 2021 and approval granted by the Combined Authority on 21 June 2021 to progress to SOC, with financial approval for £3,000,000 of initial funding to enable development of the SOC and the CRSTS Prospectus and subsequent Programme Business Case submissions to Government.
- 5.20 This Business Justification sets out a proposal for a further approval of £2,771,988 for (tranche 2) as detailed in Appendix 2.
- 5.21 A further tranche (tranche 3) of activities will be developed and approval sought for the remaining £1,560,000 through an update to this Business Justification document providing detail on remaining proposals.
- 5.22 Tranche 2 costs are as follows: remaining funding is:
- £1,900,000 for staff costs to create additional capacity, including £410,000 for pipeline development support, £850,000 for transport

modelling capability, £360,000 for communications and engagement and £290,000 for technical support on quality management and quality panel resourcing

- £500,000 for support to the partner councils for CRSTS scheme development costs to develop schemes to SOC stage
- £200,000 for a training package for Combined Authority and partner council officers, plus potential elected member training and awareness raising
- £220,000 for additional consultancy support for strategy development work

5.23 Approval to £2,756,411 for tranche 2 (of 3) is given, allocated as detailed in Appendix 2, bringing the total approval to £5,756,411.

5.24 The Combined Authority will enter into Funding Agreements with each of the councils for expenditure as detailed in Appendix 2.

5.25 The scheme Spend Profile is as detailed in Appendix 2.

### **Assurance Pathway and Approval Route**

Assurance pathway	Approval route	Forecast approval date
1 (strategic assessment)	Recommendation: Strategic Assessment Priority (SAP) Group Decision: Director of strategy, Communications and Policing and Director of Delivery	21/06/2021
2 to 4 (business justification)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	17/03/2022
Approval to Proceed	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	30/03/2022
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	02/10/2023



	Decision: Combined Authority's Director of Delivery	
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## Other Key Timescales

5.26 Other timescales are:

- 01/07/2022 - Tranche 3 proposals defined, and approval granted

## Assurance Tolerances

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

## Appraisal Summary

- 5.27 The strategic case is strong and capacity funding to the partner councils and the Combined Authority are key to ensuring the success of the CRSTS programme. It is recommended that work is undertaken during delivery to make the outputs SMARTer.
- 5.28 Value for money assessments for funding and activities of this nature are not considered appropriate, with no known assessment methodology or comparators to base an assessment on. However, investment of this kind is still regarded as providing good value for money.
- 5.29 Activities will be funded via a combination of existing staff resource, external recruitment, and procurement of external suppliers where necessary. Procurement of any external suppliers for consultancy or training will be undertaken in line with the Combined Authority's Contract Standing Orders and Procurement and Commercial Strategies.
- 5.30 £3,000,000 of initial funding to enable development of the SOC and the CRSTS Prospectus and subsequent Programme Business Case submissions to Government (tranche 1) has been previously approved.
- 5.31 Approval to £2,756,411 for tranche 2 (of 3) is requested, allocated as detailed in Appendix 2, bringing the total approval to £5,756,411. Tranche 3 activities will be developed, and approval sought for the remaining £1,560,000 providing detail on remaining proposals. However, it is worth noting that:
- There are a number of costs in Appendix 2 that could be capitalised. It is proposed that when schemes get capital allocations from CRSTS the capacity funding revenue should be replenished. Therefore, it is expected that the fund will work as a revolving pot.
  - A costed training and development plan will be developed for inclusion in tranche 3 and / or and future capacity funding grants for 2022/23, 2023/24.

- 5.32 Oversight of delivery of CRSTS Capacity Fund programme will be provided by the CRSTS Internal Oversight Board which will oversee delivery of the capital programme and progress on delivery of the CRSTS Capacity Fund programme will be reported to the Policy Sponsor and updates provided to the CRSTS Internal Oversight Board in line with the overall programme management approach being developed for the capital programme.

### **Recommendations**

- 5.33 The Combined Authority approves that:
- (i) The CRSTS Capacity Fund scheme proceeds through decision point 2 to 4 (business justification) and work commences on activity 5 (delivery).
  - (ii) An indicative approval to the Combined Authority's contribution of £7,400,000. The total scheme value is £7,400,000.
  - (iii) Approval to £2,756,411 for tranche 2 (of 3) is given, allocated as detailed in Appendix 2, bringing the total approval to £5,756,411.
  - (iv) The Combined Authority enters into a Funding Agreement with each of the councils for expenditure as detailed in Appendix 2.
  - (v) Changes to allocations in iii) and iv) above are delegated to the Senior Responsible Officer (Interim Director of Policy and Development) of the CRSTS programme.
  - (vi) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and where required, any change requests are delegated to the Transport Committee. This will be subject to the scheme remaining within the tolerances outlined in this report.

<b>Project Title</b>	<b>Gainshare Capacity Funding</b>
<b>Stage</b>	1 (Assessment and Sequencing) and 2 (Project Development)
<b>Decision Point</b>	2, 3 and 4 (Business Justification)

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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

## Background

- 5.34 This scheme will be funded from the Single Investment Fund (SIF).
- 5.35 At the Combined Authority meeting in June 2021 the approach to the Single Investment Fund (SIF) and the West Yorkshire Investment Strategy (WYIS) were endorsed. The WYIS sets out the Investment Priorities for an investment period, currently April 2021 to 31 March 2024, framed across six areas. These investment priorities are multi-dimensional and complementary. They are underpinned by three cross cutting themes: tackling inequalities; inclusive growth; and tackling the Climate Emergency.
- 5.36 In each Investment Priority area, a number of priority project/programme areas have been identified that are the focus for intervention. It is intended that over the medium term, a pipeline of overarching programmes/projects for each area will be developed across the region.
- 5.37 However, during partnership discussions, it has been identified that there are significant capacity restraints across the region. Additional capacity is required within both the Combined Authority and the Local Authorities in order to develop a comprehensive pipeline of schemes and interventions to meet the ambitious collective priorities and objectives and ensure key outcomes are met. Robust pipelines are not just important to maximise future gainshare and to identify future borrowing needs but are also key to ensure the region is in a strong position for future external funding, further devolution, and government spending rounds.
- 5.38 Combined Authority on 03 February 2022:

- (i) Indicatively approved the revenue funding envelopes to the Investment Priorities within the WYIS for the financial years 21/22-24/25. Full approvals to spend will be granted once pipelines of projects have been developed. All schemes and pipeline will be progressed through the assurance process in line with the Combined Authority's Assurance Process.
  - (ii) Indicatively approved £11,400,000 funding from the Single Investment Fund to the Combined Authority and Local Authorities to support capacity issues and enable pipeline development work to be undertaken against the Investment Priorities. Full approval to spend will be granted once the project has progressed through the assurance process in line with the Combined Authority's Assurance Process.
- 5.39 To allow work to be progressed approval is sought of £11,400,000 over the financial years 2022/23-2024/25 to boost capacity and enable scheme and pipeline development to be undertaken. It is proposed that this funding is split equally, £1,890,000, for each of the five Local Authorities and the Combined Authority plus £60,000 for project management support, with flexibility to spend across the three years in the most appropriate way for the organisation. Capacity funding is expected to help facilitate and support the creation of new jobs across the partners, which will support delivery of the six Investment Priorities of the WYIS by increasing resources.
- 5.40 The breakdown for each partner against each of the six Investment Priorities is set out in Appendix 4 and a summary of the scheme's business case is included in Appendix 5.

### **Tackling the Climate Emergency Implications**

- 5.41 The capacity funding supports IP4 – Tackling the Climate Emergency. £1,654,359 has been requested to support this IP.
- 5.42 Tackling the Climate Emergency is at the heart of the SIF and WYIS as a key investment priority. The Local Authorities and Combined Authority have detailed their consideration, at this stage, of climate impacts in Appendix 4.

### **Outputs, Benefits, and Inclusive Growth Implications**

- 5.43 The scheme outputs and benefits are:
- Develop and accelerate a pipeline of activity at a local and sub regional level including development of intelligence led business cases
  - Develop, plan, model, and design wider area interventions to unlock development sites e.g., for affordable housing and/or commercial use including the promotion of active travel, modal shift and public transport integration helping address the climate emergency and reduce inequalities.

- Strengthen strategic relationships with key stakeholders – including partnership work between the local authority partners and the Combined Authority to enhance strategy and policy development.
- Fund additional technical consultancy, for example, to support design, planning applications and procurement of key infrastructure, as required.
- Undertake primary and secondary research, providing a robust baseline of evidence and intelligence, to better understand the opportunities, gaps, and impact of collective and individual interventions (annual assessments).
- Provide resources to improve the interpretation of data and intelligence locally and at a regional West Yorkshire level, to monitor, evaluate and challenge project delivery or to use this intelligence to update and strengthen new strategy and policy frameworks alongside pipeline project development.
- Develop activity to build an inclusive economy, taking forward initiatives based on initial pilot work, including spatially focused activity.
- Develop new approaches that embed fair work, inclusive economy and community wealth building and which lever in social value.
- Improve local and regional propositions to attract external funding

5.44 Inclusive growth is core within the Investment Priorities of the West Yorkshire Investment Strategy to ensure everyone benefits from the investments made across the region. As such, the schemes brought forward will ensure they have considered the inclusive growth implications, and each authorities consideration, at this stage, is detailed in Appendix 4.

### **Equality and Diversity Implications**

5.45 Reducing inequality is a cross cutting theme within the Investment Priorities of the WYIS to ensure that investments made across the region support equality and Diversity. The Local Authorities and Combined Authority have detailed, at this stage, how they intend to utilise their share of the £11,340,000 over the three-years, including taking into account the cross-cutting theme of the WYIS of reducing inequality, in Appendix 4.

5.46 Equality Impact Assessments will be undertaken as part of scheme development to ensure that as schemes progress through Assurance Framework equality, diversity and inclusion is given due regard.

### **Risks**

5.47 The key risk is:

- The deliverables as noted in Appendix 4 are not completed and realised within the three-year timeframe – which will ultimately result in the ambition of the WYIS not being realised. The impact of this is significant as the purpose of the WYIS is to direct investment and development activity in the short to medium term and invest in and effectively target

interventions and opportunities that deliver the transformational change required which address the wider strategic aims of the Combined Authority to generate the growth required for the region.

Mitigation - Ensure the resource is managed effectively by each partner to ensure it is not diverted from the intended purpose and monitored in a timely and robust manner to demonstrate progress is being made. Whilst flexibility, for its use, has been granted over the three-year investment period, there is an expectation that the work will be progresses at speed and will be achieved in a timely manner. As Accountable Body for the Fund the Combined Authority will mitigate these risks by holding the Combined Authority and Local Authorities to account according to the deliverables and outcomes they have stated. Effective communication between partners will enable effective mitigation of any issues as and when they may arise. As a minimum it is expected a report will be shared with the West Yorkshire Political Leadership Group bi-annually and a full progress report provided to the Combined Authority on an annual basis.

### **Costs**

- 5.48 The total scheme costs are £11,400,000.
- 5.49 The Combined Authority's contribution is £11,400,000 from the Single Investment Fund, which is to be split between the five Local Authorities and the Combined Authority as detailed in Appendix 4, plus £60,000 for project management support. The total was approved by the Combined Authority in principle at the 3 February 2022 meeting.
- 5.50 The Combined Authority will need to enter into a funding agreement with each of the partner councils for expenditure of up to £1,890,000 from the Single Investment Fund (SIF).

### **Assurance Pathway and Approval Route**

Assurance pathway	Approval route	Forecast approval date
Approval to Proceed	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	25/03/2022

### **Other Key Timescales**

- 5.51 Other timescales are:
- April 2022 - Funding available to Local Authorities and Combined Authority
  - March 2025 - Funding ends

### **Assurance Tolerances**

Assurance tolerances
Combined Authority costs remain within those outlined in this report
Delivery (DP5) timescales remain within those outlined in this report.
Outputs: Remain within -10% of those outlined in this report

## Appraisal Summary

- 5.52 The strategic case is strong and capacity funding to the partner councils and the CA are key to ensuring the CA has a pipeline of overarching programmes / projects for each investment priority across the region. However, further work is required during delivery to make the Deliverables and Outcomes Targeted SMARTer.
- 5.53 A number of options have been considered and the recommended option has been well justified, with reference to the spending objectives and critical success factors and offers a value for money solution to a pipeline of overarching programmes / projects.
- 5.54 The demand for this funding is well evidenced. At this stage procurement routes are not set out, but the majority of funding is for staffing within the councils or Combined Authority. Procurement is required for consultancy support or undertaking feasibility studies / surveys, which are standard procurements, which is why the commercial case is Amber.
- 5.55 £11,400,000 was approved by the Combined Authority in principle at the 3 February 2022 meeting, so funding is in place and what it is to be spent on is outlined in reasonable detail.
- 5.56 The programme will be governed through bi-annual status reports to the West Yorkshire Political Leadership Group and an annual progress report will be presented to the Combined Authority to demonstrate the progress in supporting the delivery of the WYIS. Although there is no detail on how quality, change, risk, contract, evaluation etc. management arrangements will be managed, the Local Authorities and the Combined Authority have set out their own project management arrangements to manage the funding. However, the governance for the capacity funding and the overall gainshare funding needs strengthening and therefore also monitoring and reporting during the three years and the final evaluation.

## Recommendations

- 5.57 The Combined Authority approves that:
- (i) The Gainshare Capacity Funding scheme proceeds through decision point 2 to 4 (business justification) and work commences on activity 5 (delivery).
  - (ii) Approval to the total scheme value of £11,400,000 is given, allocated as detailed in Appendix 4.

- (iii) The Combined Authority enters into a Funding Agreement with each of the councils for expenditure of up to £1,890,000.
- (iv) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and where required, any change requests are delegated to the Finance, Resources and Corporate Committee. This will be subject to the scheme remaining within the tolerances outlined in this report.



<b>Project Title</b>	<b>CRSTS Programme</b>
<b>Stage</b>	1 (eligibility)
<b>Decision Point</b>	2 (strategic outline 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:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

## Background

- 5.58 The government's City Region Sustainable Transport Settlement (CRSTS) programme has been designed to deliver investment in integrated cross-modal sustainable transport plans across a city region, with funding devolved to Mayors over a five-year period to deliver. The Budget 2021 committed £4.2 billion for CRSTS capital settlements for Mayoral Combined Authorities (MCA) commencing in 2022/23. £830,000,000 of CRSTS capital funding was indicatively awarded to the Combined Authority. A Programme Business Case for the CRSTS programme that will be delivered through this £830,000,000 was submitted to government in January 2022. Confirmation of the settlement from government is expected in spring 2022.
- 5.59 The population of West Yorkshire is expected to grow from approximately 2.3 million to 2.5 million by 2040, which will increase demand and pressure on existing transport networks.
- 5.60 West Yorkshire has busy urban areas as well as isolated villages and market towns. Since the 1960s, large-scale public transport investment has generally been focused on urban areas, leaving people in other areas to become more reliant on cars, to become more dependent on cars, which has further isolated those who do not or cannot drive. The transport network requires significant investment to help boost the region's productivity, level up across the region and decarbonise the transport system through modal from private cars to sustainable transport.
- 5.61 It is recognised that private vehicles still make up a sizeable proportion of journeys in the region, contributing to serious public health and environmental challenges. The CRSTS programme aims to address inequalities in transport provision, reduce carbon emissions through modal shift from cars to

sustainable transport, and help build a strong economy with access to job opportunities for all, particularly those living in areas of deprivation.

- 5.62 The programme is made up of a wide range of components, including the TCF programme (delivering bus, cycling, walking and rail improvements), new bus priority and cycle corridor schemes, rail improvements, integration, and shared mobility measures, electric vehicle (EV) charging and development and the initial development of a new mass transit system for the region. The CRSTS programme also includes general highways improvement programmes, asset management and renewal programmes, and road safety measures.
- 5.63 The CRSTS Programme includes 61 schemes which are part of the following 10 packages:
- Better places programme - local cycling, walking and neighbourhood improvements
  - Bus and cycle priority corridor improvements
  - Integrated Shared Transport – for example integrated ticketing and information, demand response transport, and mobility hubs
  - Maintenance and Renewal - roads and pavements
  - Maintenance and Renewal -traffic signals, rights of way and bus infrastructure
  - Mass Transit development
  - Rail accessibility, connectivity, and capacity improvements
  - Regional Pilot and Decarbonisation Programme
  - Safer Roads Programme
  - Zero Emission Buses
- 5.64 CRSTS also includes the Behaviour Change Programme. The Behaviour Change Programme will deliver activity that will enable more people to travel by public transport, on foot and by bike as well as benefit from the place-based initiatives to be delivered by CRSTS.
- 5.65 A summary of the programme's business case is included in Appendix 6.

### **Tackling the Climate Emergency Implications**

- 5.66 One of the national CRSTS objectives is decarbonising transport, especially promoting modal shift from cars to public transport, walking and cycling. This CRSTS Capacity Funding will support delivery of the CRSTS Programme which will help achieve the national objective and the West Yorkshire SEF priority, and its Climate and Environment Action Plan aims by:
- Enabling mode shift through improvements to bus, cycle, walking and rail provision in the region. This includes measures to provide priority for buses, in line with the National Bus Strategy requirements, alongside safe, segregated cycle provision, which will make these genuinely

competitive transport modes as an alternative to car travel. The mode shift achieved through this programme will help us to meet the travel behaviour changes identified as required in the Connectivity Infrastructure Plan and our Climate and Environment Action Plan 2021-2024.

- Providing a new form of low carbon, high-capacity transport through development and initial delivery of a mass transit system for the region, with further delivery planned through subsequent settlements.
- Enabling decarbonisation of the transport system and vehicles, through investment in zero emission buses and EV charging infrastructure to increase the proportion of electric cars and vans within the overall fleet

5.67 Through modal shift from car to sustainable transport and decarbonisation of transport systems, the programme will reduce carbon emissions and support West Yorkshire's aspirations to become a net zero carbon region by 2038. The programme is forecast to reduce carbon emissions by up to 15,000 tonnes per year by 2038.

5.68 The Combined Authority was recently invited to receive funding to become a Zero Emission Bus Regional Area and support decarbonisation in the transport sector along with the roll-out of 4,000 Zero Emission Buses. The CRSTS Programme will support this and deliver more zero emission technology.

### **Outputs, Benefits, and Inclusive Growth Implications**

5.69 The scheme outputs and benefits include:

- Increased access to jobs by bus, contributing to the creation of 1,000 well paid, skilled jobs for young people by 2026.
- Improve public transport accessibility in the 20% most deprived communities and improve opportunities for all
- Improve public satisfaction in local places and streets compared to the baseline for appropriate schemes.
- Take up to 12.5 million car trips per year off our roads by 2038.
- Against a forecasted increase in carbon emissions from transport, reduce CO2 emissions from car travel by up to 1.5% (up to 15,000 tonnes per year) by 2038.
- Help achieve decarbonisation objectives for bus and 100% zero emission fleet by 2038.
- Bus priority schemes will improve bus journey times and bus user satisfaction compared to the baseline position
- Mass Transit will contribute to a growth in productivity for the region above the UK average by 2038.
- Mass Transit will connect up to 35 housing growth sites and 17 employment growth zones and five hospitals by 2038.

- 5.70 The benefit cost ratio for the programme has been calculated as 2.3:1 representing high value for money. This programme level economic appraisal excludes the mass transit package which is subject to separate assessment.
- 5.71 One of the national CRSTS objectives is levelling-up services towards the standards of the best. Delivery of the CRSTS Programme will help achieve the national objective and the West Yorkshire SEF priority of inclusive growth:
- Prioritising transport on corridors which connect deprived communities to economic opportunities
  - Supporting transport interventions which improve access to new housing and employment sites, particularly for walking and cycling which can provide a low-cost travel option for residents
  - Interventions in areas of low car ownership, enabling a greater proportion of residents in these areas to access opportunities further afield through sustainable travel
  - Ensuring that information about public transport is accessible to all groups, regardless of disability or native language.
  - Reducing the many negative impacts of car-based travel, especially where these are borne by those least likely to drive
  - Build on existing programmes to continue to fill strategic gaps in our network and bring more people within range of attractive, efficient, sustainable transport options.

### **Equality and Diversity Implications**

- 5.72 An Equality Impact Assessment has been undertaken to assess impacts at programme-level. The Combined Authority's Equality Impact Assessment Toolkit will be used to undertake Equality Impact assessments for all schemes within CRSTS will ensure that the accessible and inclusive nature and progress of the work is assessed and is maximised, as well as recognising the relationships between EDI, wellbeing, and climate change. An Equality, Diversity and Inclusion lead will be represented on the Programme Board to ensure equality, diversity and inclusion is embedded into the programme and supporting programmes and structures.

### **Risks**

- 5.73 The scheme risks include:
- Current and future inflation are not as initially assumed at the time of compiling the CRSTS programme. Costs will continue to increase throughout the settlement faster than what was reasonably allowed for, which will increase delivery costs beyond the settlement amount. This will be mitigated by considering procurement on a fixed basis or with an industry recognised inflationary index.
  - The impacts of the COVID-19 pandemic continue to be felt throughout the settlement period with new variants emerging, restrictions imposed

and supply chains suffering resulting in delays and increased costs. This will be mitigated by continuing to develop mitigation plans and engagement with the supply chain to understand long term impacts.

- Supply chain capacity and ability to deliver due to global factors and the post pandemic landscape. Issues currently exist and it is uncertain how long these issues will remain, and supply chains recover to pre-pandemic service levels. This will be mitigated by engagement with supply chains to understand issues and causes.
- Statutory processes take longer, or objections received. This will be mitigated by early engagement with stakeholders.
- Land acquisition takes longer and delays schemes. This will be mitigated by appointing land and legal consultants to advise on schemes early.
- Changes in political landscape and priorities at a local, regional, or national level. This will be mitigated by close dialogue with political stakeholders, ensuring appropriate briefings occur following any political changes.
- Local contribution does not materialise. This will be mitigated by working closely with partners and the private sector to ensure opportunities are secured.
- Availability of suitably qualified and experienced resources. This will be mitigated by resource audits and mapping to identify resource need.
- Infrastructure works cause network disruption delaying journeys and public frustration. This will be mitigated with dialogue with partner councils and key third-party stakeholders to understand scheme dependencies and co-ordinate work.
- When developed, schemes do not deliver the expected benefits or are not supported by stakeholders. This will be mitigated by regular reviews of schemes as they develop and early stakeholder engagement and buy in to help shape the schemes.

## **Costs**

- 5.74 The programme has a total cost of £1,231,994,853. This is funded from a number of sources on top of the £830,000,000 of CRSTS funding. These include TCF funding (DfT and gainshare), LPTIP, WY+TF, LTP IT, CCAG etc. and other sources such as Network Rail and Towns Fund. They have been included in the Programme Business Case sent to government to show contributions from other funding sources. Local contributions towards schemes have also been included from the public sector and private sector. These contributions are required to deliver the CRSTS programme as outlined in the Programme Business Case.
- 5.75 The CRSTS Programme Business Case also includes a level of over programming (£90,013,000) that reflects the high scenario proposal originally bid for (£920,000,000). The proposal to manage the over programming is to undertake a review at the end of year one, and subsequent years, to review

progress in terms of scheme development and delivery to assess progress against spend and outputs in line with the CRSTS objectives.

5.76 The proposed programme is split into 10 packages:

<b>Costs</b>	<b>Total (2022-27) - £</b>
Maintenance and renewal: roads and footways	248,000,000
Mass Transit development and initial delivery programme	199,912,500
Bus and cycle priority corridor improvements	248,037,604
Better Places programme - local cycling, walking and neighbourhood improvements	210,487,391
Rail accessibility, connectivity and capacity improvements	102,046,479
Zero Emission Buses	28,918,730
Integrated Shared Transport	89,176,286
Maintenance and renewal: traffic signals, rights of way and bus	61,425,722
Regional Pilot Decarbonisation Programme	9,135,991
Safer Roads Programme	34,854,149
<b>Total</b>	<b>1,231,994,853</b>
<b>Funding</b>	<b>Total (2022-27) - £</b>
<i>Central government funding</i>	
CRSTS funding	830,000,000
Other funding <i>From other programmes and sources, CA funding e.g. TCF funding and gainshare, LPTIP, WY+TF, LTP IT, CCAG) and other sources such as Network Rail, Towns Fund</i>	292,751,000
<i>Local contributions towards schemes</i>	
Public sector (MCa/La)	7,420,000
Private sector (third party)	11,810,853
<b>Total funded</b>	<b>1,141,981,853</b>
<b>Overprogramming</b>	<b>90,013,000</b>
<b>Total funding plus overprogramming</b>	<b>1,231,994,853</b>

5.77 Programme wide costs, including programme management, programme level risk and inflation allowances, the behaviour change programme, monitoring and evaluation, communications and consultation and engagement costs are apportioned between the 10 packages.

5.78 Given the forecast cost and complexity of delivery, this report is seeking approval for development and delivery costs of £63,455,916, which are included in the total costs outlined above, for business case development and programme management costs, comprising:

- Up to £30,311,916 for monitoring and evaluation, communications, consultation and engagement and Combined Authority programme management associated with delivering the programme
- Up to £3,000,000 for business case development. It is proposed that schemes seeking this funding present funding requests to the Combined Authority's Programme Appraisal Team (PAT) for consideration, with approval from the Director of Delivery, if appropriate. This report is therefore also seeking approval for the delegation of authority to the Combined Authority's Director of Delivery, to approve requests for

business case development costs, in accordance with the Assurance Framework.

- Up to £30,144,000 for the maintenance and renewal of roads and pavements, traffic signals, rights of way and bus and the Safer Roads programme, to cover costs for quarter 1 and quarter 2 of the 2022/23 financial year only. Approvals for further funding will be sought via the SOC submission later in the year.

5.79 The behaviour change programme requests the delegation of authority to the Combined Authority's Managing Director to approve the behaviour change programme proceeding into delivery in accordance with the Assurance Framework, so that delivery can commence in line with delivery timescales. The approval to progress to delivery will be sought via a change request, which will provide more detail about the behaviour change programme's individual schemes and how the indicative allocation of £10,550,000 will be split between those schemes.

### Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
2 (strategic outline case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	17/03/2022
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	30/04/2027
6 (financial closure)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	25/06/2027
7 (evaluation)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	28/04/2028

5.80 Individual scheme approval routes will be confirmed as part of the business case submissions and are not requested as part of this strategic outline case approval.

### Other Key Timescales

- March 2022 - Funding allocation confirmed

- April 2022 - Start of programme delivery
- December 2024 – Transforming Cities Fund (TCF) funded schemes completed
- March 2027 - All other schemes (except mass transit) completed
- April 2028 - Evaluation completed

## Assurance Tolerances

Assurance tolerances
That Combined Authority costs remain within the agreed settlement amount of CRSTS. Delivery (DP5) timescales remain within 6 months of those outlined in this report.

## Appraisal Summary

- 5.81 The CRSTS programme aims to deliver a number of schemes to tackle congestion, improve air quality and make sustainable transport (public transport, walking and cycling), the first choice of transport for people in West Yorkshire. The strategic case discusses the population of West Yorkshire and how there are increasing pressures on the transport networks, resulting in the need for improvements. Details of strategies and policies the programme aligns with have been set out, including the Mayor's priorities and climate emergency.
- 5.82 The strategic outline case details how the programme will contribute towards inclusive growth, along with the current challenges with equal access to transport for education and employment opportunities.
- 5.83 The schemes to be developed in this programme were selected in partnership with partner councils and have been documented in the business case. The schemes were selected through a prioritisation process which appears reasonable and individual scheme economic appraisals will be undertaken as they progress through the assurance process.

## Recommendations

- 5.84 The Combined Authority approves that, subject to the successful outcome of the bid to DfT:
- (i) The City Region Sustainable Transport Settlement (CRSTS) programme proceeds through decision point 2 (strategic outline case) and work commences on development of the relevant business case for each individual scheme
  - (ii) An indicative approval to the total programme value of £830,000,000 is given. The total programme cost is £1,231,994,853.



- (iii) Approval of development and delivery costs of up to £63,455,916 for business case development and programme management costs is given as follows:
- Up to £30,311,916 for monitoring and evaluation, communications, consultation and engagement and Combined Authority programme management
  - Development costs of up to £3,000,000 to enable delivery partners to develop scheme business cases.
  - Delivery and development costs of up to £30,144,000 for the development of strategic outline cases and quarter 1 and quarter 2 costs for the Highways Asset Management, Network Management and Safer Roads programme.
- (iv) Approval is given for the delegation of authority to the Combined Authority's Director of Delivery, following a recommendation from the Programme Appraisal Team, to approve requests for business case development costs, in accordance with the Assurance Framework.
- (v) Approval is given for the delegation of authority to the Combined Authority's Managing Director, following a recommendation from the Programme Appraisal Team, to approve the behaviour change programme proceeding into delivery in accordance with the Assurance Framework from the indicative allocation of £10,550,000.
- (vi) In order to ensure that schemes can be delivered within the tight timescales, the Combined Authority delegates authority to the Managing Director to amend the approval and allocation of CRSTS if the DfT award differs from £830,000,000, or if further changes to individual allocations is required, as a result of changes to the programme and approaches to delivery.
- (vii) The Combined Authority enters into Funding Agreements with partners councils for expenditure, for the Highways Asset Management, Network Management and Safer Roads programme, up to the amounts shown below:
- Bradford                      £6,486,308
  - Calderdale                    £3,846,476
  - Kirklees                        £6,161,288
  - Leeds                            £9,281,288
  - Wakefield                      £4,368,640
- viii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and any change requests are delegated to the Transport Committee, which will be subject to the scheme remaining within the tolerances outlined in this report.

<b>Project Title</b>	<b>Transformational - West Yorkshire Mass Transit</b>
<b>Stage</b>	1 (eligibility)
<b>Decision Point</b>	2 (strategic outline 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:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

## Background

- 5.85 West Yorkshire has a vision “to be recognised globally as a great place to live with a strong, successful economy where everyone can build businesses, careers and lives supported by a superb environment and world-class infrastructure”. An accessible, efficient, and reliable transport network is one way that this Vision can be achieved.
- 5.86 The West Yorkshire Combined Authority in collaboration with partner councils are developing a mass transit system which will offer a new public transport option and an attractive alternative to car travel. The plan sets out a bold and ambitious plan for a new form of transport for West Yorkshire. Looking beyond district boundaries this vision considers corridors linking communities, employment, and other local and regional assets.
- 5.87 Alongside cycling, walking, bus and rail, mass transit will be essential in helping our communities thrive and the economy to flourish, bringing people and places closer together. By offering a new public transport option and an attractive alternative to car travel, it is expected that Mass Transit will address the Combined Authority priorities by:
- **Helping combat climate change** - provide climate resilient infrastructure and improve air quality by being low emission and providing an attractive and sustainable alternative to car travel.
  - **Connecting West Yorkshire’s important places** - Help people travel to jobs and education in a reliable, efficient, and affordable way. Increase the job and training opportunities people can easily get to.
  - **Supporting economic recovery** - Improve connections between areas of housing growth and employment, education, health, and leisure opportunities. Improve connections to new employment sites.

- **Improving health and wellbeing** - Make travelling around West Yorkshire a more pleasant experience. Support improved public realm. Provide an attractive alternative to car travel.
- **Supporting levelling up and help rebalance the economy** - Reduce transport barriers which limit travel horizons and so increase access to employment, education, health, leisure, and other services. Improve connections to local and district centres. Be fully accessible to all. Support redevelopment and regeneration.

5.88 The Mass Transit programme has the following strategic objectives (with the text in brackets showing which of the West Yorkshire Strategic Economic Framework (SEF) goals these support):

- A bigger, stronger, and rebalanced economy (“boosting productivity”)
- Delivery of new housing (“boosting productivity”)
- Sustainable development and regeneration of neighbourhoods, district centres, towns, and cities (“enabling inclusive growth”)
- Enhanced quality of life for West Yorkshire's residents and visitors (“enabling inclusive growth”)
- A low emission and low carbon future (“tackling the climate emergency”).

5.89 The proposed Mass Transit programme is aligned with the Mayor's pledges. Mass Transit will require a skilled labour force to construct and operate, it will help to attract inward investment and business growth, provide fast, reliable, and attractive public transport links to jobs, kick-start development and regeneration and prioritise inclusive growth.

5.90 Mass Transit will be part of a wider integrated transport system for West Yorkshire with simpler fares and contactless ticketing. As a part of the wider Connectivity Infrastructure Plan, Mass Transit will support existing local plan spatial priority areas and employment and housing centres across the region. Mass Transit will help combat climate change by offering a clean and sustainable means to travel across the region, offering an attractive and sustainable alternative to car travel and by providing climate resilient infrastructure.

5.91 The Mass Transit Vision was published as part of a wider West Yorkshire Connectivity Infrastructure Plan consultation in January 2021. At its meeting on 9 December 2021, the Combined Authority noted the feedback from the public engagement on the Connectivity Infrastructure plan and Mass Transit Vision. The engagement undertaken produced the largest response of its type that the Combined Authority has ever run. There were 430,000 social media views of the engagement material. We received 7,800 responses to our surveys, polls, the interactive map, and other stakeholder feedback. Overall, the support for the Vision was strong. Around 80% of respondents said they supported the Vision, either fully or in part.

- 5.92 Lessons learnt from other schemes demonstrate the importance of the early strategic work activities and that decisions undertaken during the front-end planning stage of projects play a vital role in defining the need for a project and determining whether it's a success. Work to date has put the programme onto a good footing.
- 5.93 The Strategic Assessment was approved by the Combined Authority in July 2020 and £2,041,000 of development funding from the West Yorkshire plus Transport Fund – Transformational Fund was provided.

#### Funding

- 5.94 The Combined Authority has an indicative allocation of £830,000,000 from the City Region Sustainable Transport Settlement (CRSTS) for the five-year period 2022/23 to 2026/27, following a submission to government in September 2021. Within this submission the Combined Authority set out the case for mass transit and included the development costs required in the next five years, for the first phases of the network. A further CRSTS business case is being submitted to government which includes further details on mass transit and seeks £200,000,000 for development and initial delivery. It is noted that delivery of mass transit will cost significantly more than the allocation currently available. The CRSTS proposal is over-programmed and so the exact amount to be spent on mass transit over the next five years will depend on the pace of the project and the management of the rest of the settlement.
- 5.95 In November 2021 the government published the Integrated Rail Plan (IRP). This confirms the 'in principle' funding for West Yorkshire Mass Transit. *"We commit today to building a Mass Transit System for Leeds and West Yorkshire, and to supporting West Yorkshire Combined Authority over the long term to ensure that this time, it gets done. That work begins now, with £200,000,000 of immediate funding to plan the project and start building it, with the first services operational in the second half of this decade."* (IRP page 7).
- 5.96 The IRP also references that *"We intend for some parts to be in service by the second half of this decade. The cost for the initial network, over ten years, is expected to exceed £2 billion, we will also expect local taxpayers to make contribute to the system's capital costs."* (IRP page 88). Government has subsequently confirmed that the £200,000,000 referenced in the IRP is the funding the Combined Authority has sought via CRSTS.
- 5.97 The IRP also identifies that there may be an additional £100,000,000 for Rail Studies, including mass transit. It is not yet clear on the split of funding or how the Combined Authority would access it.

#### Assurance

- 5.98 The programme level strategic outline business case is being assured through the Combined Authority's Assurance Framework. Thereafter, from April 2022 onwards, central government will carry out the assurance of West Yorkshire Mass Transit, as set out in their letter to the Mayor in November 2021 on the City Region Sustainable Transport Settlement.

- 5.99 As part of its assurance, central government typically asks other agencies to peer review the programme. Local Partnerships, the joint venture between the Local Government Association, HM Treasury, and the Welsh Government, is one such organisation. As such, the Combined Authority invited them to consider the current programme and provide recommendations. The findings were reported to the Combined Authority in February 2022.
- 5.100 Local Partnerships found that “excellent preparatory work has been done researching the technologies and mass transit systems being used both within the UK and beyond. The lessons learnt data and wider information from this work has been effectively used to establish a strong foundation for the programme and obtain support for the Mass Transit programme across West Yorkshire. Work is progressing well developing the strategic outline case (SOC) and the Combined Authority’s programme team is confident it will be submitted to DfT on time prior to the end of 2022. Currently there is only a small in-house programme team and plans are well advanced to urgently supplement this staff resource.
- 5.101 Each programme reviewed by Local Partnerships is given a Delivery Confidence Assessment (DCA), and for Mass Transit an “Amber” score was given on the basis that this “reflects the significant issues and risks such as funding, programme team resources, communication, and ongoing support. If the current SOC is successful and adequate funding is approved to progress the programme, it is expected this will improve to “Amber Green.”
- 5.102 A summary of the scheme’s business case is included in Appendix 7, which includes the initial mass transit network proposal.

### **Tackling the Climate Emergency Implications**

- 5.103 Carbon emissions generated by transport are currently at levels that, without significant intervention and changes to processes, a net zero carbon future by 2038 will not be achievable. Road transport is the biggest contributor to roadside air pollution with cars being the largest source of emissions.
- 5.104 To meet the 2038 net zero target, and even with a shift to zero/low emission vehicles, analysis suggests that a reduction of total vehicle kilometres exceeding 20% is necessary, accompanied by an increase in the use of sustainable modes (walking and cycling) and public transport.
- 5.105 Mass Transit has the opportunity to support improvements to air quality and contribute to carbon reduction goals by providing an attractive lower carbon, lower emission transport option. Increased capacity provided by Mass Transit will allow for additional capacity on congested corridors, which provides opportunities to improve vehicle flows which in turn will improve air quality.

### **Outputs, Benefits, and Inclusive Growth Implications**

- 5.106 The scheme outputs and benefits include:
- Driving growth and productivity through infrastructure investment

- Levelling-up services towards the standards of the best, to reduce transport barriers which limit travel horizons and so increase access to employment, education, health, leisure, and other services.
- Decarbonising transport, especially promoting modal shift from cars to public transport, walking and cycling.

5.107 The Mass Transit system aspires to be best in class for accessibility and in championing equality, diversity, and inclusion (EDI) to ensure the system is inclusive and accessible to all. The ambition is to have a Mass Transit system which is “Designed for people of all ages and abilities, and safe and secure for all” and provide facilities with consideration of safety for women and girls.

5.108 A central common theme of the Connectivity Plan, and the Mass Transit Vision as part of that, is that investment in transport accessibility will make a positive contribution to driving forward inclusive growth. The Combined Authority’s approach to transport seeks to provide practical alternatives to the private car that will help to tackle air quality issues and help provide access to jobs and education, especially for people currently less likely to access these opportunities. The plans particularly focus on how to support the hardest to reach communities to realise economic opportunities.

5.109 The monetised and other qualified benefits, and likely lifecycle cost, will be established at the next development stage. As such it is not possible to provide a Value for Money position for Mass Transit in any capacity as yet.

### **Equality and Diversity Implications**

5.110 Through the Combined Authority’s role in managing the delivery of the Transport Strategy, the Connectivity Plan and bidding for funding, focus will be placed on ensuring that equality and diversity needs are addressed, with a particular emphasis on improving accessibility for all.

5.111 The Mass Transit programme has set out a number of design principles that will support the Combined Authority’s EDI objectives including the following, which will be part of the ongoing design work:

- Designed for people of all ages and abilities – easily accessible low floor vehicles
- Reflect the region’s diverse communities and cultures
- Multiple doors for quick and easy boarding
- Inclusive safe spaces around stops
- Affordable, easy to use, enjoyable and stimulating

### **Risks**

5.112 The scheme risks include:

- Securing substantial funding to progress the next stage of business case development may not be possible. Mitigation - Development of a full

funding strategy will be a key next step now that there is greater clarity around the CRSTS funding position.

- High value for money BCR threshold for the programme may not be achieved. Mitigation - The value for money will be tested in the future stages. It should be noted given the ambition of the mass transit programme, many of the key outcomes will only be able to be assessed qualitatively, rather than being quantified within the constraints of central government TAG guidance for calculating a benefit cost ratio.
- Skillsets required to deliver the programme are in short supply. It may not be possible to bring in staff / suppliers who can provide the high quality required. Mitigation - A resourcing plan is in parallel being developed for Mass Transit, of which an initial step was that the Combined Authority endorsed creating a new Director of Mass Transit at the February 2022 meeting.
- Existing bus operator support is not secured for the scheme's business case in the lead up to full approval. Mitigation - Regular dialogue and partnership working with bus operators will be essential, linked in with the wider development work the Combined Authority is undertaking on Bus Reform and the Enhanced Partnership proposals.
- Loss of key team members, creating a major gap (e.g.: skills / knowledge / capacity / strategic) for a significant amount of time (either internally or within external suppliers). Mitigation - As above, a resourcing plan is in development.
- Risk of not securing partner buy in around the desired technology choice of the district partner thus compromising the strategic aims of the programme. Mitigation - With the CRSTS funding allocation for mass transit and reflecting on the feedback from the Local Partnerships Gateway 0 review, refreshed governance is being put in place, including a West Yorkshire member strategy group for transit, as referenced in the February 2022 report to the Combined Authority.

## **Costs**

5.113 The Mass Transit costings are currently at a benchmark, indicative level and are currently in further development. For example, at this point, decisions around the final mode, for example, bus rapid transit, light rail and very light rail, and the precise route have yet to be made. These factors will significantly impact on the costings for the scheme. Information around costing will be developed as part of future business case stages and will be made available for future public engagements.

5.114 At this stage, the Phase 1 scheme has not been confirmed and the development costs sought here will help enable an evidenced based phase 1 proposal to come forwards, as a future decision to be taken by the Combined Authority and Mayor. Our priorities for a first phase of the network are that it must:

- Have a strategic rationale and is operable as a standalone system

- Offer value for money and is financially sustainable and affordable
- Allow for network expansion and fits with our overall vision for transport set out in the Connectivity Infrastructure Plan
- Support local communities and groups

5.115 Given the points above, the costs for delivery and operation of Mass Transit need further development, but as highlighted in the Integrated Rail Plan, the costs are expected to exceed £2 billion and the West Yorkshire Mass Transit 2040 vision sets a pipeline of phased projects, for delivery over the next 10-20 years.

5.116 £2,041,000 from the West Yorkshire plus Transport Fund (WY+TF) Transformation Fund has been provided to the programme previously to get to SOC stage.

5.117 The initial £200,000,000 for Mass Transit included in the CRSTS submission includes £175,000,000 for the development and enabling works and £25,000,000 for the further development of corridors beyond Phase 1, to be spent between 2022-2027. Mass Transit will need significant further funding beyond that identified in CRSTS to enable full construction of the system.

5.118 At this point the Mass Transit programme is requesting approval, subject to the outcome of the CRSTS bid, of £31,887,500 of additional development costs, bringing the total to £33,928,500 This will provide funds to continue development of the programme and the corridors and increase the resources dedicated to the programme. It will allow for the four, project level SOC's and the Programme Integration OBC to be developed as set out, and thereby enabling development work to proceed across all nine corridors identified in the WY Mass Transit vision

5.119 Further details are provided in the table below:

Development Activity	Total
Transport Modelling Tools	£4,000,000
Business Case Development	£1,100,000
Land, Legal & Commercial	£250,000
Combined Authority Resourcing	£10,200,000
District Team Resourcing	£4,000,000
Communication & Consultation	£300,000
Combined Authority Programme charge	£300,000
Design, Environmental and ECI Expenditure	£11,737,500
Total Cost	£31,887,500



## Assurance Pathway and Approval Route

- 5.120 The timeframes for approval of business cases through the Combined Authority's Assurance Framework are dependent on government timeframes. Forecast approval dates will be determined at a later stage.

## Assurance Tolerances

Assurance tolerances
Combined Authority costs remain within +10% of those outlined in this report. Cost increases over 0% will require further approval from the Transport Committee and costs increases over 10% will require further approvals from the Combined Authority.

- 5.121 It is proposed that assurance tolerances around programme, risks and outcomes and benefits are set at the Programme Integration OBC stage once further details about the whole programme are understood.

## Appraisal Summary

- 5.122 There is clear alignment of the strategic outcomes of the Mass Transit programme with the first three Combined Authority Priorities of Boosting Productivity, Enabling Inclusive Growth and to Tackle the Climate Emergency. The fourth priority, to delivery 21st century transport, is stated as a means of attaining the first three priorities, and the delivery of Mass Transit is a key strategy in how this will be accomplished.
- 5.123 The programme aligns well with many of the Mayor's pledges and priorities. There is clear alignment of the Mass Transit programme with local priorities and aspirations and national, pan regional (Transport for the North) and regional policies.
- 5.124 The SOC stage is the first decision point for the scheme and it is recognised that not all appraisal points can be fully addressed at this early stage of development. The stated objectives should be further developed with more focus on Mass Transit and how it could lead to the realisation of the Combined Authority's priorities and / or strategic objectives setting out SMART objectives. The operational model needs to be developed further as the scheme develops. These areas will be further developed in the Programme Integration OBC.
- 5.125 The programme has a strong focus on EDI and proposes for the Mass Transit system aspires to be best in class for accessibility and in championing EDI to ensure the system is inclusive and accessible to all. Further details of how this will be achieved, and how any negative impacts may be mitigated, will need to be further developed in the next stage.
- 5.126 At this stage the output / outcome of the programme with regards to carbon is not fully defined. The system is presented as being low emission (on street) and providing a sustainable alternative to the car. The main carbon challenge appears to be around the capital carbon, i.e. the carbon emission involved in

the building of the system. There is the potential that some residual carbon emissions will remain and therefore a carbon offsetting strategy will be required. This could potentially bring additional costs to the programme and the additional potential for ongoing liabilities.

- 5.127 Development of the programme has gone beyond SOC stage in some areas, but the approach taken by appraisal of the Mass Transit Programme SOC was to assess the development of the business case to date up to the point of the work required to develop a Mass Transit network for West Yorkshire. Initial work has been progressed for the development of the identified corridors which constitute the network, however the assessment of this detail will be for the phased corridor SOC's.
- 5.128 The optioneering carried out to date on corridor and technology appears to be wide ranging. The SOC has considered scheme objectives, the areas of transit opportunity, which then informs the nine Mass Transit Corridors and the shape of the proposed Mass Transit network. However, there is no real options assessment of the proposed network, to look at different Mass Transit network options, for example, and how these may have different benefits.
- 5.129 It is not clearly stated why the identified issues cannot be fixed by the market or what other potential mechanisms or options there could be to remedy the identified issues, and why public investment is required. Or for example, why priority over general traffic for existing public transport cannot be achieved much cheaper with segregation and bus lanes. It is understood that this will be clarified in the next stage of development.
- 5.130 There will be multiple interdependencies with other projects and programmes being delivered by the Combined Authority, but these are not currently considered in depth. There are also interdependencies with other projects and programmes of regional and central government, such as Northern Powerhouse Rail and HS2.
- 5.131 The procurement of the Mass Transit system will be larger than anything the Combined Authority has carried out in the past, and the scope of the procurement goes beyond just infrastructure delivery and will need to carefully consider operational delivery as well. A clear commercial strategy will need to be developed but will be impacted by route choice and technology choice decisions.
- 5.132 At this stage there is an understanding of what funding may take the programme forward but once the CRSTS grant determination letter and conditions are known, there needs to be a fully developed commercial and funding strategy, noting the remarks within the IRP that "local taxpayers will need to make a contribution to the system's capital costs". This will need to be considered as part of the development of the business case and to fully deliver any of the proposed phases.
- 5.133 The Mass Transit capital expenditure costings are currently at a benchmark, indicative level and are currently being further developed. At this stage the costs are very broad and there are several caveats around them, such as the

type of technology employed and the routes that Mass Transit could take. The cost estimates are based on benchmarks from other systems which would include provision for risk, contingency, or inflation but these will need to be explicitly calculated for the scheme in the next stages.

- 5.134 The costs do not seem to explicitly account for mitigation work for any negative impacts of the scheme. It is noted that at this stage that no explicit consideration has been given to the operating position for Mass Transit as at this stage routes and technologies have not been determined.
- 5.135 Governance of the scheme is robust, and it is understood that a Governance review is underway reflecting feedback from the Local Partnerships Gateway 0 review. At this stage only a high-level programme is provided, including a high-level outline of the business case development timescales and indicative timelines for the Phase 1 Network works.
- 5.136 Further stages of consultation are proposed during the next activity to cover the 'route choices' on each corridor and then on the preferred route choice. The SOC does not provide details for how the feedback from future consultation will be used to refine the project's design, output & outcome and this will need to be considered in the next stages.
- 5.137 The proposal is that a Programme Integration OBC will be progressed at the same time as developing individual corridor SOC's to decision point 2. The approach to corridor development seems sound and progression through SOC for each corridor before OBC, is considered the correct approach.
- 5.138 The relationship in terms of Assurance between the DfT and the Combined Authority will therefore need to be developed and formalised. The Combined Authority will need to have confidence that the development of Mass Transit is progressing to time/budget and when necessary, change control is appropriate. This means that the Combined Authority will continue to assure the process through which Transit options are being developed.

### **Recommendations**

- 5.139 The Combined Authority, subject to the conditions set by Programme Appraisal Team:
- (i) Approves the West Yorkshire Mass Transit Programme proceeds through Decision Point 2 and work commences on Activity 3 (outline business case) for the Programme Integration Business Case and on Activity 2 (strategic outline case) for the four phased corridor projects within the programme.
  - (ii) Endorses the proposed Mass Transit Programme scope, ambition and network and the approach to phase development of projects within the overall programme.
  - (iii) Notes that future assurance of any Mass Transit business case will be "called in" by central government

- (iv) Indicatively approves £200,000,000 (subject to grant determination letter from government) to develop the West Yorkshire Mass Transit programme. Total scheme value is to be determined.
- (v) Approves development costs of £31,887,500 in order to progress each of the four phased project business cases to Decision Point 2 (strategic outline case), and the Programme Integration Business Case to Decision Point 3 (subject to Grant Determination letter from Government). This would take the total project approval to £33,928,500.
- (vi) Approves that future approvals are made in accordance with the Approval Pathways and Approval Routes outlined in this report and where required any change requests are delegated to the Transport Committee. This will be subject to the scheme remaining within the tolerances outlined in this report.

Conditions for approval of Activity 2 (SOC) for the Programme Integration Business Case:

- (vii) Provide full details of the optioneering and options appraisal methodology, including clearly defined critical success factor development and use, criteria on technology and route options, low-cost options considered and first phase option criteria and include how approval was managed at each stage.
- (viii) Provide information on cost benchmarking exercise.
- (ix) Provide stated Data Protection Impact Assessments.

<b>Project Title</b>	<b>TCF: Leeds Public E-bike Share</b>
<b>Stage</b>	1 (eligibility)
<b>Decision Point</b>	2 (strategic outline 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:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

## Background

- 5.140 This scheme will be funded through the Department for Transport's Transforming Cities Fund (TCF). As part of the Government's Industrial Strategy and the National Productivity Investment Fund, the TCF aims to drive up productivity through improved connections between urban centres and suburbs. To do this, the TCF provides a significant opportunity to invest in infrastructure to improve public and sustainable transport connectivity in some of England's largest cities. This scheme will be funded through Tranche 2 of the fund, which received Department for Transport's approval in March 2020.
- 5.141 The TCF programme is organised into three themes which focus on improving public transport and cycling corridors, improving accessibility to key locations, and improving transport hubs and Interchange facilities. Local partners are developing packages of schemes for approval at strategic outline case (SOC) before bringing individual schemes through the assurance process at outline business case.
- 5.142 The scheme forms part of the West Yorkshire TCF Carbon Mitigation Measures Fund Programme which has a total value of £8,000,000.
- 5.143 The scheme is a public electric bike (e-bike) share scheme, which will involve approximately 630 e-bikes and up to 140 docking stations across Leeds. Figure 1 in Appendix 8 shows potential demand for e-bikes and Figure 2 shows the indicative hub locations.
- 5.144 Leeds City Council will own the e-bikes and infrastructure, but the scheme will be operated by an external operator. The e-bike tariffs will be set when the operator is appointed via the procurement process, but the aim is to keep prices competitive with public transport.

5.145 The promoters, Leeds City Council will require operators to offer users a variety of payment methods and ways to unlock the bikes. It is anticipated that the bikes will be available at all times via an app or in person at kiosks, however there will be the ability to limit use for example during adverse weather, public events or if required for public safety.

5.146 The scheme will also provide the software for the bike hiring process and equipment for running the service including one service electric vehicle (EV), four e-cargo bikes and the necessary repair and maintenance tools.

5.147 The scheme supports the Strategic Economic Framework priorities as follows:

- Boosting Productivity – by providing improved access to employment, training, and opportunities.
- Delivering 21st Century Transport – the scheme will provide a new form of public transport, enhancing the overall public transport offer in Leeds
- Securing Money and Powers – the scheme will be an exemplar, which can be used by other District Council partners to bid for funding for their own schemes. The scheme can also be extended to other areas of Leeds if Funding can be secured
- Tackling the Climate Emergency – the scheme will provide a realistic alternative to motorised transport, especially for short local journeys which can generate the highest levels harmful pollutants. The scheme will attract drivers away from car use, reducing greenhouse gas emissions.
- Enabling Inclusive Growth - the scheme provides an additional, low-cost public transport option and the choice of e-bikes ensures that the scheme appeals to the widest range of users.

5.148 The scheme also supports the following West Yorkshire Mayoral pledges: to prioritise skills and training, support local businesses and to tackle the climate emergency and protect our environment

5.149 A summary of the scheme's business case is included in Appendix 9.

### **Tackling the Climate Emergency Implications**

5.150 The e-bike share scheme will provide a viable, low-cost alternative to car use, particularly for shorter journeys within central Leeds.

5.151 Short journeys in motorised vehicles on congested road networks are the least efficient in terms of fuel use and produce the highest levels of emissions. The scheme is specifically aimed at replacing journeys of this type

### **Outputs, Benefits, and Inclusive Growth Implications**

5.152 The scheme outputs and benefits include:

- A fully docked public e-bike share scheme in Leeds district with approximately 630 e-bikes and up to 140 hubs / docking stations

- Improved health and lower absenteeism due to increased physical activity
- Normalising the use of bikes and increasing the number of short-distance trips made by them
- Maximising the benefits of investment in the expanding cycle network, by improving access to bikes.
- Journey time savings for those switching from slower modes of travel and improved connectivity with other modes of travel
- Reductions in car kilometres driven and carbon emissions due to drivers shifting to e-bikes and resulting improvements in air quality, noise, and vehicle emissions
- Improving the image of Leeds as a modern, clean, people centred city.
- Introduction of a new affordable mode of public transport to support access to employment, education, and key travel destinations providing an equitable and fair service to residents and visitors in Leeds.

5.153 The scheme aims to be low-cost, with fees equivalent to public transport. The scheme also aims to support people from low-income groups and to address health and education inequalities, as proportionally, more women are known to use bike hire schemes than make trips on personal bikes.

5.154 The location and prioritisation of docking locations will include assessment of the potential impacts on different user groups to maximise the impact of the scheme on inclusion and secure best value in terms of employment, health, educational and value-added outcomes. They will also be located to provide access to the strategic and segregated cycle network to maximise safety, to connect public transport and employment / education.

5.155 The scheme will complement land use policies which will see an 'expansion' of the city centre, with increased densities, more housing and apartments and greater intensification of travel demand.

### **Equality and Diversity Implications**

5.156 The scheme promoters are taking particular care to consider equality and diversity impacts in the content and branding of the scheme. This includes employment opportunities for local people and consideration of payment and identification methods to ensure the facility is as accessible as possible

5.157 The decision to utilise 100% electric bikes in the scheme is aimed at making the scheme attractive to the widest range of potential users, as e-bikes are proven to be more attractive to older people, women, people with limited physical strength and people who have limited cycling confidence or experience.

5.158 The promoter is exploring ways to offer a variety of accessible bikes for hire at hubs (such as community hubs and recreational destinations) around the district, and the intention is to ensure these bikes are bookable in the App.

Potential operators will be required to demonstrate how they can make the scheme as inclusive as possible. In the procurement exercise, the bikes and docks will be tested for ease of use.

5.159 E-bikes are more expensive to purchase than conventional bikes, which can exclude people from purchasing their own. The scheme gives users the opportunity to try out e-bikes before deciding to purchase their own.

### **Risks**

5.160 The scheme risks include:

- Risk of low take up of the scheme mitigated by preparing a marketing campaign aimed at raising the scheme's profile pre-launch and consulting with large employers and institutions such as the NHS, Leeds City Council, and the city's universities.
- Risk of the scheme experiences a revenue shortfall mitigated by sharing the risk with the operator, utilising sponsorship, and advertising revenue as a fund, using contingency in the budget (projected at 15%), undertaking targeted marketing to increase demand, using Section 106 incomes from the Travel Plan Fund.
- The scheme becoming unsustainable to operate mitigated by detailed analysis of potential demand undertaken by consultants. Close working with operators will further develop this analysis to deliver a network that maximises demand. Advertising, promotional activity. Promoting scheme expansion via travel planning and development planning measures. Procurement of a high-quality scheme which guarantees high demand. The promoter can also offer facilities such as warehousing to the operator, to reduce operating costs.

### **Costs**

5.161 The scheme costs are:

- The current total cost of the scheme is £2,394,178.
- The current Combined Authority contribution to total scheme costs at this decision point is £2,000,000 from the TCF Carbon Mitigation Measures Fund.
- There is currently a funding gap of £394,178 and Leeds City Council, the scheme promoter, is exploring a range of options to address this gap. Further details will be provided in the full business case (FBC) submission.
- Development funding totalling £300,000 has already been approved for this scheme which will be sufficient to progress it to FBC. This consists of an allocation of £200,000 from the TCF Carbon Mitigation Fund to cover early development work for the fund, of which £150,000 was allocated to the e-bike share scheme, approved by the Investment Committee in June 2020. A further £150,000 development funding to develop the FBC has



been approved through a programme level change request, taking the total development funding allocation to £300,000.

### Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
2 (strategic outline case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	17/03/2022
4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Transport Committee	01/08/2022
Approval to Proceed	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	31/08/2022
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	25/03/2024

### Other Key Timescales

- November 2022 - Commencement of delivery on site
- March 2023 - Completion of delivery

### Assurance Tolerances

Assurance tolerances
Combined Authority costs remain within those outlined in this report
Delivery (DP5) timescales remain within 3 months of those outlined in this report.

### Appraisal Summary

- 5.162 Overall, the scheme presents a very good strategic case, addressing a wide range of policy areas. Further work is needed in the development of the full business case to define the final content of the scheme, which the appointed operator, will have vital input into. Once this is done, the expected benefits can also be quantified.

- 5.163 There are concerns relating to global shortages of supply of the bikes and components which could result in delays to the scheme.
- 5.164 The lack of direct end user market testing in the target area is also a concern but that concern can be offset by the positive results emerging from other similar schemes involving e-bikes. Further evidence will be provided in the FBC.
- 5.165 The submission provides sufficient assurance to recommend that the scheme proceeds through Decision Point 2 (strategic outline case) and work commences on development of the full business Case.

### **Recommendations**

5.166 The Combined Authority approves that:

- (i) The Leeds Public E-Bike Share Scheme proceeds through decision point 2 (strategic outline case) and work commences on Activity 4 (full business case)
- (ii) An indicative approval to the Combined Authority's contribution of £2,000,000. The total scheme value is £2,394,178
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and where required, any change requests are delegated to the Transport Committee. This will be subject to the scheme remaining within the tolerances outlined in this report.

<b>Project Title</b>	<b>Business Productivity Programme</b>
<b>Stage</b>	1 (eligibility)
<b>Decision Point</b>	2 (strategic outline 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:		
Are there implications for equality and diversity?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

## Background

- 5.167 The Business Productivity Programme (BPP) aims to boost small and medium sized enterprises (SMEs) productivity by providing an integrated package of investment grants alongside specialist advisory support.
- 5.168 The programme will be available to all sectors but engagement from the manufacturing sector is expected to be high. The programme will prioritise businesses with less than 50 employees, helping them to boost productivity, upskill existing staff, create new jobs and contribute to inclusive growth. All grant applications will be assessed for their Net Zero impact, and all SMEs supported will receive advice on how to better address the climate emergency in their day-to-day operations.
- 5.169 The programme builds on the success and lessons learned from the Business Growth Programme (BGP) which ended in Autumn 2021 due to all funding being allocated to meet the high demand from businesses. Since then, over 100 advanced enquiries have been received, which have formed a pipeline of applications which could be suitable for referral to the new programme. Referrals will also be received from the Local Authority-employed SME Growth Managers and banks (and other business funders) if the scheme moves forward.
- 5.170 The programme aims to provide specialist advice to a minimum of 158 businesses (525 over the full three-year programme), 120 of which will receive financial grant support (400 over the full programme). The integrated package will support business to grow and scale up, and to create 'Good Jobs' i.e. new ones paying at least the Real Living Wage and / or upskilling existing staff through training, development, and progression. Stakeholders have been consulted throughout the programme's development, with involvement from the Combined Authority's Business, Economy and Innovation Committee,

Leeds Enterprise Partnership (LEP) Board, the Business Communications Group (made up of business membership and representative bodies active in the region) and the Mayor's Manufacturing Taskforce, and all are supportive of the programme.

5.171 The programme is seeking £4,500,000 from the Combined Authority's Gainshare allocation for Investment Priority 1, to deliver the programme to the end of June 2023, with the aim of then bidding into the UK Shared Prosperity Fund (SPF) to fund the remainder of the programme (up to end of March 2025) once there is more clarity on the criteria and application process for this funding stream. If approved, the gainshare funding will allow the programme to mobilise at pace in order to meet current demand from SMEs, and to secure the required delivery capacity, which will consist of CA staff and specialist provision from a procured partner(s).

5.172 Without Gainshare funding it is likely that the scheme will stall for the short term, until alternative funding is identified or until UK Share Prosperity Fund (UKSPF) becomes available in 2023.

5.173 A summary of the scheme's business case is included in Appendix 10.

### **Tackling the Climate Emergency Implications**

5.174 The scheme will contribute towards the adoption of newer, more efficient, more environmentally friendly manufacturing technologies creating reductions in SMEs' carbon footprints whilst boosting productivity. A key part of the project appraisal from grant applications will be to consider the environmental implications of the proposed investments. Projects that have a negative environmental impact will not be supported through the programme, and those that deliver positive environmental impacts will be prioritised. Additional advice and support on how to tackle the climate emergency throughout all 'day-to-day' operations will also be provided for all SMEs engaged on the programme.

### **Outputs, Benefits, and Inclusive Growth Implications**

5.175 The scheme outputs and benefits include:

- A minimum of 158 businesses receiving advisory support to improve productivity (525 on the full three-years programme), 120 of which will also receive financial support (400 on the full programme)
- 39 'scale-ups' supported (130 over the full programme), defined as 20% growth, year-on-year for three years.
- A minimum of 450 'Good Jobs,' (1500 over the full programme) paying at least the real living wage either through creating new jobs or upskilling existing staff so they have the skills for higher level, higher paid jobs.
- 127 businesses (425 over the full programme) demonstrating measurable productivity improvements against baseline/benchmarking exercise undertaken through advisory element of programme
- Good practice and policy shaping

- Inclusive growth commitments undertaken by supported businesses.
- Environmental benefits associated with adoption of more efficient technologies, and advice and support on how to integrate net zero approaches throughout the operations of the business.
- The programme's support for a select number of businesses to improve their productivity, including through capital investments, could lead to displacement of activity from other businesses in the region, or through job creation that displaces existing workers or through increased pollution. The latter of these will be mitigated through a condition that investments will not be supported where they have a negative environmental impact.

### **Equality and Diversity Implications**

5.176 An Equality Impact Assessment (EqIA) has been undertaken for this proposed programme and equality and diversity impacts have been taken account of as part of the development of the programme and business case development. The programme will focus on engaging a more diverse range of SMEs, including those led by equality groups and those that have not previously engaged in support from the Combined Authority, the Local Authorities, or their partners. This will include the continued development of strong and trusted relationships with networks and intermediaries with good links to, for example, SMEs led by people from BAME backgrounds. In 2020/21, over 10% of BGP awards were to BAME-led businesses and this new programme will aim to exceed that figure.

### **Risks**

5.177 The scheme risks include:

- Risk of failing to secure a suitable provider(s) to deliver the advisory side of the programme. This will be mitigated by the LEP being aware of several potential suitable providers who will be made aware of the tender opportunity.
- Risk that the demand for the programme is not at the level anticipated. This will be mitigated by the programme building on the best elements of the Business Growth Programme, and lessons learnt as part of the evaluation of the two Productivity Pilots, established public / private and third sector networks, an experienced Business Support team and the over 100 advanced enquiries received following the Business Growth Programme closure.
- Risk of grant commitments not happening, impacting on programme spend / output targets. This will be mitigated by grant offers being tracked monthly as the Combined Authority's experience of running similar programmes indicates that around 15% of funding offered is not taken up and goes back into the budget for reallocation. Businesses offered funding will be closely monitored to check if projects are on schedule, if there are any changes to the project and expected outputs. Where a

project is no longer going ahead offers will be withdrawn and new applications brought forward.

- Risk that the demand for the programme exceeds supply. This will be mitigated using the Combined Authority team's experience of delivering similar programmes and their knowledge of what the outputs and level of funding applications are most likely. If demand does outstrip supply, then marketing will be paused stop and there may be a need to prioritise applications based on benefits that will be realised.
- Risk that the programme does not meet equalities targets. This will be mitigated through ongoing monitoring to ensure that as far as is possible it is on track to meet equalities targets. If the programme is not on track to meet targets, remedial action will be taken.

## Costs

5.178 The scheme costs are:

- The programme is seeking approval for £4,500,000 from the Combined Authority's gainshare allocation, to cover set-up, mobilisation, and early-stage delivery up to the end of June 2023.
- The programme intends to bid into the UK Shared Prosperity Fund (UKSPF) for further funding to deliver the programme to the end of March 2025. The forecasted scheme total to March 2025 is £13,670,000.

## Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
2 (strategic outline case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	17/03/2022
4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	17/03/2022
Approval to Proceed	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	30/04/2022

## Assurance Tolerances

Assurance tolerances
Combined Authority costs remain within those outlined in this report Delivery (DP5) timescales remain within 3 months of those outlined in this report. Outcomes/benefits remain within -10% of those outlined in this report.

## **Appraisal Summary**

- 5.179 The proposed programme's business case is sound across all five cases having had input from the Combined Authority's delivery, economic services, and policy teams.
- 5.180 The programme addresses the increasing uncertainty around funding for future business support programmes in the City Region. The strategic, commercial, and economic drivers for this scheme are thoroughly evidenced and without this programme the Combined Authority's (and the region's) support available for SMEs is impacted, especially in a time of market uncertainty with the aftermath of COVID-19 and Brexit.
- 5.181 Using the Combined Authority's gainshare allocation is the only short-term viable option to commence and mobilise the programme. The programme is seeking approval for £4,500,000 and then plans to bid into the UK Shared Prosperity Fund (UKSPF) for the remaining £9,170,000 once there is more clarity around how to bid for funding.
- 5.182 The programme closely aligns with the Strategic Economic Plan, Strategic Economic Framework and Mayoral priorities and has had support from multiple panels / committees and the Mayor's Manufacturing Taskforce.
- 5.183 The programme's anticipated scope, realistic outcomes and benefits have been identified based on historically similar projects / programmes. These have been externally evaluated and the key elements of provision have been incorporated into the design of this programme.
- 5.184 Should the programme / funding be approved, progress will be fast as existing Combined Authority staff will deliver the programme.

## **Recommendations**

- 5.185 The Combined Authority approves that:
- (i) The Business Productivity Programme proceeds through decision point 2 (strategic outline case) and decision point 4 (full business case) and work commences on activity 5 (delivery).
  - (ii) Approval to the Combined Authority's contribution of £4,500,000 is given.
  - (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and where required any change requests are delegated to the Business, Economy, and Innovation Committee. This will be subject to the scheme remaining within the tolerances outlined in this report.

<b>Project Title</b>	<b>Skills Bootcamps</b>
<b>Stage</b>	1 (eligibility)
<b>Decision Point</b>	2 (strategic outline 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:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

## Background

- 5.186 The Combined Authority has submitted a proposal for up to £3,689,000 from the Department for Education's (DfE) Wave 3 Skills Bootcamps funding to deliver Skills Bootcamps in West Yorkshire for one year from April 2022 to March 2023.
- 5.187 The Combined Authority's proposal is being considered alongside proposals from other Mayoral Combined Authority's and DfE is expected to award funding by the end of March 2022, with delivery starting in April / May 2022.
- 5.188 The proposal builds on the success and lessons learned from the digital skills focussed bootcamp pilot which started in January 2021 and later extension, and which secured £2,450,000 funding from DfE in total.
- 5.189 Skills Bootcamps are intensive, flexible training courses lasting up to 16 weeks, which have the key aim of supporting adults to fulfil their potential, by enabling access to high quality training at Level 3 (equivalent to advanced technical certificate / diploma or A-Levels) and above. The scheme builds on the Combined Authority's successful delivery of the Department of Education (DfE) funded digital skills bootcamps, which started in January 2021 and was later extended to March 2022.
- 5.190 The scheme will enable people to access in-demand jobs, apprenticeships, and new opportunities in sectors with skills shortages, including construction and the green economy as well as digital, leading to higher-skilled, higher paid employment. The scheme will support employers to meet their skills needs to support business growth and sustainable employment opportunities.
- 5.191 Learners will gain specific technical skills relating to key sectors through study, which will lead to qualifications, peer mentoring, confidence building and



sector specific information offering clear pathways to employment and progression opportunities. Each learner's experience will be unique and developed based on their needs and ambitions.

- 5.192 Courses will be delivered in person or online with some being a combination of both. The courses will cover a range of subject areas, which are expected to include cyber security, artificial intelligence, automation engineering, working in green energy, digital skills in construction and sector specific project management.
- 5.193 The approach of providing individual pastoral support, while gaining skills, is valuable to both participants and potential employers as the bootcamps include support with the soft skills, for example communication skills, teamwork, and time management, which employers often find missing in potential employees. The Combined Authority has testimonials from participants about the value of the individual pastoral support and how this has accelerated progression into employment.
- 5.194 The scheme has a target to improve the skills of 1,000 individuals across West Yorkshire, through high quality adult training courses, delivered by training providers. The Combined Authority will work with training providers to design and develop adult training courses to meet the needs of individuals while providing employers with the skilled recruits for current and future vacancies.
- 5.195 The Skills Bootcamps will complement existing employment and skills programmes which are currently being delivered by the Combined Authority and local partners.
- 5.196 A summary of the scheme's business case is included in Appendix 11.

### **Tackling the Climate Emergency Implications**

- 5.197 The government's Green Jobs Taskforce defined a green job as 'employment in an activity that directly contributes to - or indirectly supports - the achievement of the UK's net zero emissions target and other environmental goals, such as nature restoration and mitigation against climate risks.'
- 5.198 To achieve the Combined Authority's ambitious target to be net zero carbon by 2038 the region will need a pipeline of individuals with new green skills. Estimates show that West Yorkshire has the potential to create over 40,000 good, new, high skilled jobs in the green economy by 2030.
- 5.199 The current skills system cannot keep pace with developments, so short, responsive funded courses will be invaluable. This will give employers confidence to respond to the Combined Authority's net zero carbon target, knowing that there is a skilled workforce available to support their needs
- 5.200 Skills Bootcamps in green skills will ensure that individuals have a clear introduction into the sector and will help build the local skills base for the future by focusing on skills that may be required through a variety of sectors/roles. The scheme will also support individuals with skills in traditional sectors which

are now less in-demand, particularly in high carbon roles that will be phased out.

### **Outputs, Benefits, and Inclusive Growth Implications**

5.201 The scheme outputs and benefits include:

- 1000 individuals given opportunities to retrain and improve their skills through high quality and engaging Skills Bootcamps
- Individuals in West Yorkshire have increased skill levels and are able to access employment opportunities because they have the skills required
- Contribute to the Mayor's pledge to create 1,000 well paid, green, skilled jobs for young people.
- Increase in participants' confidence and job-readiness
- Increase in percentage of employees in good quality work
- Increase in participants' labour market awareness of the roles that exist across the region
- Businesses recognise the role that the Combined Authority plays in relation to adult skills and training and relationships are improved as a result
- Businesses reporting a reduction in vacant positions, which they have previously struggled to fill
- Contributing to reduced youth unemployment
- Contributing to reduced unemployment for disadvantaged groups
- Improved career prospects for West Yorkshire residents
- Green skills development
- Driving innovation and productivity through high level skills

### **Equality and Diversity Implications**

5.202 An Equality Impact Assessment (EqIA) has been undertaken for this proposed programme and equality and diversity impacts have been taken account of as part of the development of the programme and business case development.

5.203 Inequalities of access to work-related training serve as a potential barrier to career progression and to the fulfilment of individuals' potential. Equal access to opportunities is important because workplace training and adult education offer a route to higher wages and better opportunities.

5.204 Inclusive Growth is a cross-cutting theme in the Combined Authority's Employment and Skills Framework, with adult skills training as a key offer to support those who are employed, facing redundancy, career changers or those looking to upskill to enter sectors likely to see growth or report skills gaps in the future.

- 5.205 The scheme will help remove barriers and make it easier for learners to access training, which leads to higher level skills and will increase participation from under-represented groups in the take-up of education. This will be achieved through ensuring the training is fully accessible to all individuals, regardless of personal circumstances or needs.
- 5.206 The scheme's suppliers and sub-contractors will be targeted to work with individuals who are disadvantaged in the labour market and will actively target women, BAME communities and individuals who have been disproportionately affected by the COVID-19 pandemic.

### **Risks**

5.207 The scheme risks include:

- Difficulty in procuring suitable sub-contractors mitigated by starting the procurement process in February 2022 and widely advertising the contract opportunity across the region. The Combined Authority also has an established Adult Skills Supplier Framework that will be used to deliver elements of the scheme.
- Sub-contractor does not carry out effective monitoring mitigated by ensuring that all evidence requirements are clear in tender specifications and the Combined Authority's Customer Relationship Management (CRM) system will be used to manage data and participant information.
- Outputs are not achieved, mitigated by weekly monitoring of performance, with corrective action taken immediately, where needed. Progress will be reviewed at monthly meetings.
- Delay in recruiting staff in time for delivery mitigated by roles undergoing job evaluation and seeking approval quickly, to prevent delays in advertising posts.
- Difficulty in delivering the project, given the quick response required to deliver at pace. Using the Adult Skills Supplier Framework will ensure that we can be responsive without the need to procure Training Providers before delivery begins.

### **Costs**

- 5.208 The scheme costs are £3,689,000. The scheme will be solely funded by the Combined Authority, subject to the successful outcome of a proposal submitted to DfE for £3,689,000 from Wave 3 of its Skills Bootcamps funding, to deliver Skills Bootcamps in West Yorkshire for one year (April 2022 to March 2023).
- 5.209 The Combined Authority's proposal is being considered alongside proposals from other Mayoral Combined Authorities and an announcement on the amount of funding awarded is expected at the end of March 2022.

## Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
1 (strategic assessment)	Decision: Strategic Assessment Panel	24/02/2022
2 (strategic outline case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	17/03/2022
4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	17/03/2022
Approval to Proceed	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	13/04/2022

## Other Key Timescales

- April 2022 - Contract Award
- May 2022 – Start of delivery
- March 2023 – End of bootcamp delivery
- September 2023 - Evaluation

## Assurance Tolerances

Assurance tolerances
Combined Authority costs remain within those outlined in this report Delivery (DP5) timescales remain within 3 months of those outlined in this report.

## Appraisal Summary

- 5.210 There is a strong strategic case for this scheme, which builds on the successful delivery of DfE funded bootcamps from January 2021. The broadened scope of the scheme, to include other key sectors, is based on labour market information and responds to the needs of local employers who are experiencing recruitment challenges.
- 5.211 The scheme supports or contributes to the achievement of a wide range of local and regional policies including the West Yorkshire Investment Priority 1, good jobs and resilient businesses and Priority 2, skills, and training for people. The scheme aligns with the Employment and Skills Framework and will support the region's economic recovery. The scheme will also contribute to the Mayor's pledges of creating 1,000 well paid, skilled, green jobs for young people; prioritising skills and training to ensure everyone has the skills they

need to secure work and supporting local businesses and be a champion for our local economy.

- 5.212 The scheme demonstrates its commitment to inclusive growth, with suppliers and sub-contractors required to target working with individuals who are disadvantaged in the labour market, women and BAME communities and individuals who have been disproportionately affected by the COVID-19 pandemic.
- 5.213 Should DfE make further waves of funding available to fund Skills Bootcamps it is recommended that a Change Request be submitted to seek approval to accept and spend any funding awarded and to address any potential changes in scope, as a result of lessons learned from year one delivery and / or changes to DfE criteria, at the appropriate time.

### **Recommendations**

- 5.214 The Combined Authority approves that, subject to confirmation that DfE funding has been secured and the amount awarded:
- (i) The Skills Bootcamps scheme proceeds through decision point 2 (strategic outline case) and decision point 4 (full business case) and work commences on activity 5 (delivery).
  - (ii) Approval is given to accept and spend up to £3,689,000 from the Department for Education bid, subject to the successful outcome of the bid. The total scheme value is £3,689,000.
  - (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and where required, any change requests are delegated to the Employment and Skills Committee. This will be subject to the scheme remaining within the tolerances outlined in this report.

## **Projects in Stage 2: Development**

5.215 There are no schemes to review at this stage.

## **Projects in Stage 3: Delivery and Evaluation**

5.216 There are no schemes to review at this stage.

## **6 Tackling the Climate Emergency Implications**

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

## **7 Inclusive Growth Implications**

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

## **8 Equality and Diversity Implications**

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

## **9 Financial Implications**

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

## **10 Legal implications**

10.1 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.

## **11 Staffing implications**

11.1 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.

## **12 External consultees**

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

## **13 Recommendations (Summary)**

### **CRSTS Capacity Funding**

13.1 The Combined Authority approves that:

- (i) The CRSTS Capacity Fund scheme proceeds through decision point 2 to 4 (business justification) and work commences on activity 5 (delivery).
- (ii) An indicative approval to the Combined Authority's contribution of £7,400,000. The total scheme value is £7,400,000.
- (iii) Approval to £2,756,411 for tranche 2 (of 3) is given, allocated as detailed in Appendix 2, bringing the total approval to £5,756,411.
- (iv) The Combined Authority enters into a Funding Agreement with each of the councils for expenditure as detailed in Appendix 2.
- (v) Changes to allocations in iii) and iv) above are delegated to the Senior Responsible Officer (Interim Director of Policy and Development) of the CRSTS programme.
- (vi) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and where required, any change requests are delegated to the Transport Committee. This will be subject to the scheme remaining within the tolerances outlined in this report.

**Gainshare Capacity Funding**

13.2 The Combined Authority approves that:

- (i) The Gainshare Capacity Funding scheme proceeds through decision point 2 to 4 (business justification) and work commences on activity 5 (delivery).
- (ii) Approval to the total scheme value of £11,400,000 is given, allocated as detailed in Appendix 4.
- (iii) The Combined Authority enters into a Funding Agreement with each of the councils for expenditure of up to £1,890,000.
- (iv) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and where required, any change requests are delegated to the Finance, Resources and Corporate Committee. This will be subject to the scheme remaining within the tolerances outlined in this report.

**CRSTS Programme**

13.3 The Combined Authority approves that, subject to the successful outcome of the bid to DfT:

- (i) The City Region Sustainable Transport Settlement (CRSTS) programme proceeds through decision point 2 (strategic outline case) and work

commences on development of the relevant business case for each individual scheme

- (ii) An indicative approval to the total programme value of £830,000,000 is given. The total programme cost is £1,231,994,853.
- (iii) Approval of development and delivery costs of up to £63,455,916 for business case development and programme management costs is given as follows:
  - Up to £30,311,916 for monitoring and evaluation, communications, consultation and engagement and Combined Authority programme management
  - Development costs of up to £3,000,000 to enable delivery partners to develop scheme business cases.
  - Delivery and development costs of up to £30,144,000 for the development of strategic outline cases and quarter 1 and quarter 2 costs for the Highways Asset Management, Network Management and Safer Roads programme.
- (iv) Approval is given for the delegation of authority to the Combined Authority's Director of Delivery, following a recommendation from the Programme Appraisal Team, to approve requests for business case development costs, in accordance with the Assurance Framework.
- (v) Approval is given for the delegation of authority to the Combined Authority's Managing Director, following a recommendation from the Programme Appraisal Team, to approve the behaviour change programme proceeding into delivery in accordance with the Assurance Framework from the indicative allocation of £10,550,000.
- (vi) In order to ensure that schemes can be delivered within the tight timescales, the Combined Authority delegates authority to the Managing Director to amend the approval and allocation of CRSTS if the DfT award differs from £830,000,000, or if further changes to individual allocations is required, as a result of changes to the programme and approaches to delivery.
- (vii) The Combined Authority enters into Funding Agreements with partners councils for expenditure, for the Highways Asset Management, Network Management and Safer Roads programme, up to the amounts shown below:
  - Bradford                      £6,486,308
  - Calderdale                   £3,846,476
  - Kirklees                      £6,161,288
  - Leeds                         £9,281,288
  - Wakefield                    £4,368,640



- (viii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and any change requests are delegated to the Transport Committee, which will be subject to the scheme remaining within the tolerances outlined in this report.

### **Transformational - West Yorkshire Mass Transit**

13.4 The Combined Authority, subject to the conditions set by Programme Appraisal Team:

- (i) Approves the West Yorkshire Mass Transit Programme proceeds through Decision Point 2 and work commences on Activity 3 (outline business case) for the Programme Integration Business Case and on Activity 2 (strategic outline case) for the four phased corridor projects within the programme.
- (ii) Endorses the proposed Mass Transit Programme scope, ambition and network and the approach to phase development of projects within the overall programme.
- (iii) Notes that future assurance of any Mass Transit business case will be “called in” by central government
- (iv) Indicatively approves £200,000,000 (subject to grant determination letter from government) to develop the West Yorkshire Mass Transit programme. Total scheme value is to be determined.
- (v) Approves development costs of £31,887,500 in order to progress each of the four phased project business cases to Decision Point 2 (strategic outline case), and the Programme Integration Business Case to Decision Point 3 (subject to Grant Determination letter from Government). This would take the total project approval to £33,928,500.
- (vi) Approves that future approvals are made in accordance with the Approval Pathways and Approval Routes outlined in this report and where required any change requests are delegated to the Transport Committee. This will be subject to the scheme remaining within the tolerances outlined in this report.

Conditions for approval of Activity 2 (SOC) for the Programme Integration Business Case:

- (vii) Provide full details of the optioneering and options appraisal methodology, including clearly defined critical success factor development and use, criteria on technology and route options, low-cost options considered and first phase option criteria and include how approval was managed at each stage.
- (viii) Provide information on cost benchmarking exercise.
- (ix) Provide stated Data Protection Impact Assessments.

## **Leeds Public E- Bike Share**

13.5 The Combined Authority approves that:

- (i) The Leeds Public E-Bike Share Scheme proceeds through decision point 2 (strategic outline case) and work commences on Activity 4 (full business case)
- (ii) An indicative approval to the Combined Authority's contribution of £2,000,000. The total scheme value is £2,394,178
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and where required, any change requests are delegated to the Transport Committee. This will be subject to the scheme remaining within the tolerances outlined in this report.

## **Business Productivity Programme**

13.6 The Combined Authority approves that:

- (i) The Business Productivity Programme proceeds through decision point 2 (strategic outline case) and decision point 4 (full business case) and work commences on activity 5 (delivery).
- (ii) Approval to the Combined Authority's contribution of £4,500,000 is given.
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and where required any change requests are delegated to the Business, Economy, and Innovation Committee. This will be subject to the scheme remaining within the tolerances outlined in this report.

## **Skills Bootcamps**

13.7 The Combined Authority approves that, subject to confirmation that DfE funding has been secured and the amount awarded:

- (i) The Skills Bootcamps scheme proceeds through decision point 2 (strategic outline case) and decision point 4 (full business case) and work commences on activity 5 (delivery).
- (ii) Approval is given to accept and spend up to £3,689,000 from the Department for Education bid, subject to the successful outcome of the bid. The total scheme value is £3,689,000.
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and where required, any change requests are delegated to the Employment and Skills Committee. This will be subject to the scheme remaining within the tolerances outlined in this report.

## **Additional Recommendations**

### **York Central**

- 13.8 In order to ensure that schemes can be delivered within the tight timescales, the Combined Authority is requested to approve:
- (i) The delegation of authority to the Place, Regeneration and Housing Committee, to approve the York Central scheme in accordance with the Assurance Framework (Full Business Case with finalised costs), so that delivery can commence in line with delivery timeframes.

### **Contribution to Capital Programme Update – March 2022**

- 13.9 The Combined Authority is:
- (i) Requested to note the release of the further Call for Projects for the Brownfield Housing Fund.

## **14 Background documents**

None as part of this report.

## **15 Appendices**

Appendix 1 – Background to the Combined Authority's Assurance Framework

Appendix 2 – CRSTS Capacity Funding – Summary of Activities

Appendix 3 - CRSTS Capacity Funding – Business Case Summary

Appendix 4 – Gainshare Capacity Funding - Overview of Capacity Needs

Appendix 5 - Gainshare Capacity Funding – Business Case Summary

Appendix 6 - CRSTS Programme – Business Case Summary

Appendix 7 - Transformational - West Yorkshire Mass Transit – Business Case Summary

Appendix 8 - Leeds Public E-Bike Share Maps

Appendix 9 - Leeds Public E-Bike Share - Business Case Summary

Appendix 10 - Business Productivity Programme – Business Case Summary

Appendix 11 – Skills Bootcamps – Business Case Summary