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Report to: Place, Regeneration and Housing Committee

Date: 03 November 2022

Subject: Project Approvals

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## **1. Purpose of this Report**

- 1.1. To report on proposals for the progression of, and funding for, a number of West Yorkshire Combined Authority supported projects that have been considered at stages 1, 2 and 3 of the Combined Authority's assurance process.
- 1.2. The Place, Regeneration and Housing Committee has delegated decision making authority approved by the Combined Authority on 24 June 2021.
- 1.3. The recommendations can be found in Section 12 of this report.

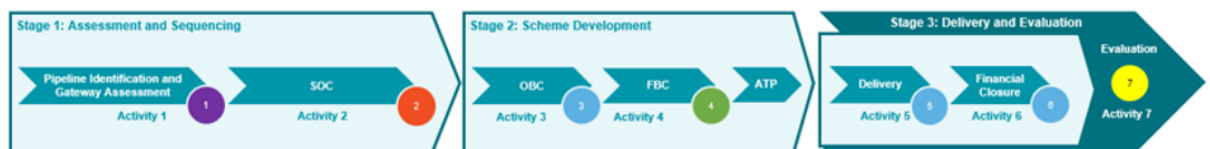
## **2. Tackling the Climate Emergency Implications**

- 2.1. The West Yorkshire Combined Authority and the Leeds City Region Enterprise Partnership (the LEP) are working towards the challenging ambition of being a net zero carbon economy by 2038 and to have made significant progress by 2030, in its efforts to tackle the climate emergency. As a region, West Yorkshire currently emits 11 million tonnes of carbon dioxide equivalent (MtCO<sub>2</sub>e) per year. Meeting the target, achieving emission reductions of over 11 MtCO<sub>2</sub>e by 2038, will require urgent and collaborative action across all sectors of the region's economy in partnership with businesses and communities.
- 2.2. Transport is the largest emitting sector, dominated by road transport and private vehicle use. The majority of emissions from buildings and industry are due to heat generation, primarily as a result of the combustion of natural gas.
- 2.3. The Combined Authority has taken action to ensure all decisions we make include climate emergency considerations. The Combined Authority:
  - Has strengthened how clean growth and climate change impacts are considered as part of all schemes that come through the Combined Authority's Assurance Framework.

- Requires all Project Approvals reports to the Combined Authority and thematic committees to include the results of a carbon impact assessment and narrative on the clean growth / tackling the climate emergency implications.
- 2.4. To strengthen decision making across the whole of the Combined Authority's Assurance Framework a robust methodology for assessing the carbon impact of proposals has been developed. This includes a qualitative assessment of likely carbon impact at Stage 1 and a more detailed quantitative assessment of carbon impact at Stage 2.
- 2.5. The carbon impact assessment methodology has now been completed and is being implemented into the Assurance Framework. The work has involved the development of training, reporting requirements and other supporting material to ensure carbon assessment is properly embedded in the Assurance Framework. The Combined Authority will provide the necessary scrutiny of carbon impact assessments presented by promoters.

### 3. Report

- 3.1. This report presents proposals for the progression of two schemes through the Combined Authority's assurance process in line with the Combined Authority's Assurance Framework. Details on the schemes summarised below can be found as part of this report.
- 3.2. 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.
- 3.3. 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

- 3.4. 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).

- 3.5. 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

- 3.6. If approved the scheme will progress to 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.
- 3.7. 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.
- 3.8. 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 Chief Executive (or by an officer under sub-delegated authority from the Chief Executive). If the condition(s) is not met, the project will be required to re-submit the FBC.

### Stage 3: Delivery and Evaluation

- 3.9. Once a scheme gains FBC approval and the conditions set have been met, the scheme can progress into Activity 5 (Delivery).
- 3.10. 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.

- 3.11. 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.
- 3.12. 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.
- 3.13. 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**

- 3.14. 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.
- 3.15. 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.
- 3.16. 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.

- 3.17. 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.
- 3.18. 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

<b>Kirkstall Road Residential Development</b> Leeds	<p><b><u>Scheme description</u></b></p> <p>This scheme will deliver 618 built to rent apartments in Leeds. The scheme also includes the development of 356m2 of ground floor commercial (office/retail) space and the creation of 1.15 ha new open space, including a riverside park, community courtyards and riverside walk. In addition, there will be 231 car parking spaces developed and new walking/cycling provision along the River Aire</p> <p>The scheme is to be delivered through the Brownfield Housing Fund.</p> <p><b><u>Impact</u></b></p> <p>20% of the new homes delivered by this scheme will be affordable homes. The scheme will minimise carbon emissions during construction. The development includes the provision of new pedestrian and cycle paths, electric vehicle (EV) charging spaces and cycle storage spaces</p> <p>The value for money assessment reflects a benefit cost ratio (BCR) of 2.7:1 representing high value for money.</p> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 3 (outline business case) and work commences on activity 4 (full business case). Total value of the scheme - £141,078,196 Total value of Combined Authority funding - £7,159,715 Funding recommendation sought - £0 A decision by the Place, Regeneration and Housing Committee using the delegated authority from the Combined Authority is sought as part of this report</p>
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<p><b>West Yorkshire and York Superfast Broadband Contract 3</b> West Yorkshire and York</p>	<p><b><u>Scheme description</u></b> West Yorkshire and York superfast Broadband Contract 3 programme aims to deliver fast and reliable broadband infrastructure in some of the hardest to reach areas. Market failure has meant that these areas are not currently being served through a commercial roll out or were not included in the previous Contract 2 phase across West Yorkshire and York. The scheme will deliver superfast broadband connectivity of at least 30 megabits per second (mpbs) to eligible Small and Medium Sized Enterprise (SMEs) premises within eligible post code areas in West Yorkshire and York, facilitating growth and support in the wider city region. The scheme is funded from the Department for Environment, Food and Rural Affairs (DEFRA).</p> <p><b><u>Impact</u></b> The scheme will lead to a gross value added (GVA) over 15 years of around £100,000,000. The scheme's wider social benefits include improving the sustainability of local businesses and enabling expansion and increased access to employment.</p> <p><b><u>Decision sought</u></b> Approval to the change request to the West Yorkshire and York Superfast Broadband Contract 3 project to reduce the total project cost from £9,110,000 (£7,570,000 Combined Authority funding) to £4,539,304 (£3,841,558 Combined Authority funding), reduce the publicly funded outputs of the project to 3,530 premises and 746 businesses receiving the broadband service and increase the delivery timeframes for the remaining 2041 premises from July 2022 to June 2023. Total value of the scheme: £4,539,304 Total value of Combined Authority funding: £3,841,558 Funding recommendation sought: -£3,728,442 A decision by the Place, Regeneration and Housing Committee using the delegated authority from the Combined Authority is sought as part of this report</p>
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#### 4. Information

4.1. 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.

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

#### **Projects in Stage 1: Assessment and Sequencing**

4.3. There are no schemes to review at this stage.

## Projects in Stage 2: Development

<b>Project Title</b>	<b>Kirkstall Road Residential Development</b>
<b>Stage</b>	2 (scheme development)
<b>Decision Point</b>	3 (outline business case)

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

## Background

- 4.4. This scheme will be funded from the Brownfield Housing Fund (BHF). This is an £89,000,000 fund from the Department for Levelling Up, Housing, & Communities. The BHF programme will support the development of new homes on brownfield sites across the West Yorkshire region to be started on site by March 2025. The programme aims to support the regeneration of neighbourhoods through the delivery of a mixture of housing types, including affordable housing, to boost productivity in surrounding areas and to support the delivery of carbon/energy saving homes.
- 4.5. One of the high-level objectives of the Brownfield Housing Fund as set by the Government is that all projects must represent good value for money and be Green Book compliant with a benefit cost ratio of at least 1. Schemes also need to demonstrate market failure (i.e., that without public sector funding the scheme could not progress) and the construction of homes to have started on site by 31 March 2025 when the funding stream will come to an end. Viability gaps, security and overage relating to each scheme are being developed as part of the potential agreements with private sector developers delivering the schemes. Due diligence is also being carried out on each potential recipient of Combined Authority funding, as well as establishing the schemes' sustainable, inclusive and / or affordable housing credentials.
- 4.6. The site currently comprises a three-storey office building facing Kirkstall Road. The scheme will demolish and remediate the brownfield land to build a new and vibrant residential-led development. The design of the scheme will maximise opportunities for walking and cycling along the riverside and meet increasing market demands for housing in a neighbourhood on the edge of the city centre.

- 4.7. This scheme will build 618 'build-to-rent' apartments in Leeds. The apartments developed are to be made up of 62 three-bedroomed, 248 two-bedroomed, 308 one-bedroomed homes. 20% (124) of the new housing will be affordable homes.
- 4.8. The scheme includes the development of 356m<sup>2</sup> of ground floor commercial (office/retail) space and the creation of 1.15 ha new open space, including a riverside park, community courtyards and riverside walk. In addition, there will be 231 car parking spaces developed and new walking/cycling provision along the River Aire.
- 4.9. The scheme contributes to the Mayoral Pledges to: "Build 5000 sustainable homes including affordable homes"; "Tackle the climate emergency"; "Support local businesses and be a champion for our regional economy" and aligns to the Strategic Economic Framework Priorities of: Boosting productivity; Enabling inclusive growth; Tackling the Climate Emergency.
- 4.10. A summary of the scheme's business case is included in **Appendix 2**.

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

- 4.11. The scheme tackles climate emergency implications by:
- The installation of renewable technologies to deliver carbon reductions of 20% over and above building regulations.
  - The provision of electric vehicle charging spaces.
  - Provision of new pedestrian and cycle infrastructure to encourage sustainable transport.
  - Providing new open green space.
- 4.12. A full Carbon Impact Assessment will be submitted at full business case stage.

### **Outputs and Benefits**

- 4.13. The scheme outputs and benefits are:
- The regeneration 2.07 hectares of brownfield land in Leeds.
  - Meeting local housing need through contributing 618 new homes (20% of which will be affordable homes), that are designed to national housing space standards by December 2025.
  - The creation of 256sqm of new high quality office/retail space
  - The creation of 1.15 hectares of new public green space
- 4.14. The value for money assessment reflects a benefit cost ratio (BCR) of 2.7:1 representing high value for money.

### **Inclusive Growth Implications**

- 4.15. The scheme inclusive growth implications are:



- The creation of high-quality affordable housing (20% of homes will be provided at affordable rent).
- The housing provided will be inclusive to all and will incorporate accessibility into designs.
- The extensive public space (1.15 ha) will benefit all residents of the wider local community and will incorporate inclusive design features and opportunities for play.
- The delivery of new housing in an area of the city that comprises a key regeneration area; the Kirkstall Road Corridor is key to strategic growth and expansion of Leeds City Centre.
- Encouraging market confidence in an area to encourage further investment and construction, adding vitality into the area, and creating new jobs.
- Accommodating high speed broadband throughout the development.
- Supporting and delivering an inclusive community through providing and encouraging the use of high-quality communal areas, as well as promoting health and wellbeing through social interaction, an in-house gym, and opportunities for collaboration in co-working spaces.

### **Equality and Diversity Implications**

- 4.16. An Equality Impact Assessment (EqIA) has been undertaken for the scheme and equality and diversity impacts taken account of as part of the development of the scheme and the business case development.

### **Risks**

- 4.17. The scheme risks include:

- Failure to secure detailed planning permission for the proposed development, and any potential impact on start dates. This is being mitigated by substantial pre-application and stakeholder engagement has been undertaken to mitigate this risk.
- Failure to obtain statutory consents/ approvals – including from the Environmental Agency for works on the site within proximity to the River Aire. This will be mitigated by ensuring that all consents are to be applied for within a minimum of 3 months prior to the works commencement date. All consents are required to complete the works.
- Design scheme changes required to reflect policy and building regulations considerations are cost prohibitive. To mitigate this the project has been designed to comply with new Building Regulations Part L which has introduced new requirements for energy efficiency and reductions in carbon emissions and allowance has been included in the cost plan for this. The project has been designed to comply with new electrical British

Standard. The responsibility for detailed design and compliance with project requirements will be transferred to the contractor via the building contract.

### **Costs**

- 4.18. The total scheme cost is £141,078,196.
- 4.19. The Combined Authority's contribution is £7,159,715 from the Brownfield Housing Fund.
- 4.20. The remaining funding of £133,918,481 will be funded by the developer.

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

Assurance pathway	Approval route	Forecast approval date
3 (Outline Business Case)	Recommendation: Combined Authority's Programme Appraisal Team  Decision: Place, Regeneration and Housing Committee	03/11/2022
4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team  Decision: Combined Authority's Chief Executive	03/02/2023
Approval to Proceed	Recommendation: Combined Authority's Programme Appraisal Team  Decision Combined Authority's Director of Delivery	31/03/2023
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team  Decision: Combined Authority's Director of Delivery	30/01/2026

### **Other Key Timescales**

- 4.21. Remediation is due to be completed March 2023. Construction of the homes will then commence April 2023.
- 4.22. All homes are due to be completed January 2026.

## Assurance Tolerances

Assurance tolerances
Cost: Combined Authority costs remain within +5% of those outlined in this report.
Programme: Delivery (DP5) timescales remain within +3 months of those outlined in this report.
Outputs: The number of housing units remain within -15% of those outlined in this report.

## Appraisal Summary

- 4.23. There is a clear demand for the scheme in the proposed area, and a strong strategic case for intervention. The right housing development will be a catalyst for neighbourhood prosperity within the Kirkstall Road corridor and is fundamental to realising the ambitions for city-wide and regional wide growth.
- 4.24. Although it would appear the list of options for the site that have been considered by the developer are refinements of a pre-determined way forwards for the scheme, the scheme does respond to the results of a Housing Needs Assessment. This has been demonstrated in the Outline Business Case.
- 4.25. The developer has experience in delivering build-to-rent schemes of this nature and will be delivering the scheme through individual contracts for development works, and for demolition and enabling works.
- 4.26. Further work will be undertaken at full business case stage to provide details of procurement timeframes and to provide updated versions of the cost breakdowns and of the economic appraisal.

## Recommendations

- 4.27. The Place, Regeneration and Housing Committee, subject to the conditions set by the Programme Appraisal Team, approves that:
- (i) The Kirkstall Road Residential Development scheme proceeds through decision point 3 (outline business case) and work commences on Activity 4 (full business case).
  - (ii) An indicative approval to the Combined Authority's contribution of £7,159,715, which will be funded from the Brownfield Housing Fund is given. The total scheme value is £141,078,196.
  - (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined within this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

## Projects in Stage 3: Delivery and Evaluation

<b>Project Title</b>	<b>West Yorkshire and York Superfast Broadband Contract 3</b>
<b>Stage</b>	3 (delivery and evaluation)
<b>Decision Point</b>	Change request (activity 5)

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

- 4.28. This scheme was introduced under the City Region's Strategic Economic Plan (SEP), which laid out an ambition to achieve 99% superfast broadband of 30megabits per second connectivity across West Yorkshire and York. Funding of £6,898,000 was secured from the Department of Environment, Food and Rural Affairs (DEFRA) for Contract Three, the third of three planned stages.
- 4.29. An open market review (OMR) in 2017, commissioned by the Combined Authority and Council partners, outlined the extent of existing broadband infrastructure and areas where there is a market failure but no commercial investment plans for broadband infrastructure in the next three years. Furthermore, the OMR defined the need for public intervention and the areas that qualified for state aid across West Yorkshire and York region which were eligible to be included in the scope of the Superfast Broadband (SBWYY) Contract 3.
- 4.30. The scheme is delivering superfast broadband connectivity of at least 30 megabits per second (mbps) to eligible Small and Medium sized Enterprises (SMEs) premises within eligible post code areas in West Yorkshire and York, facilitating growth and support in the wider city region.
- 4.31. The Combined Authority entered into an agreement with a delivery partner to carry out the necessary infrastructure works. Whilst the work was in progress it became apparent that the partner would not be able to deliver connectivity to the anticipated number of properties within the timescales of the DEFRA funding. As such a pro-rata reduction in the number of properties that will be delivered through the DEFRA funding, as detailed below, and to the required public sector

funding is requested. The delivery partner will continue to deliver their contractual obligations up until June 2023 with private sector funding.

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

- 4.32. The provision of superfast broadband access has the potential to reduce travel-to-work patterns into urban centres and other employment locations and reduce pressures in morning peak time commuting due to increased opportunities for home and/or flexible working. This will in turn reduce regional carbon emissions by reducing the need to travel to work.

### **Outputs and Benefits**

- 4.33. The publicly funded scheme outputs and benefits include:
- Delivering superfast broadband to 3,530 residential premises and 746 businesses.
  - Wider social benefits include improving the sustainability of local businesses, future mobility, independent living and enabling expansion and increased access to employment.
- 4.34. The value for money assessment reflects a benefit cost ratio (BCR) of 1.7:1 representing acceptable value for money.

### **Inclusive Growth Implications**

- 4.35. The scheme inclusive growth implications include:
- The West Yorkshire and York Superfast Broadband programme supports digital inclusion through enhanced access to superfast broadband, in particular access to increasingly digitised public services by residents in deprived and/or digitally excluded communities.
  - 9% of the premises targeted by the Broadband Contract 3 programme are in areas that are classed as socially deprived. As part of the tendering process for the contract, the delivery partner has committed to a range of social value obligations focussed on training and employment opportunities, which are being monitored.

### **Equality and Diversity Implications**

- 4.36. An Equality Impact Assessment (EqIA) has been undertaken for the scheme and equality and diversity impacts taken account of as part of the development of the scheme and the business case development.
- 4.37. The West Yorkshire and York Superfast Broadband programme promotes greater equality of opportunity for all citizens, with the desired outcome of achieving a fairer society. The programme:

- Supports enhanced digital inclusion through enhanced access to superfast broadband, in particular access to increasingly digitised public services by residents in deprived and/or digitally excluded communities.
- Addresses a lack of digital access in some of the hardest to reach urban, semi-urban and/or rural properties.
- Supports an increase in skilled people and better jobs, by allowing greater access to online courses and job searches.
- Digital infrastructure will contribute to wider and better access to further education and training including flexible and off-site learning opportunities

## **Risks**

4.38. The scheme risks include:

- Delivery costs (per premises) may rise. This is mitigated by the cap per premise clause in the contract with the successful bidder.

## **Costs**

- 4.39. In July 2022 the scheme received approval at full business case plus finalised costs (FBC+) for total scheme costs of £9,110,000. Of this £7,570,000 is Combined Authority funding including DEFRA funding of £6,898,000. A further £1,464,000 was to be provided by the delivery partner and £76,000 from the local authority partners.
- 4.40. As a result of this change request, the total project cost will be £4,539,304. Of this Combined Authority funding is £3,841,558 including DEFRA funding of £3,287,622. A further £697,746 will be provided by the delivery partner and £0 from the local authority partners.

## **Assurance Pathway and Approval Route**

<b>Assurance pathway</b>	<b>Approval route</b>	<b>Forecast approval date</b>
Change request (activity 5)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Place, Regeneration and Housing Committee	08/11/2022
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	30/06/2023

## **Other Key Timescales**

- 4.41. Delivery of this scheme is due to be completed by the end of June 2023.

## Assurance Tolerances

Assurance tolerances
That Combined Authority costs remain within those set out in this report.
That the delivery timeframes remain within +3 months of those set out in this report.
That the number of premises remains within -5% of those set out in this report.

## Appraisal Summary

- 4.42. This project is part of a programme to deliver superfast broadband service to areas in the city region that would not be offered a commercial deployment/service due to market conditions. The scheme has a clear strategic fit to the Strategic Economic Framework and local and regional policies and strategies. This scheme supports growth in the economic area and create increased economic output from existing businesses and lead to new job creation.
- 4.43. Due to the nature of this scheme, there have been several changes and reductions in scope and funds over the course of development and delivery. This change request is asking for further reductions in outputs and costs and an increase in the delivery timeframes for continued delivery of the service to 2041 premises.

## Recommendations

- 4.44. The Place, Regeneration, and Housing Committee approves:
- (i) The change request to the West Yorkshire and York Superfast Broadband Contract 3 project to reduce the total project cost from £9,110,000 (£7,570,000 Combined Authority funding) to £4,539,304 (£3,841,558 Combined Authority funding), reduce the publicly funded outputs of the project to 3,530 premises and 746 businesses receiving the broadband service and increase the delivery timeframes for the remaining 2041 premises from July 2022 to June 2023.
  - (ii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

## 5. Tackling the Climate Emergency implications

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

## 6. Inclusive Growth implications

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

## **7. Equality and Diversity implications**

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

## **8. Financial implications**

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

## **9. Legal implications**

- 9.1. 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.

## **10. Staffing implications**

- 10.1. 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.

## **11. External consultees**

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

## **12. Recommendations (Summary)**

### **Kirkstall Road Residential Development**

- 12.1. The Place, Regeneration and Housing Committee, subject to the conditions set by the Programme Appraisal Team, approves that:
- (i) The Kirkstall Road Residential Development scheme proceeds through decision point 3 (outline business case) and work commences on Activity 4 (full business case).
  - (ii) An indicative approval to the Combined Authority's contribution of £7,159,715, which will be funded from the Brownfield Housing Fund is given. The total scheme value is £141,078,196.
  - (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined within this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

### **West Yorkshire and York Superfast Broadband Contract 3**

- 12.2. The Place, Regeneration, and Housing Committee approves:
- (i) The change request to the West Yorkshire and York Superfast Broadband Contract 3 project to reduce the total project cost from £9,110,000 (£7,570,000 Combined Authority funding) to £4,539,304 (£3,841,558



Combined Authority funding), reduce the publicly funded outputs of the project to 3,530 premises and 746 businesses receiving the broadband service and increase the delivery timeframes for the remaining 2041 premises from July 2022 to June 2023.

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

### **13. Background Documents**

None as part of this report.

### **14. Appendices**

**Appendix 1** - Background to the Combined Authority's Assurance Framework

**Appendix 2** - Kirkstall Road Residential Development