
Report to: West Yorkshire and York Investment Committee

Date: 5 June 2018

Subject: Further capital spend proposals (following the 'Call for Projects')

Director: Melanie Corcoran, Director of Delivery

Author(s): Dave Haskins

1 Purpose of this report

- 1.1 Following the call for projects in Autumn 2017, to put forward proposals regarding progression of the following West Yorkshire Combined Authority supported projects, for funding through the West Yorkshire plus Transport Fund (Transport Fund) and Growth Deal, for consideration by the Investment Committee at stage 1 of the Combined Authority's assurance process.

| Scheme | Scheme description | Decision sought |
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| Institute for high speed railways and system integration – Phase 1 Leeds Growth Deal Priority 1 – Support to Business and Innovation | <p>A three phase scheme with the ambition of helping to unlock the full potential of high speed rail, nationally and globally. Phase 1 will create two initial world-leading test facilities for the new institute in Leeds</p> <p>Phase 1 will be funded through the Combined Authority's Growth Deal and University of Leeds match funding.</p> <p>The strategic case includes a high level value for money assessment which indicates that the project will offer good value for money. Further work is needed on business the case.</p> | <p>Approval for phase 1 of the scheme to proceed beyond decision point 2 (case paper) and work commence on activity 4 (full business case).</p> <p>Total value - £22.88 million</p> <p>Total value of Combined Authority funding provided through over-programming against the Local Growth Fund - £11.44 million</p> <p>Funding recommendation sought - £0</p> |

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| <p>Leeds City Region Enterprise Zones Programme</p> <p>Leeds City Region wide</p> <p>Growth Deal Priority 1 – Support to Business and Innovation</p> | <p>A programme to deliver new employment sites across two phases of Enterprise Zones in ten locations across the Leeds City Region.</p> <p>The programme will predominantly be funded through Combined Authority Local Growth Fund.</p> <p>The strategic case includes a high level value for money assessment which indicates that the project will offer good value for money. Further work is needed on business the case.</p> | <p>Approval for the programme to proceed beyond decision point 2 (case paper) and work commence on activity 3 (outline business case) or activity 4 (full business case) for the individual zone sites.</p> <p>Total value - £49.558 million</p> <p>Total value of Combined Authority funding - £45.044 million (this includes the allocation of £20 million approved by the Combined Authority in December 2017 plus an additional allocation of £24.939 million which is sought through over-programming against the Local Growth Fund)</p> <p>Funding recommendation sought - £1.541 million</p> |
| <p>Leeds Inland Port</p> <p>Leeds</p> <p>Growth Deal Priority 4 – Transport Infrastructure</p> | <p>The scheme to deliver a new wharf facility at Stourton in Leeds to enable the transportation of freight from the Humber estuary into Leeds.</p> <p>The project will be funded from the Combined Authority's Growth Deal and Canal and Rivers Trust match funding.</p> <p>The strategic case includes a high level value for money assessment which indicates that the project will offer good value for money. Further work is needed on business the case.</p> | <p>Approval for the programme to proceed beyond decision point 2 (case paper) and work commence on activity 3 (outline business case)</p> <p>Total value - £3.37 million</p> <p>Total value of Combined Authority funding provided through over-programming against the Local Growth Fund - £3.17 million</p> <p>Funding recommendation sought - £0</p> |
| <p>Gateway to Huddersfield - Phase 1</p> <p>Kirklees</p> <p>Growth Deal Priority 4 – Transport Infrastructure</p> | <p>The project covers the rail station and its environs providing additional entrances to the station, highway improvements, creation of a taxi hub and the purchase of land for later phases.</p> <p>The project will be funded from the Combined Authority's West Yorkshire Plus Transport Fund</p> <p>The strategic case includes a high level value for money assessment which indicates</p> | <p>Approval for the programme to proceed beyond decision point 2 (case paper) and work commence on activity 3 (outline business case)</p> <p>Total value - £5.55 million</p> <p>Total value of Combined Authority funding provided through the West Yorkshire plus Transport Fund - £5.05 million</p> <p>Funding recommendation sought - £115,000</p> |

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| | <p>that the project will offer good value for money. Further work is needed on business the case.</p> | |
| <p>CityConnect Cycle City Ambition Programme (CCAG) Phase 1 & 2 extension West Yorkshire Growth Deal Priority 4 – Transport Infrastructure</p> | <p>A programme of eight projects which aim to deliver 19km of high quality cycle infrastructure across West Yorkshire, building on the existing CCAG programme.</p> <p>The Phase 1 and 2 extension will be funded from Combined Authority's West Yorkshire Plus Transport Fund and Combined Authority DfT funding</p> <p>The initial benefit to cost ratio for the programme is estimated at 1.9 to 1 representing good value for money.</p> | <p>Approval for the programme to proceed beyond decision point 2 (case paper) and work commence on activity 3 (outline business case) or activity 4 (full business case) for individual of packaged schemes (depending on the level of detail available for the schemes)</p> <p>Total value - £14.824 million</p> <p>Total value of Combined Authority funding - £14.424 million, of which £12.053 million will be funded through over-programming against the West Yorkshire plus Transport Fund</p> <p>Funding recommendation sought - £350,000</p> |
| <p>City Centre heritage properties Bradford Growth Deal Priority 4 (a): Housing, Regeneration and Digital</p> | <p>A scheme to fund the remediation and enabling works at three heritage properties in Bradford city centre to make them viable to be developed commercially</p> <p>The scheme will be funded from the Combined Authority Growth Fund</p> <p>The strategic case includes a high level value for money assessment which indicates that the project will offer good value for money. Further work is needed on business the case.</p> | <p>Approval for the programme to proceed beyond decision point 2 (case paper) and work commence on activity 3 (outline business case)</p> <p>Total value - £31.602 million</p> <p>Total value of Combined Authority funding provided through over-programming against the Local Growth Fund - £7.4 million</p> <p>Funding recommendation sought - £0</p> |
| <p>Halifax Living, Halifax Calderdale Growth Deal Priority 4 (a): Housing, Regeneration and Digital</p> | <p>To prepare a number of sites in Halifax Town Centre for housing development through remediation and enabling works</p> <p>The scheme will be funded from the Combined Authority Growth Fund</p> <p>The strategic case includes a high level value for money assessment which indicates that the project will offer</p> | <p>Approval for the programme to proceed beyond decision point 2 (case paper) and work commence on activity 3 (outline business case)</p> <p>Total value of Combined Authority funding provided through over-programming against the Local Growth Fund - £764,000</p> <p>Funding recommendation sought - £0</p> |

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| | <p>good value for money. Further work is needed on business the case.</p> | |
| <p>Wakefield City Centre - South East Gateway Wakefield Growth Deal Priority 4 (a): Housing, Regeneration and Digital</p> | <p>This scheme will create a new south east gateway to Wakefield's City Centre through; bringing key development sites to market by funding site assembly and clearance; Carrying out works that enable the development of Rutland Mills at Wakefield; and development of a master plan for the south side of the Kirkgate railway bridge.</p> <p>The strategic case includes a high level value for money assessment which indicates that the project will offer good value for money. Further work is needed on business the case.</p> | <p>Approval for the programme to proceed beyond decision point 2 (case paper) and work commence on activity 3 (outline business case) or activity 4 (full business case) dependent on sufficient detail being available at submission stage.</p> <p>Total value - £41.55 million</p> <p>Total value of Combined Authority funding provided through over-programming against the Local Growth Fund - £6.505 million</p> <p>Funding recommendation sought - £0</p> |
| <p>Rail Park & Ride Programme Phase 2 West Yorkshire Growth Deal Priority 4 – Transport Infrastructure</p> | <p>A programme of car park extension schemes at West Yorkshire commuter railway stations</p> <p>The scheme will be funded from Combined Authority's West Yorkshire Plus Transport Fund and Leeds Public Transport Investment Programme</p> <p>Gross Value Added for this scheme is expected to be in line with earlier rail park and ride programmes which is £11.4 million.</p> | <p>Approval for the programme to proceed beyond decision point 2 (case paper) and work commence on activity 3 (outline business case) for the individual schemes</p> <p>Total value - £33.638 million</p> <p>Total value of Combined Authority funding - £33.638 million of which £28.638 million will be funded through over-programming against the West Yorkshire plus Transport Fund</p> <p>Funding recommendation sought - £2.016 million</p> |
| <p>York Central Kickstarter phase 1 York Growth Deal Priority 4 (a): Housing, Regeneration and Digital</p> | <p>The project will deliver key works to further unlock the development potential at the York Central site including; providing access to the commercial quarter to the east of the site; Improving pedestrian/ cycle connectivity between the site and the city centre; and providing key public realm improvements to frame the commercial and National Railway Museum masterplans.</p> | <p>This project is not seeking a recommendation at this meeting. It may be re-submitted at a later stage in the programme.</p> |

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| <p>Leeds City Centre Package change request</p> <p>Growth Deal Priority 4 – Transport Infrastructure</p> | <p>This is a transformational programme in Leeds City Centre to creating a world class gateway for the city. It will facilitate the expansion of the city centre, the regeneration of South Bank and supports Leeds in becoming High Speed 2 (HS2) and Northern Powerhouse Rail ready. The works required will involve closing City Square to general traffic, improvements to Armley Gyratory, highways reconfiguration on Leeds Southbank and junction works to the M621</p> <p>The strategic case includes a high level value for money assessment which indicates that the project will offer good value for money. Further work is needed on business the case.</p> | <p>Approval of a change request to the scheme for an increase to the Combined Authority total funding contribution to the project from £36.5 million to £79.6 million to incorporate the secured Local Public Transport Investment Programme funding and over-programming against the West Yorkshire plus Transport Fund.</p> <p>Total value - £149.8 million</p> <p>Total value of Combined Authority funding - £79.6 million of which £30.3 million will be funded through over-programming against the West Yorkshire plus Transport Fund</p> <p>Funding recommendation sought - £0</p> |
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- 1.2 The 10 schemes recommended to proceed have a total combined funding value of £383.486 million when fully approved, of which an indicative allocation of £125.209 million additional funding is being sought from the Combined Authority through over-programming against the Local Growth Fund and West Yorkshire plus Transport Fund. A total expenditure recommendation to the value of £4.022 million is sought as part of this report for the development and delivery of these schemes.

2 Information

- 2.1 This report presents proposals for the progression of 10 schemes through the Combined Authority's assurance process in line with the Leeds City Region Assurance Framework. These schemes were submitted to the Combined Authority as part of the call for projects process in September 2017. As part of the assessment, they were categorised on best fit within the four priorities of the SEP.
- 2.2 In-principle support to 11 projects was approved at the February meeting of the Combined Authority. It was agreed that the next stage for these projects was for them to be brought forward for consideration for entry into the Combined Authority delivery programme, pending the outcome of the programme re-profiling exercise and the future availability of funding, and subject to approval through the Combined Authority's assurance process.
- 2.3 11 Promoters were invited to resubmit their expressions of interest in spring 2018, and in doing so, to supply updated information around costs, funding requirements and scheme outcomes. **Appendix 1** sets out a summary of

previously approved costs, funding requirements and high-level scheme outputs against those as re-submitted.

- 2.4 It is noted that the schemes were shortlisted through the call for projects process and approved on the basis of the previously submitted expression of interest, which included project scope definition as well as delivery timescales, funding requirement and forecast scheme benefits.
- 2.5 Of the 11 submissions, four were initially shortlisted and approved on the basis of the housing outputs presented. These were Halifax Living, Bradford city centre Heritage Properties, Wakefield City Centre South East and York Central Kickstarter. None of these schemes deliver direct housing outputs, but do act as an enabler to do so. The current position with respect to these is provided below:
- Halifax Living – It has been established that there was a double-counting of housing outputs with the Beech Hill project and that a lower number of housing units will ultimately be built than was initially proposed. Since Beech Hill is currently the subject of an existing allocation to fund required demolition on-site, it is proposed that the element relating to land remediation will now be included as part of the original scheme's full business case rather than as part of the Halifax Living programme. This will result in an increase to costs within the full business case for Beech Hill which will be outside approved tolerances. The Beech Hill scheme will therefore come back to a later meeting of the Investment Committee for further consideration.
 - Bradford city centre heritage properties – the three properties in question are currently in private ownership and the scheme involves setting up Joint Ventures (JV) with the landowners/developers and Bradford Council to proceed. Potential exists for the Combined Authority to take an equity stake in the JVs alongside Bradford Council and the landowners/developers to produce housing outputs and this should be explored further.
 - Wakefield City Centre South East – this scheme has been re-submitted with a change of scope, with reduced housing numbers (130 to 83) and a re-focus on Rutland Mills, which it is envisaged will lead to wider outcomes.
 - York Central Kickstarter – The focus of this scheme is more around the provision of transport infrastructure and place-making as an enabler to site development. This scheme more closely fits the objectives of the Transport Fund and, through discussions with City of York Council, will not be progressed at this stage. A revised scheme may be reconsidered further at a later stage in the programme.
- 2.6 A further seven submissions were shortlisted. Two of these were categorised as meeting the requirements of 'growing businesses' (Institute for high speed rail and systems integration, Leeds City Region enterprise zones programme) and a further three showed evidence of fulfilling the criteria of the 'transport infrastructure' SEP priority area (Leeds inland port, Rail park & ride

programme phase 2, CityConnect cycle city ambition programme phase 1 & 2 extension). Briefly:

- Institute for high speed rail and systems integration – seeking funding for phase 1 which entails the creation of two initial world-leading high-speed rail test facilities.
- Leeds City Region enterprise zones programme – funding sought to cover the delivery of the Phase 1 sites (Leeds) and Phase 2 sites (across Bradford, Calderdale, Kirklees and Wakefield).
- Leeds inland port – funding towards a new freight facility at Stourton, which is anticipated will support projects such as High Speed 2 and Leeds South Bank regeneration.
- Rail park & ride programme phase 2 – funding to support the delivery of up to 12 sites with potential for an additional 2,500 spaces across West Yorkshire.
- CityConnect cycle city ambition programme phase 1 & 2 – funding to support eight cycling projects delivering 19km of high quality infrastructure across the City Region.

2.7 Currently, there is no funding available for the majority of these schemes, as they are not named schemes within the Growth Deal funding programme, and funding is currently fully allocated to other schemes. Allocation of funding will be dependent on approval to over-programme and/or to re-profile funding from existing schemes. If Investment Committee is minded to recommend any of the schemes included in this report for funding, the Growth Deal will become over-programmed. The Combined Authority is currently considering borrowing arrangements to allow these schemes to be funded, subject to a maximum of £90 million borrowing to meet over-programming commitments, and subject to schemes making sufficient progress through the assurance process and in delivery. As schemes are developed and pass through the assurance process the phasing of schemes will be encouraged to ensure over-programming commitments are kept within an agreed borrowing cap. There are a number of schemes that do require development funding at this stage if entry into the programme is approved by the Combined Authority on 28 June 2018 and the schemes will be eligible to incur costs with immediate effect.

2.8 The exceptions are the final two submissions, Gateway to Huddersfield and Leeds City Centre Package schemes, both of which are existing named schemes within the Transport Fund, but with a change to scope and funding requirements:

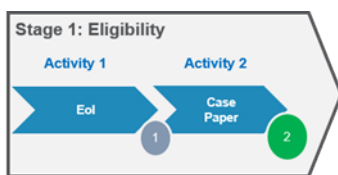
- Gateway to Huddersfield - an initial stage of the Station Gateway programme (although the scheme has a wider town centre regeneration theme). The opportunity exists for the Combined Authority to take an equity stake in this scheme through land acquisition, which in turn will provide greater surety around benefits realisation.
- Leeds City Centre Package submission is seeking an increased approval from the West Yorkshire Transport Fund to support the delivery of the

initial phase (Armley gyratory and Leeds City Square). The issue of scheme affordability had been previously presented to the Combined Authority in February 2016.

- 2.9 A summary of call for project submissions is provided in **Appendix 1**. This sets out the information as provided by scheme promoters in response to the call for projects (September 2017) and the revised expressions of interest (March/April 2018). There are a number of changes set out to scheme costs and outputs (such as housing units), which are reflective of further work being undertaken relating to the schemes and/or changing circumstances, as well as the time that has lapsed since the initial submission.
- 2.10 The background information on the Combined Authority's assurance framework through which each of the schemes outlined in this report are being approved is provided in **Appendix 2**. In addition, this appendix also provides a description of the approach for the future assurance approval pathway and the assurance tolerances for each scheme.

3 Programmes and projects for consideration

Projects in stage 1: Eligibility



- 3.1 Projects at the eligibility stage are seeking entry into the portfolio and should demonstrate a strategic fit in terms of project outcomes, with further project definition including costs and detailed timescales to be developed as the project progresses through the assurance process. At this stage funding may be sought to enable this work to progress.

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| Project title | Institute for high speed railways and system integration |
| Stage | 1 (Eligibility) |
| Decision point | 2 (Case paper) |

Background

- 3.2 High Speed 2 (HS2) is Europe's largest railway project, and a vital part of the UK Government's strategic plan for regeneration, growth and rebalancing of the UK economy. It also represents a significant opportunity for the UK to capitalise on a rapidly growing high-speed rail global market. The lack of testing facilities in high-speed rail represents a significant barrier to the future development of high-speed rail research and innovation, but presents a significant opportunity for the UK to be a global lead.
- 3.3 The University of Leeds, working closely with partners including Network Rail, the Higher Education Funding Council and the University of Huddersfield is seeking to establish the Institute for High Speed Railways and System Integration (IHSRSI) in the Leeds City Region with the ambition of helping to unlock the full potential of high speed rail, nationally and globally. HS2 will be of major economic benefit to the city region and the institute will help to maximise these benefits, by establishing the university and city region as a global lead in high speed rail engineering and research. The new institute will complement and build upon the expertise that already exists in the region.
- 3.4 The scheme will be delivered in three phases. The funding requested from the Combined Authority will part fund the delivery of Phase 1 only:
- 3.5 Phase 1 – creation of two initial world-leading test facilities for the new institute, these being a high-speed railways infrastructure system test facility and a high speed vehicle test facility. Specifically, 40,000m² of world class high speed rail infrastructure test & Research & Development facilities to include:
- A full-scale 400 kilometre per hour capable high-speed rail infrastructure systems test facility which will be able to test full-scale railway track structures, including embankments, preformed systems and ground stabilization technologies;
 - A full-scale high-speed 400 kilometre per hour capable vehicle systems test facility capable of testing full-scale rolling stock and their interaction (behaviour) with different track systems
- 3.6 A number of location options have been considered and fully researched. The current preferred option is for the facility to sit alongside the HS2 depot and within the Leeds Enterprise Zone (Aire Valley).

- 3.7 Phase 2 - A System Integration and Innovation Centre capable of replicating the system interaction of the civil, mechanical, electrical and digital systems across the railway operational environment.
- 3.8 This is in direct response to calls from the industry for the IHSRSI to have significant system integration capability to support projects from, HS2, Network Rail and Trans-Pennine. By connecting conventional and digital train control systems through this approach, a unique research and development facility will be created, allowing transformational change in railway research and development.
- 3.9 Phase 3 – The IHSRSI will act as a catalyst for the development of an advanced manufacturing park within the Leeds Enterprise Zone (Aire Valley).
- 3.10 A summary of the scheme’s business case and an indicative location map, is included in **Appendix 3**.

Outputs, benefits and inclusive growth implications

- 3.11 Outputs, benefits and inclusive growth implications for Phases 1, 2 and 3 of the programme can be summarised as:
- Establishing an international reputation that will attract key industry investment, spur new enterprise, Small to Medium Enterprise’s and supply chains, to the Leeds City Region;
 - Creation of high value employment and uplifting skills of local workforce (apprentices, technicians, undergraduates and postgraduates in the skills industry needs) and attracting new international students to Leeds;
 - Increased retention of graduates in the Leeds City Region;
 - Growing research and innovation expertise and manufacturing skills across the North;
 - Leverage significant ‘international’ private sector and public research investment in Research & Development;
 - De-risking UK and global HSR projects by providing facilities and expertise to assess track and vehicle designs and prototypes prior to deployment;
 - Co-location of the HS2 depot, HS2 Yorkshire Hub Station and the IHSRSI provides the catalyst for significant future inward investment and export potential including the development of an Advanced Manufacturing Park – Leeds Council estimate that the AMP will generate 3,000 new jobs; and
 - Increasing the GVA of the region;
 - Business Rate income to the Combined Authority as a result of its location in an Enterprise Zone.

Risks

3.12 The key risk, and mitigating action, for this project are:

- Securing all the required match funding and follow-on investment. The University has secured industry co-investment for Phase 2, but the key risk to this scheme relates to securing the funding for Phase 1.

Costs

3.13 The total cost of Phase 1 highlighted previously is forecast at £22.88 million. This application seeks funding in the sum of £11.44 million from the Combined Authority towards the costs of delivering Phase 1. Funds from the university will be used as match funding (£11.44 million).

3.14 Funding for phase 2 is currently being sought from other funding sources and private sector investors. This will be substantiated with the scheme's forthcoming full business case.

Timescales

3.15 The anticipated timescales of the project:

- Decision point 5 (full business case with finalised costs) approval for Phase 1 is forecast for November 2018.
- Phase 1 of the scheme is due to be delivered by spring 2020. Completion of phases 2 will be confirmed as part of the full business case.

Future assurance pathway and approval route

| Assurance pathway | Approval route |
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| Decision point 4 (full business case) | Recommendation – Investment Committee Decision – Combined Authority |
| Decision point 5 (full business case with finalised costs) | Recommendation – Combined Authority's Programme Appraisal Team Decision – Delegation to the Combined Authority's Managing Director |

Tolerances

| Project tolerances |
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| The Combined Authority's contribution remains within 10% of the figure outlined in this report. |
| Programme timescales remain within 3 months of the timescales outlined within this report. |

Project responsibilities

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| Senior Responsible Officer | Professor Lisa Roberts, University of Leeds |
| Project Manager | Professor Peter Woodward, University of Leeds |
| Combined Authority case officer | Lisa Childs/Rachel Jones |

Appraisal summary

- 3.16 The scheme has a strong strategic, commercial and economic case at this stage, although the financial and management cases require more detail. As the full business case is developed, delivery costs and programmes will require additional clarity, to ensure the scheme is deliverable.

Recommendations

- 3.17 That Investment Committee recommends to the Combined Authority that:
- (i) The Institute for High Speed Rail and System Integration scheme Phase 1 proceeds through decision point 2 and work commences on activity 4 (full business case).
 - (ii) An indicative approval to the Combined Authority's contribution of £11.44 million is given, which will be funded through over-programming against the Local Growth Fund, with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs). The total Phase 1 value is £22.88 million (The University of Leeds will contribute match funding of £11.44 million).
 - (iii) Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 5 (full business case with finalised costs) through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

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| Project title | Leeds City Region Enterprise Zones |
| Stage | 1 (Eligibility) |
| Decision point | 2 (Case paper) |

Background

- 3.18 The Leeds City Region Enterprise Zones programme, will deliver new employment sites across two zones in ten locations across the region. Enterprise zones are seen as a key part of the Government's national agenda to devolve responsibility for growth and incentivise additional economic development. Delivering against the Strategic Economic Plan's priority areas of 'Growing Business' and 'Infrastructure for Growth' in Spatial Priority Areas the programme will support and enable the delivery of the ten Enterprise Zone sites through the following:
- Development of a comprehensive and targeted branding, marketing and communications package
 - Support for site feasibility, investigations and master planning
 - Delivery of onsite capital works and site infrastructure
 - Direct support for property delivery
 - Offsite and/or ancillary infrastructure
- 3.19 The Enterprise Zones have been split into two delivery phases with Phase 1 (Leeds) currently on site and Phase 2 sites (across Bradford, Calderdale, Kirklees and Wakefield) along the M62 corridor, currently in varying stages of development. The phase 2 sites have previously been prioritised for delivery and funding, with £20 million of Local Growth Fund having been indicatively approved for the programme by the Combined Authority in December 2017. The programme has now come forward with a request through the Call for Projects process for an additional £24.939 million from the over-programming of the Local Growth Fund to cover delivery of the £49.558 million programme in its entirety. Other external partner council funding has also been confirmed through the Department for Transport's National Productivity Investment Fund (NPIF) (for Clifton).
- 3.20 When completed, the Enterprise Zone sites will accommodate new and expanded manufacturing business supporting inclusive growth through provision of high quality, skilled employment opportunities. As well as manufacturing use the sites will provide for a demand in smaller warehousing and distribution units to accommodate the growing markets in the 'last mile economy' and respond to the changes in the retail model. The site geography and infrastructure constraints mean that public sector investment is required to overcome market challenges and viability issues identified for each of the sites to bring them forward for employment use.

- 3.21 The programme is being led and managed by the Combined Authority in partnership with the five West Yorkshire Partner Councils, other site owners, developers and other agencies. Whilst the Enterprise Zones programme is an established programme, since 2016, with associated governance and project management structures in place, there is now a need to accelerate progress with delivery. To facilitate this acceleration a dedicated programme and project management team will be appointed by the Combined Authority to take the programme forward and mitigate identified risks to delivery by March 2021.
- 3.22 The Leeds Enterprise Zone's (Aire Valley) project to provide power to the site, is further developed that the other sites and its business case was considered by the Investment Committee in November 2016. It is anticipated that the full business case will be completed in July 2018, as a result it is proposed that the Leeds Enterprise Zone (Aire Valley) continues to be progressed separately from the Enterprise Zone programme as a whole providing that the full business case demonstrates that the costs and benefits are in line with those set out in the programme case paper.
- 3.23 A summary of the scheme's business case and an indicative location map, where appropriate, is included in **Appendix 4**.

Outputs, benefits and inclusive growth implications

- 3.24 The two phases of the Enterprise Zones programme have the potential to deliver significant economic benefits to the Region and has a clear fit to the Strategic Economic Plan's priorities of growing business and providing infrastructure for growth. The programme will contribute to both local and national priorities for inclusive growth through the delivery of new employment sites, growing business and creating jobs. It is expected that programme will deliver the following outputs on an incremental basis:
- 230 hectares of new employment land across the ten sites
 - 15,000 jobs
 - Up to £5 billion of GVA by 2025
- 3.25 The return on the public sector investment in the sites will also be realised through the 25 year business rate receipt retention by the Combined Authority (as one of the national incentives granted through Enterprise Zone status). The opportunity for which commenced in 2013 Leeds (Aire Valley) and 2017 for the phase 2 schemes.

Risks

- 3.26 The key risks, and mitigating actions, for this programme are:
- Insufficient funding to deliver the programme and/or cost increase. This will be mitigated by progressing all opportunities for funding; by monitoring costs and viability closely and identifying any opportunities for both cost savings across the full programme.

- Delivery timescales increase such that sites cannot be delivered by March 2021. This will be mitigated by putting the resource in place to drive forward site delivery, ensuring each site has a realistic and detailed programme that allows for twin tracking of activities (for example Compulsory Purchase Order and Planning Applications on the Clifton site) where possible to avoid unnecessary delays.
- Delivery constraints including planning consent and ability to secure land. This will be mitigated by seeking pre-application advice from relevant authorities, establishing and maintaining positive close working relationships with land owners, agents and developers. Where securing land is essential to delivery, pursue all opportunities to acquire land by mutual agreement in advance of alternatives.
- That if the Enterprise Zone programme is not delivered (in full or in part) the Combined Authority will not retain the forecast levels of business rate receipt income. As outlined above, this will be mitigated by putting the resource in place to drive forward site delivery.

Costs

- 3.27 The programme is forecast to cost £49.558 million. The Combined Authority is being asked to fund £45.044 million of these costs, with £20 million previously indicatively approved, from the Local Growth Fund. A further £24.939 million is now requested from over-programming against the Local Growth Fund to fund the remainder of the programme. The remaining costs will be funded from £75,000 from Department of Communities and Local Government Grant funding (£50, 000 of which has already been approved) and £30,000 from previously approved Combined Authority funding plus external match funding.
- 3.28 The Programme has an existing development cost approval of £302,000 from the Local Growth Fund, which was preceded by £30,000 of pre-feasibility revenue funding and £50, 000 of the Department of Communities and Local Government Grant funding. Further Development costs of £1.541 million are now sought for approval. This will be funded from the £1.516 million of the Local Growth Fund allocation in order to appoint a programme management team and undertake the necessary detailed feasibility and associated technical studies to develop the site business cases and bring the sites forward for delivery. In addition, the remaining £25,000 from the funding received from Department of Communities and Local Government is also requested in order to undertake marketing activities.

Timescales

- 3.29 The anticipated timescales of the project:
- The sites are all at varying stages of development with the overall programme's outline business case expected January 2019 and individual sites progressing to full business case thereafter.

- The Leeds Enterprise Zone is more progressed and as a result the full business case for delivery of the power supply to the site is expected to be approved in December 2018.
- Delivery of all sites is required by March 2021 to align with the constraints of the funding timescales for Local Growth Fund and the District Partners NPIF funding.

Future assurance pathway and approval route

| Assurance pathway | Approval route |
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| For the Programme (excluding Leeds Enterprise Zone (Aire Valley)) : Decision Point 3 Outline business case | Recommendation – Investment Committee Approval - Combined Authority |
| Decision Point 4 (Full business case) For Leeds Enterprise Zone (Aire Valley) For each other site: | Recommendation – Investment Committee Approval – Combined Authority’s Managing Director To be determined at outline business case |
| Decision Point 5 (full business case with finalised costs) For Leeds Enterprise Zone (Aire Valley) For each site: | Recommendation – Combined Authority’s Programme Appraisal Team Approval – Combined Authority’s Managing Director To be determined at outline business case |

Tolerances

| Project tolerances |
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| That programme costs should remain within the total programme cost set out in this report |
| That programme timescales should remain within 3 months of the timescales set out in this report. |

Project responsibilities

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| Senior Responsible Officer | David Walmsley, Combined Authority |
| Project Manager | Alison Gillespie, Combined Authority |
| Combined Authority case officer | Fiona Limb |

Appraisal summary

- 3.30 The Enterprise Zone programme has a clear and compelling strategic case, and will deliver against two of the Leeds City Region Strategic Economic Plan Priority Areas; 'Growing Business' and 'Infrastructure for Growth' through the delivery of ten new employment sites. The market demand for these sites for manufacturing, distribution and warehousing uses has been assessed and demonstrated and it is clear that without intervention there is little market confidence to develop the sites from the commercial sector. The programme will provide public sector funding to unlock the sites through delivering infrastructure interventions, as well as supporting marketing and engagement activities.
- 3.31 As well as delivering 230 hectares of new employment land, 15,000 jobs and up to £5 billion of GVA, the programme has the potential to provide a financial return for the Combined Authority through the retention of the business rates by the end users. These expected benefits will be reviewed as the sites progress to outline business case.
- 3.32 The programme costs of £49.558 million, are based on initial feasibility for most of the sites but updated costs have been provided for some sites that are further progressed. However these are still at a high level and there is a risk that costs could increase. The majority of the funding, £44.939 million is requested from the Combined Authority's Local Growth Fund. Some projects have secured match funding, (including the Clifton Site which has £4.494 million of Department for Transport National Productivity Investment Funding confirmed) and there are still outstanding bids to be determined that may reduce the funding required from the Local growth Fund.
- 3.33 A review of programme management documentation, process and governance is required once a dedicated programme management team is in place. High level risks have been identified but more detailed risk analysis is needed at the site level, which will be undertaken as part of the business case development.

Recommendations

- 3.34 That Investment Committee recommends to the Combined Authority that:
- (i) The full Enterprise Zones programme proceeds through decision point 2 (case paper) and work commences on Activity 3 (outline business case) for all Enterprise Zones sites, with the exception of Leeds (Aire Valley) which will continue progressing through Activity 4 (full business case).
 - (ii) An indicative approval to the Combined Authority's contribution of £45.044 million is given (which will be funded through £20 million from Local Growth Fund's existing approval, £24.939 million from over-programming against the Local Growth Fund, £75,000 of Department of Communities and Local Government Grant funding and £30,000 of other Combined Authority budget funding), with full approval to spend being granted once individual schemes have progressed through the

Assurance Process to Decision Point 5 (full business case with finalised costs). The total programme value is £49.558 million.

- (iii) Development costs of up to £1.541 million are approved in order to progress the schemes within the programme to Decision Point 3 (outline business case) taking the total development cost approval up to £1.923 million. This will be funded from Local Growth Fund (£1.516 million) and the Department of Communities and Local Government Grant funding (£25,000).
- (iv) Future approvals are made in accordance with the approval pathway and approval route outlined in this report. This will be subject to the programme remaining within the tolerances outlined in this report.

| | |
|-----------------------|-------------------|
| Project title | Leeds Inland Port |
| Stage | 1 (Eligibility) |
| Decision point | 2 (Case paper) |

Background

- 3.35 The scheme will deliver a new wharf facility at Stourton in Leeds to enable the transportation of non-perishable freight such as aggregates, timber, oil and steel from the Humber estuary into Leeds. It is anticipated that the project will support the development of flagship projects such as Leeds South Bank regeneration and High Speed 2 by enabling construction materials to be transported on water, thereby reducing congestion on the roads and generating carbon savings.
- 3.36 The project itself, located on three acres of land owned by the Canal & River Trust, will entail:
- The construction of a concrete apron on a three acre brownfield site in the Trust ownership
 - The installation of 80m of sheet piling to establish an apron for boats to moor against
 - The dredging of the waterway to improve the navigability of the waterway at this point

A summary of the scheme's business case and an indicative location map is included in **Appendix 5**.

Outputs, benefits and inclusive growth implications

- 3.37 The outputs, benefits and inclusive growth implications for the scheme are:
- One new freight facility for the city of Leeds that will move 200,000 tonnes of freight from road to water after year one, resulting in reduced road congestion.
 - Reduce carbon emissions from road vehicles by 100 tonnes by the end of year three resulting in improved air quality for the Leeds City Region
 - Create up to 16 jobs, safeguard three jobs, and assist 25 businesses, thereby supporting economic growth in the region
 - Increased connectivity between the Humber ports and northern Europe
- 3.38 At this early stage the scheme is anticipated to deliver good value for money and this will be evaluated further during the course of the scheme's development.

Risks

3.39 The key risks, and mitigating actions, for this project are:

- Availability of budget; the Trust's match funding has been confirmed. This will be sufficient providing costs come back from the tender within initial budget estimate. Tendering for alternative prices is an option if required to ensure series of options is available before construction.
- Market demand; to date 25 different businesses have expressed an interest in using the facility once it is built. This work is ongoing.
- Potential state aid issues; an initial assessment of state aid has been undertaken which has revealed no issue at this stage. A more robust assessment will be undertaken during the next phase of the scheme's development.

3.40 A risk register with mitigating actions will come forward at the next stage of scheme development.

Costs

3.41 The total project delivery costs are currently estimated at £3.37 million of which the West Yorkshire Combined Authority contribution is proposed to be £3.17 million (94% of total project costs).

3.42 It is understood that the cost estimates, which are £1.17 million higher than originally proposed, are based on a robust solution design supported by a bill of quantities and cost analysis.

3.43 Match funding to a value of £200,000 is proposed by the Canal & Rivers Trust.

Timescales

3.44 The anticipated timescales of the project:

- Whilst the expression of interest indicated that work would start on site in autumn 2018, a revised position is a start on site date of April 2019. This will allow sufficient time to secure full planning consent and prepare a strong business case for the Combined Authority.
- It is anticipated that the Inland Port will be fully operational in spring 2020.

Future assurance pathway and approval route

| Assurance pathway | Approval route |
|---|---|
| Decision point 3 (outline business case) | Recommendation - Programme Appraisal Team Approval – Combined Authority’s Managing Director delegated decision |
| Decision point 4 (full business case) | Recommendation – Investment Committee Approval – Combined Authority |
| Decision point 5 (full business case with finalised costs) | Recommendation – Programme Appraisal Team Approval – Combined Authority’s Managing Director delegated decision |

Tolerances

| Project tolerances |
|---|
| That the Combined Authority contribution remains within the costs identified in this report. |
| That the project delivery timescale remain within 3 months of the timescales identified within this report. |

Project responsibilities

| | |
|--|---------------------------------------|
| Senior Responsible Officer | Stuart Mills, Canal and River Trust |
| Project Manager | Stephen Higham, Canal and River Trust |
| Combined Authority case officer | Daisy Johnson |

Appraisal summary

- 3.45 The project has a strong fit with the Strategic Economic Plan (SEP) and Transport Strategy and will deliver against SEP priorities 1, 2, 3, and 4 to grow business, create better jobs and deliver infrastructure for growth.
- 3.46 Whilst the project seeks £1.17 million more funds from the Combined Authority than the original £2 million expression of interest submitted, the Leeds Inland Port could provide a viable alternative to road transport for construction materials needed to bring forward flagship developments such as Leeds South Bank and High Speed 2.
- 3.47 Further work is required to confirm market demand, refine the outputs, outcomes and benefits.

Recommendations

- 3.48 That Investment Committee recommends to the Combined Authority that:
- (i) The Leeds Inland Port project proceeds through decision point 2 and work commences on activity 3 (outline business case).
 - (ii) An indicative approval to the Combined Authority's contribution of £3.17 million is given, which will be funded through over-programming against the Local Growth Fund, with full approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs). The total project value is £3.37 million (Canal & Rivers Trust match funding of £200,000).
 - (iii) Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision points 3 and 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

| | |
|-----------------------|-----------------------------------|
| Project title | Gateway to Huddersfield - Phase 1 |
| Stage | 1 (Eligibility) |
| Decision point | 2 (Case paper) |

Background

- 3.49 The Gateway to Huddersfield project covers the rail station and its environs, including a large former railway goods shed and station goods yard (now St George's Warehouse and its surface car park respectively), a Maintenance Delivery Unit (MDU) and highways to the north and west, and St George's Square to the east.
- 3.50 Huddersfield rail station is a key transport hub within West Yorkshire providing linkages to the business centres of Leeds and Manchester, York, Liverpool and the North East.
- 3.51 Gateway to Huddersfield will see the regeneration of the rail station and its environs. Phase 1 of the project would provide:
- Additional eastern entrances (to provide better passenger access);
 - Improvements to existing highway (to facilitate movements);
 - Creation of a taxi hub off St George's Square and re-modelling of space vacated (public realm upgrade).
 - Land assembly (to deliver later phases of project).

Later phases of the project (not subject to this phase of the project) could include some or all of the following elements:

- Provision of parking (multi-storey and surface) at St George's Warehouse;
- Subway extension with new western entrance to link the station with the Warehouse site;
- External stair/lift tower to connect the parking to the town centre (public right of way);
- Alterations to rail tracks, signalling and existing station platforms; and
- New station platform.

A summary of the scheme's business case and an indicative location map is included in **Appendix 6**.

Outputs, benefits and inclusive growth implications

- 3.52 The Gateway to Huddersfield project, by making Huddersfield more accessible and better connected, aims to focus on three key priority areas as identified in the Leeds City Region's Strategic Economic Plan. (1) Infrastructure for

Growth, (2) Growing Business, and (3) Skilled People, Better Jobs. However realising benefits from the latter two priorities is dependent upon the delivery of later phases.

3.53 The scheme also contributes towards key objectives in the Kirklees Local Plan in terms of its potential to regenerate a key location in Huddersfield Town Centre, and bring in to use an important but derelict listed building. Again, this is dependent upon delivery of later phases of the project.

3.54 Phase 1 of the project would provide the following:

- Increasing access to employment and productivity growth through providing access to sustainable transport, and potentially increasing employment opportunities in the town centre.
- Additional eastern entrances (to provide better passenger access).
- Improvements to existing highway (to facilitate movements).
- Creation of a taxi hub off St George's Square and re-modelling of space vacated (public realm upgrade).
- Land assembly for later phases.

Risks

3.55 The key risks, and mitigating actions, for this project are:

- Land acquisition - valuations for land in 3rd party ownership are confirmed as appropriate up to 31 August 2016. There is a risk that increases in land values would impact upon the scheme costs. A risk reserve of 20% is included in the estimated costs to reflect the current uncertainty regarding market values of the relevant properties.
- The acquisition of land and buildings by public authorities may give rise to state aid issues. Kirklees Council will therefore obtain an independent valuation of the market value of the properties to be acquired.

Costs

3.56 The total project value is £5.55 million. £5 million is requested funding from the Station Gateways allocation of the West Yorkshire plus Transport Fund. A £500,000 contribution from Kirklees Council has been identified.

3.57 In 2015, the Huddersfield Station Gateway project received £50,000 funding from the West Yorkshire plus Transport Fund to develop the project to Gateway 1 (on the previous West Yorkshire plus Transport Fund's assurance process). This has funded demand modelling works and outline design for the scheme as a whole, which informed the expression of interest submission.

3.58 Further development costs of £115,000 are now sought as part of this report.

Timescales

- 3.59 The project is advanced and it is expected that the outline business case with will be completed by September 2018. Full business case with costs will be completed by July 2019.
- 3.60 Construction on the additional eastern entrances, improvements to existing highway and the creation of a taxi hub off St George's Square and re-modelling of space vacated (public realm upgrade) to commence summer 2019 with completion March 2021.
- 3.61 Land assembly strategy to be completed August 2019.

Future assurance pathway and approval route

| Assurance pathway | Approval route |
|--|---|
| Decision point 3 (outline business case) | Recommendation – Investment Committee Approval – Combined Authority |
| Decision point 5 (full business case with finalised costs) | Recommendation – Combined Authority's Programme Appraisal Team Approval – Combined Authority Managing Director |

Tolerances

| Project tolerances |
|--|
| That the total project costs remains within 10% of the costs identified within this report. |
| That the project delivery timescale remains within two months of the timescales identified within this report. |

Project responsibilities

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|---------------------------------|------------------------------------|
| Senior Responsible Officer | Keith Bloomfield, Kirklees Council |
| Project Manager | Peter Steniulis, Kirklees Council |
| Combined Authority case officer | Thomas Murphy |

Appraisal summary

- 3.62 A significant amount of work has already been undertaken to develop proposals for the Gateway to Huddersfield project, identifying the issues to be addressed and working through proposals to address these. The expression of interest is focussed on phase 1 of the project and whilst there are benefits to be realised from improvements to the rail station and highway arrangements, the regeneration benefits are to be realised under later phases, with phase 1

laying the groundwork. The outline business case should seek to give assurance over the delivery of later phases given the amount of land assembly being undertaken in phase 1 and should also give consideration to asset ownership.

- 3.63 The project has defined its objective and why action is required. The strategic fit of the project is clearly defined, both against the Strategic Economic Plan and Kirklees Local Plan. The expression of interest and supporting documentation give sufficient assurance to recommend that this project proceed to activity 3 (outline business case).

Recommendations

- 3.64 That Investment Committee recommends to the Combined Authority that:
- (i) The Gateway to Huddersfield Phase 1 project proceeds through decision point 2 and work commences on activity 3 (outline business case).
 - (ii) An indicative approval to the Combined Authority's contribution of £5.05 million is given, to be funded by the West Yorkshire plus Transport Fund, with full approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (full business case with finalised costs). The total project value is £5.55 million (£500,000 contribution from Kirklees Council).
 - (iii) Development costs of up to £115,000 are approved in order to progress the scheme to decision point 3 (outline business case), taking the total development cost approval to £165,000.
 - (iv) West Yorkshire Combined Authority enter into a funding agreement with Kirklees Council for expenditure of up to £115,000. This funding agreement will also acknowledge the existing £50,000 development funding approval.
 - (v) Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

| | |
|-----------------------|---|
| Project title | CityConnect Cycle City Ambition Programme – Phase 1 & 2 extension |
| Stage | 1 (Eligibility) |
| Decision point | 2 (Case paper) |

Background

- 3.65 The Cycle City Ambition Grant (CCAG) Programme Phase 1 & 2 Extension will deliver a programme of 19km of high quality cycle infrastructure across West Yorkshire, extending and building on the existing £56 million City Connect Programme. The programme aligns with the Strategic Economic Plan's Priority Pillar 4 – Infrastructure for Growth and Priority 3 Clean Energy and Environmental Resilience.
- 3.66 The projects will connect people to employment, education and training and complement other infrastructure projects. Individual projects are at different stages of development. The eight projects are:
- Huddersfield Town Centre – providing important links between the train station, the university and the A62 Smart Corridor.
 - Leeds-Liverpool Canal, Shipley – completes a key section of cycle network with improved links to Skipton and housing and employment sites across North Bradford.
 - Leeds City Centre – connecting the east and west of the city to the cycle super-highway and improving connections with the emerging South Bank, education quarter and arena area.
 - Leeds Elland Rd Cycle – connecting relatively disadvantaged populations in areas such as Beeston and Holbeck to employment and training within the city.
 - Castleford-Wakefield Greenway Phase 4 – connects Castleford to opportunities and facilities within Wakefield whilst also passing through regeneration and housing sites along the river.
 - Cooper Bridge Cycle Link – development of strategic link.
 - Huddersfield Narrow Canal phase 2 – improvements from Slaithwaite into the town centre improving access to employment, the University and wider facilities.
 - Leeds Dewsbury Road Cycle Route – connecting Hunslet South to the city centre, employment sites and education & training opportunities.
- 3.67 The programme will be managed by the Combined Authority with individual project delivery being managed by either the relevant district council or Canals and Rivers Trust. It is intended to bring schemes through to outline business case or full business either individually or as interconnected packages. This will be established during the next phase of development work.

3.68 A summary of the scheme's business case and an indicative location map is included in **Appendix 7**.

Outputs, benefits and inclusive growth implications

3.69 The project will increase the amount of safe cycling on new and improved cycling infrastructure and the Huddersfield Town Centre project will increase the quality of public realm. It is anticipated that the programme will deliver:

- 19km of new/improved cycle route
- Better linkages between residential areas and areas of employment, training and education – providing access to access to jobs, skills and qualifications – with accompanying inclusive growth impacts
- Reductions in Carbon dioxide emissions
- An average increase of 900% of walking and cycling trips on the proposed routes
- Support to inward investment through enhanced streetscapes and public realm
- Catalytic impacts through links to existing routes and the delivery of a comprehensive network for cycling and walking
- A safer and more attractive environment for active modes of travel

3.70 The benefit to cost ratio for the programme as whole is estimated at 1.9 representing good value for money. This assessment will be updated at decision point 3. A Gross Value Added calculation to reflect the value of the travel benefits associated with the scheme will also be calculated through the West Yorkshire Urban Dynamic Model at the same time.

Risks

3.71 The main risks and mitigating factors are detailed below. However, the overarching mitigating factor for many of the risks listed is the experience that has been built up in terms of developing and delivering similar schemes.

- The interfaces with other projects and programmes in the same geography for example the Leeds city centre works and Cooper Bridge projects – impacting on timescales. Mitigation through identification of interfaces and other projects timescales, seek opportunities to deliver elements together if avoidance is not possible, e.g. through joint procurement and traffic management exercises.
- Cost increases as further design and investigative works are undertaken – e.g. stats. Mitigation through early site investigation and surveys. Risk transfer to contractors.
- Acceptability of traffic regulation orders – e.g. Huddersfield town centre scheme. Mitigation by early and continued engagement with local stakeholders and politicians. Understand and communicate wider

impacts and benefits of the scheme and seek to provide alternative parking if parking in the areas affected is displaced.

- Potentially insufficient resource capacity to project manage and deliver the schemes – also delivery timescales could be impacted by the need to undertake winter working for repairs. Mitigation - ensure resource identified early on or procure necessary resource. Understand working constraints and plan delivery around them.

Costs

- 3.72 The total forecasted cost of the programme is £14.824 million. It is proposed that this would be funded through £12.053 million from over-programming against the West Yorkshire plus Transport Fund, £2.371 million of Combined Authority funding which has already been secured from the Department for Transport for CCAG and also match funding of £400,000 which has been committed by Kirklees and Leeds Councils.
- 3.73 Development costs of £350,000 are requested and will be funded from over-programming against the West Yorkshire plus Transport Fund.

Timescales

- 3.74 The programme consists of a number of different projects that are at different stages in their development. As such the timescales will vary between the projects that constitute the programme.
- Programme outline business case is expected to be completed by December 2018.
 - All feasibility work completed by August 2018.
 - All detailed design completed by September 2019.
 - Construction of all projects started by April 2020.
 - All construction complete by March 2021.

Future assurance pathway and approval route

| Assurance pathway | Approval route |
|---|---|
| Decision point 3 (outline business case) Individual projects or a package of projects | Recommendation – Combined Authority's Programme Appraisal Team Approval – Combined Authority's Managing Director |
| Decision point 5 (full business case with finalised costs) Individual projects or a package of projects | Recommendation – Investment Committee Approval – Combined Authority |

Tolerances

| Project tolerances |
|---|
| That programme costs should remain within 10% of the total programme cost set out in this report |
| That programme timescales should remain within 3 months of the timescales set out in this report. |
| The overall benefits to cost ratio or the ratio of an individual project remains above 1.5:1. |

Project responsibilities

| | |
|--|-----------------------------------|
| Senior Responsible Officer | Kate Thompson, Combined Authority |
| Project Manager | Fiona Limb, Combined Authority |
| Combined Authority case officer | Seamus McDonnell |

Appraisal summary

- 3.75 The programme has a clear fit to the Strategic Economic Plan and the Transport Strategy. The cycling ambitions across the Combined Authority districts will not be realised if appropriate infrastructure is not developed.
- 3.76 The economic case for the programme incorporates the benefits that will be achieved through connecting people to opportunities for employment, education and training.
- 3.77 The benefit cost ratio for the programme, derived through the Department for Transport's WebTAG transport analysis, is 1.9:1 and more work will be done on attributing and quantifying the other outcomes and benefits likely to emerge from the project.
- 3.78 The likely demand for the projects has been demonstrated in the monitoring and evaluation of completed CCAG projects and other research. It will be necessary to strengthen this further at outline business case.
- 3.79 The management of the scheme appears strong. A wealth of experience has been built up from previous schemes and this can be brought to the development and delivery of these projects.

Recommendations

- 3.80 That Investment Committee recommends to the Combined Authority that:
- (i) The City Connect Cycle City Ambition Programme – Phase 1 & 2 extension proceeds through decision point 2 and work commences on activity 3 outline business case for each of the projects within the programme.

- (ii) An indicative approval to the total project value of £14.824 million is given of which £14.424 million will be funded by the Combined Authority with full approval to spend being granted once each of the projects within the programme have progressed through the assurance process to decision point 5 (full business case with finalised costs). The Combined Authority contribution will be funded from £12.053 million from over-programming against the West Yorkshire plus Transport Fund and £2.371 million from the existing City Connect programme funding from the Department for Transport.
- (iii) Development costs of up to £350,000 are approved in order to progress the projects within the programme to Decision Point 3 (outline business case) to be funded from over-programming against the West Yorkshire plus Transport Fund.
- (iv) Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report including at Decision Point 3 (outline business case) through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

| | |
|-----------------------|---|
| Project title | Bradford city centre heritage properties development Scheme |
| Stage | 1 (Eligibility) |
| Decision point | 2 (Case paper) |

Background

- 3.81 The project relates to three key heritage properties in Bradford city centre that are of major significance to Bradford's industrial and commercial heritage, but are or will be vacant, in a poor state of repair and requiring significant remedial works to bring them forward for productive development use.
- 3.82 The delivery mechanisms proposed will see the Council entering into joint venture partnerships with the owner/developers of each of the buildings, in order to invest funding to remove the burden of a range of abnormal costs that are constraining the viable redevelopment of each property.
- 3.83 The Combined Authority funding is required to carry out essential remediation and enabling works, including selective demolition, stripping out, removal of contamination, wind/water-proofing and site preparation. This will prepare the individual buildings for conversion by the private sector, to new apartments and some commercial floorspace on the ground and lower floors of the buildings.
- 3.84 The project has a clear fit with the Strategic Economic Plan (priorities 1 and 4) and will deliver new city centre homes (of the right size, type and tenure), access to employment in a sustainable location and will fulfil the requirement of good growth. It would act as a catalyst to future investment in the city centre and new residents would boost the vitality and viability of the centre through local spend.
- 3.85 A summary of the scheme's business case is included in **Appendix 8**.

Outputs, benefits and inclusive growth implications

- 3.86 The proposal will remove obstacles to redevelopment of the 3 historic/iconic properties, including high abnormal costs resulting from the age of the properties, state of repair and limitations of historic status, coupled with the barrier of low market values in the area.
- 3.87 Up to 283 new housing units will be created together with 4,366 square metres of commercial business accommodation by 2021. The scheme will trigger further investment and increased city centre residency will boost vitality and viability through increased spend.
- 3.88 It is anticipated that the scheme will deliver good value for money, and this will be substantiated as part of the outline business case.

Risks

3.89 The key risks, and mitigating actions, for this project are:

- Failure to conclude a deal with the joint venture development partner(s), meaning that the scheme is aborted, due to a funding gap, or that the buildings would need to be purchased in order to progress, leading to cost and significant programme delays. Early engagement has been initiated to mitigate this risk, and positive verbal responses from owner/developers have been received. The Council will use their experience of joint venture partnerships to inform the process.
- Development costs are higher than expected, impacting on private sector provision. The Council and partners are experienced in the redevelopment of heritage buildings. Redesign options will be put in place and contingency considered.
- Programme delays, due to legal issues. The Council will engage early to try and mitigate this risk.
- Failure to secure planning permission/listed building consent. Early and positive engagement has already taken place with the Council's planning team and permission for Conditioning House is already secured.

Costs

3.90 Total project costs are estimated at £31.602 million. A total of £7.4 million of Combined Authority funding from over-programming against the Local Growth Fund is required to carry out enabling / remediation works. This would leverage in private sector investment, estimated at £24.202 million to convert the buildings to residential and commercial uses.

Timescales

3.91 High level timescales of the project are:

- Works commence property 1 - December 2018
- Works commence property 2 - January 2020
- Works commence property 3 - April 2020
- Works Complete property 1 - March 2020
- Works complete property 2 - March 2021
- Works complete property 3 - March 2021

Future assurance pathway and approval route

| Assurance pathway | Approval route |
|--|---|
| Decision point 3 (outline business case) | Recommendation – Investment Committee Approval – Combined Authority |
| Decision point 5 (full business case) | Recommendation – Combined Authority's Programme Appraisal Team Approval – Delegation to the Combined Authority's Managing Director |

Tolerances

| Project tolerances |
|---|
| That the programme cost remains within the cost identified within this report. |
| That the programme timescale remains within three months of the timescales identified within this report. |

Project responsibilities

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|---------------------------------|-----------------------------------|
| Senior Responsible Officer | Shelagh O'Neill, Bradford Council |
| Project Manager | Simon Woodhurst, Bradford Council |
| Combined Authority case officer | Clare Davies |

Appraisal summary

- 3.92 The project has a clear fit with the Strategic Economic Plan and will deliver new city centre homes, access to employment and will fulfil the requirement of inclusive growth. It would act as a catalyst to future investment in the city centre. Further information is required at subsequent stages including a detailed cost plan/programme and benefit cost ratio to understand if the scheme will deliver reasonable value for money and secure the required Joint Venture funding agreement to overcome the identified funding gap. The outline business case will need to address market demand and consideration of the constitution of the joint venture and potential equity stake by the Combined Authority.

Recommendations

- 3.93 That Investment Committee recommends to the Combined Authority that:
- (i) The Bradford city centre heritage properties development scheme proceeds through decision point 2 and work commences on activity 3 (outline business case).

- (ii) An indicative approval to the Combined Authority's contribution of up to £7.4 million, which will be funded through over-programming against the Local Growth Fund, is given with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs). The total project value is £31.602 million (private sector investment estimated at £24.202 million).
- (iii) Future approvals are made in accordance with the Approval Pathway and approval route outlined in this report, including the use of a delegation to the Combined Authority's Managing Director at decision point 5 (full business case with finalised costs). This will be subject to the scheme remaining within the tolerances outlined in this report.

| | |
|-----------------------|------------------------------------|
| Project title | Halifax Living programme (Phase 1) |
| Stage | 1 (Eligibility) |
| Decision point | 2 (Case paper) |

Background

- 3.94 The Halifax Living Programme aims to open up a number of sites in Halifax Town Centre for much needed housing development. Calderdale Council lead on the programme and are keen to address the shortfall in housing delivery relative to demand as confirmed in the Council's draft Local Plan, which identifies the need for 840 new build homes annually. Phase 1 of the programme concerns two projects and includes five of the town centre sites comprising:
- Cow Green. The site is centrally located adjacent to Cow Green where a temporary carpark has been created following demolition of the previous multi-storey car park. This project aims to facilitate the development of this site so as to enable approximately 100 1 and 2 bedroom town centre apartments of which at least 30% will be offered as affordable homes.
 - Eastern Gateway, a group of 4 sites, which includes the Cripplegate Area. The sites are owned by both Calderdale Council and number of private owners. The aim is for this project to fund detailed feasibility and land assessment to appraise what development options and housing outputs could be produced. It is anticipated more than 300 homes could be accommodated across these sites, along with some commercial premises.
- 3.95 The expression of interest for this programme also included an allocation request for funding for the remediation of the Beech Hill site. This site is the subject of an existing Combined Authority allocation to fund required demolition on-site, and is currently in activity 5 (full business case with finalised costs). As a result, it is proposed the request made regarding the land remediation at Beech Hill now be included as part of the original scheme's full business case rather than as part of the Halifax Living Programme.
- 3.96 Currently the two projects each have a different status as follows:
- Cow Green (Site 3) – There is a detailed architect's design for this scheme. Site investigation work part completed and a Council Local Development Company (CLDC) will be established July 2018.
 - Eastern Gateway (Sites 4-7) - A feasibility study is ready to be commissioned.
- 3.97 A summary of the scheme's business case and an indicative location map is included in **Appendix 9**.

Outputs, benefits and inclusive growth implications

3.98 Overall the Programme aims to link and accelerate the bringing forward of discrete sites suitable for housing development within easy walking distance of the town centre. Developing this housing would assist in achieving Calderdale's vision for Halifax as vibrant place to live, would complement existing investment in improvements to the local highway infrastructure by the Combined Authority and contribute to inclusive growth and housing in line with priority 4 of the Strategic Economic Plan. The year on year shortfall in housing delivery which is acute in Calderdale, relative to other areas in the City Region would also be addressed. It is expected that phase 1 will deliver the following:

- Cow Green - 100 one and two bedroom town centre apartments of which at least 30% will be offered as affordable homes.
- Eastern Gateway - up to 300 homes and some jobs depending on the development options identified.

Risks

3.99 The key risks, and mitigating actions, for phase 1 are:

- Cow Green: in view of the tight timescale for delivery of outputs and the significant degree of development still required on this scheme there is a risk of non-delivery to the stated timescale. For example planning approval has not yet been applied for and the CLDC that is expected to develop this and other sites is not yet formed which creates risks around the management of the project. Awarding funding in the next few months is the only effective mitigation for this risk or to make formation and evidence of the effectiveness of the CLDC in managing other sites a condition of the grant.
- Eastern Gateway: As this is a small sum with a specific purpose and only information as outputs there are minimal risks. The study may not produce desirable development options but it will bring Phase 2 of the Halifax Living programme closer in terms of strategic thinking on its next key sites.

Costs

3.100 The total requested Combined Authority contribution to the Halifax Living Programme Phase 1 is £764,000 comprising:

- Cow Green: £714,000 to facilitate the preparation of the site for housing development by the Council Local Development Company.
- Eastern Gateway: £50,000 to fund detailed feasibility studies and land surveys (including contaminants) and produce recommendations on viable development options.

3.101 It is recommended that the Beech Hill land remediation works be considered as part of the main Beech Hill project, this report will seek agreement in principle to fund the cost of the remediation works (£797, 000) from over-

programming against the Local Growth Fund. The approval of the use of this funding will be subject to approval through the assurance process.

Timescales

3.102 The anticipated timescales of the project:

- Cow Green: Currently it is proposed housing delivery completes by May 2021.
- Eastern Gateway: procuring and completing a feasibility study would be within 6 months of an award of grant.

Future assurance pathway and approval route

| Assurance pathway | Approval route |
|---|---|
| Decision point 3 (outline business case) | Recommendation – Investment Committee Approval – Combined Authority |
| Decision point 5 (full business case) | Recommendation – Combined Authority's Programme Appraisal Team Approval – Delegation to the Combined Authority's Managing Director |

Tolerances

| Project tolerances |
|---|
| The costs for each project within Halifax Living Phase 1 remain within 10% of the costs identified this report. |
| That Timescales remain within the timescales identified within this report. |

Project responsibilities

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|---------------------------------|---------------------------------------|
| Senior Responsible Officer | Mark Thompson, Calderdale Council |
| Project Manager | Stephanie Furness, Calderdale Council |
| Combined Authority case officer | Chris Brunold |

Appraisal summary

3.103 The schemes in phase 1 have a strong strategic aim which fits extremely well with the Combined Authority's priorities of delivering housing including affordable housing, inclusive growth and regenerating brownfield sites. If the funding is approved there is a risk that only Cow Green's housing would be deliverable by the end of 2021, but even that is a very demanding target if funding is not identified in the very near future. The projects overall are

suitably developed for the expression of interest to be progress to outline business case development (activity 3).

Recommendations

3.104 That Investment Committee recommends to the Combined Authority that:

- (i) The Halifax Living Programme (Phase 1) proceeds through decision point 2 and work commences on activity 3 (outline business case).
- (ii) An indicative approval to the Combined Authority contribution to the programme of £764,000 is given to be funded from over-programming against the Local Growth Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs). In addition, that an additional £797,000 of over-programming against the Local Growth Fund can be utilised to fund the land remediation element of the Beech Hill project (which will be considered as a separate business case at a later meeting) and subject to satisfactory progress through the assurance process.
- (iii) Future approvals are made in accordance with the approval pathway and approval route outlined in this report, including through a delegation to the Combined Authority's Managing Director at decision point 5. This will be subject to the scheme remaining within the tolerances outlined in this report.

| | |
|-----------------------|--|
| Project title | Wakefield City Centre South East Gateway |
| Stage | 1 (Eligibility) |
| Decision point | 2 (Case paper) |

Background

3.105 Wakefield City Centre is one of the local council's priority areas. This scheme will create a new south east gateway to Wakefield's City Centre. It will do this by:

- Bringing 3.3 hectares of key development sites to market by facilitating site assembly and clearance through a programme of acquisitions and demolition, enabling the building of new homes, and acting as a catalyst for regeneration;
- Assisting with the future development of Rutland Mills at Wakefield Waterfront by conducting enabling and abnormal works including flood protection, drainage, minor highways works, public realm works and environmental treatments;
- Development of a masterplan including feasibility appraisal for the south side of the Kirkgate railway bridge.

3.106 A summary of the scheme's business case and an indicative location map is included in **Appendix 10**.

Outputs, benefits and inclusive growth implications

3.107 It is anticipated that the project will deliver the following outputs:

- Enable the building of approximately 83 new homes on the north side of the railway by March 2024.
- Deliver a master plan and feasibility appraisal for the south side of Kirkgate railway bridge to explore options for the delivery of long term housing development over a 10 year period;
- Enable the restoration/conversion of 10,000 square metres of historic listed buildings for retail, leisure, hotel, art gallery, conference spaces and employment uses;
- Approximately 415 temporary construction jobs (prior to 2024) and 758 permanent jobs across all phases of the development (permanent jobs information has increased from that reported in the Expression of Interest due to further detailed information being received). These jobs should be available to all segments of the community.

3.108 It would appear that this scheme represents good value for money at this stage.

Risks

3.109 The key risks and mitigating actions for this project are:

- Failure to secure other public and private funding to implement the scheme. Discussions are already underway with public sector funding providers. A private developer is under contract to acquire the Rutland Mills development site and make a considerable investment. Discussions are also underway with both social and private housing developers. Further mitigations include applying for further relevant public sector funding sources and ensuring robust bids are submitted.
- Lack of communication and cooperation with landowners. Key landowners have been identified and engaged. The Council has already made significant investment and has acquired the majority of land and has undertaken viability appraisals. Other mitigations include ensuring up to date viability assessments are conducted including accurate land values in order to negotiate successfully, and engage with local authority legal services to identify other powers to acquire land/buildings.
- Lack of external and private sector funding available. Mitigation includes further tender specifications and briefs to be as detailed as possible and specifications for works correctly worded to ensure that reports will provide the necessary detail to ensure a site which is ready for development.

Costs

3.110 The total cost to deliver the project is £41.55 million, with £6.505 million sought from the Combined Authority to be funded through over-programming against the Local Growth Fund.

Timescales

3.111 The indicative timescales of the project are:

- Completion of full business case by August 2018
- Completion of full business case with finalised costs by December 2018
- Works start by January 2019
- Works complete by April 2021

Future assurance pathway and approval route

| Assurance pathway | Approval route |
|--|--|
| Decision point 4 (full business case) | Recommendation – Investment Committee Approval – Combined Authority |
| Decision point 5 (full business case with finalised costs) | Recommendation – Combined Authority's Programme Appraisal Team |

| | |
|--|---|
| | Approval – Combined Authority’s Managing Director |
|--|---|

Tolerances

| |
|--|
| Project tolerances |
| That the total project costs remains within 10% of the costs identified within this report. |
| That the project delivery timescale remains within three months of the timescales identified within this report. |
| That the number of housing units should remain within 10% of the housing units identified in this report. |

Project responsibilities

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|--|--|
| Senior Responsible Officer | Clare Elliott, Service Director, Wakefield Council |
| Project Manager | Jane Brown, Wakefield Council |
| Combined Authority case officer | John Parkin |

Appraisal summary

- 3.112 The scheme links to the Strategic Economic Plan (SEP) priority area 4 - Infrastructure for Growth as it is helping to create quality environments and enable the building of new homes. Demand for housing at a nearby development suggests that demand will be equally as great here. There are also links to SEP priority 2 - Skilled People, Better Jobs, through the enabling of the development of Rutland Mills into a retail and leisure facility. This scheme will integrate with other schemes in the area to improve the overall experience for users and visitors. Funding for a feasibility study on the south side of Kirkgate railway bridge, part of this request for funding, is expected to identify the potential for more houses to be built.
- 3.113 At this stage the scheme is viable as it has secured some funding and has completed several supporting technical and feasibility studies which should quickly feed into the development of a robust business case. Wakefield city centre is one of the Council's priority neighbourhoods and as such, the scheme reports into Wakefield’s major projects board.

Recommendations

- 3.114 That Investment Committee recommends to the Combined Authority that:
- (i) The Wakefield City Centre South East Gateway project proceeds through decision point 2 and work commences on activity 3 (outline business

case) or 4 (full business case) dependent on sufficient detail being available at submission stage.

- (ii) That an indicative approval to the total project value of £41.55 million is given, which includes a £6.505 million contribution from the Combined Authority to be funded from over-programming against the Local Growth Fund, with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Future approvals are made in accordance with the approval pathway and approval route outlined in this report, including through a delegation to the Combined Authority's Managing Director at decision points 5, following a recommendation by the Combined Authority's Investment Committee or Programme Appraisal Team respectively. This will be subject to the scheme remaining within the tolerances outlined in this report.

| | |
|-----------------------|------------------------------------|
| Project title | Rail Park & Ride Programme Phase 2 |
| Stage | 1 (Eligibility) |
| Decision point | 2 (Case paper) |

Background

- 3.115 The Rail Park & Ride Programme Phase 2 is a series of car park extension schemes at West Yorkshire commuter railway stations, which have been identified to improve access to the main urban centres and increase rail station parking capacity. It builds upon the learnings and successes of Phase 1 which is currently delivering parking improvements to rail users across West Yorkshire. The programme is designed to support sustainable employment growth and increased rail usage.
- 3.116 Up to 12 sites, throughout West Yorkshire, have been identified with potential for delivery by March 2021, all require the purchase of 3rd party land. Consultation regarding these sites has been sought with officers for each local council partner. Due to the commercial nature of these land purchases information on these site has been provided in **exempt Appendix 12**.
- 3.117 The programme contributes to Priority 4 of the Strategic Economic Plan, delivering Infrastructure for Growth. In addition there are links with the Combined Authority Transport Strategy and the objective for +75% more trips to be made by rail by 2027. Outcomes will deliver against policies within the West Yorkshire Transport Strategy through increasing the number of car parking spaces at key transport hubs. The West Yorkshire Transport Fund strategic objective to increase employment and growth through improvements to employment accessibility also aligns closely with the programme.
- 3.118 The Combined Authority is the scheme promoter and is leading on the overall programme. A team is in place to manage and deliver the Rail Park and Ride Programme. The projects will be delivered in partnership with Network Rail, Northern and local council partners.
- 3.119 The initial stage of the programme will focus on the deliverability of the sites with desktop assessments from a technical, legal and land perspective. The assessments will enable the sites to be prioritised in terms of demand, cost and deliverability. A shortlist will be presented to the Programme Board for approval to progress onto detailed feasibility and to commence negotiations with landowners.
- 3.120 Due to the reliance on land acquisition, greater flexibility is required as to the list of sites; some may be identified as undeliverable and new scheme opportunities may arise. This, and the need for the Combined Authority to retain a competitive position in negotiations, requires that the list is not publicly published at this stage.

3.121 Each scheme will be individually progressed to outline business case and presented to the Investment Committee and Combined Authority for approval to progress to full business case (decision point 5).

3.122 A summary of the scheme's business case is included in **Appendix 11**.

Outputs, benefits and inclusive growth implications

3.123 The scheme's outputs are:

- Additional car parking capacity with circa 2500 potential additional spaces;
- Low emission lighting;
- Enhanced CCTV;
- Enhanced drainage;
- Provision for electric vehicle charging ducting;
- Standard cycle storage and enhanced access for cyclists and pedestrians.

The scheme's associated benefits are:

- Improved access to the local rail network;
- Improved accessibility to employment for those living in the most deprived areas;
- Increased rail user patronage through better station accessibility;
- Reduced highways congestion, reduced CO₂ emissions and improved air quality;
- Improved local environment with reduced on-street parking;
- Better personal security through improved CCTV and lighting.

3.124 The programme isn't currently sufficiently developed to assess value for money at this stage. A benefit cost ratio assessment will be undertaken during the next stage of programme development. The gross value added is expected to be similar to the £11.4 million of phase 1.

Risks

3.125 The key risks, and mitigating actions, for this project are:

- Acquisition delay: All sites are third party owned and carry the risk of potential compulsory purchase orders. This is being mitigated through land and legal work streams to prioritise sites that are more deliverable e.g. forthcoming site owner agreement.
- Delays to planning submission and approval: This is being mitigated through consultation with Planning Officers, community members and Councillors.

Costs

- 3.126 The total project value is £33.638 million which would be funded entirely by the Combined Authority with a £5 million funding allocation to be specifically spent on works at New Pudsey rail station from the Leeds Public Transport Investment Programme and the remainder being funded from over-programming against the West Yorkshire plus Transport Fund.
- 3.127 Development costs of £2.016 million are requested as part of this report to progress schemes to decision point 3 (outline business case).

Timescales

3.128 The anticipated timescales of the project are:

- Procurement of external land, legal and technical advisors - December 2018
- Completion of site prioritisation studies - March 2019
- Outline business cases submitted - September 2019
- Full business cases submitted - December 2019
- Site acquisitions - 2019/20
- Planning approvals - 2019/20
- Construction commences - June 2020
- Construction completed – Jan 2021 (based on a surface level car park)

Future assurance pathway and approval route

| Assurance pathway | Approval route |
|---|---|
| Individual projects: Decision point 3 (outline business case) | Recommendation – Investment Committee Approval - Combined Authority's Managing Director |
| Individual projects: Decision point 5 (full business case with finalised costs) | Recommendation – Combined Authority's Programme Appraisal Team Approval - Combined Authority's Managing Director |

Tolerances

| Project tolerances |
|---|
| That the programme cost remains within 10% of the cost identified within this report. |
| That the overall programme delivers by March 2021. |

Project responsibilities

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|--|--------------------------------------|
| Senior Responsible Officer | Melanie Corcoran, Combined Authority |
| Project Manager | Sara Brook, Combined Authority |
| Combined Authority case officer | Polly Hutton |

Appraisal summary

3.129 The programme presents clear alignment with the SEP and Transport Strategy through improving sustainable access to economic centres and inclusive growth potential. The resulting projects will increase rail patronage and incentivise sustainable travel options through promoting a modal switch from car to rail.

Recommendations

3.130 That Investment Committee recommends to the Combined Authority that:

- (i) The Rail Park & Ride Programme Phase 2 proceeds through decision point 2 and work on the individual schemes commences on activity 3 (outline business case).
- (ii) An indicative approval to the total project delivery cost of £33.638 million is given which will be funded entirely by the Combined Authority (with £5 million from the Leeds Public Transport Investment Programme to fund works at New Pudsey rail station and £28.638 million from over-programming against the West Yorkshire plus Transport Fund) with full approval to spend being granted once individual projects have progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Development costs of up to £2.016m are approved in order to progress the scheme to decision point 3 (outline business case) from over-programming against the West Yorkshire plus Transport Fund.
- (iv) Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report, including the use of a delegation to the Combined Authority's Managing Director at decision points 3 and 5, following a recommendation by the Combined Authority's Programme Appraisal Team. This approval route will be subject to the scheme remaining within the tolerances outlined above.

| | |
|-----------------------|---|
| Project title | Leeds City Centre Package |
| Stage | 2 (Development) |
| Decision point | Change Request at activity 4 (full business case) |

Background

- 3.131 Leeds City Centre Package (LCCP) supports the delivery of the Leeds City Region's Strategic Economic Plan's priority 4 - Infrastructure for Growth. It is consistent with the adopted Leeds Core Strategy and Aire Valley Leeds Area Action Plan as well as the interim Leeds Transport Strategy and the emerging Leeds Integrated Station Masterplan. There are also direct interdependencies with Highways England Road Investment Strategy 1 scheme on the M621, the Leeds South Bank Regeneration Framework and the relevant approved Leeds Public Transport Infrastructure Programme projects e.g. Stourton Park & Ride.
- 3.132 The projects included within LCCP are aimed at creating a world class city gateway at City Square and supporting Leeds in becoming High Speed 2 (HS2) & Northern Powerhouse Rail ready. This includes contributing to the delivery of the South Bank Leeds Framework Plan to create a quality environment for the development of significant numbers of new homes and commercial floor space. These network improvements will also help towards Leeds meeting its clean air zone targets for improved air quality. The original key objectives of LCCP are:
- The closure of City Square to general traffic by 2021 to allow the creation of a world class gateway for the city.
 - Increase the capacity on the Inner Ring Road and M621 orbital route by reconfiguring Armley Gyratory and capacity improvements between Junctions 1 - 4 and Junction 7 M621 by 2022.
 - Reduce through-traffic in the city centre, including the South Bank creating a quality environment attractive to development.
 - Increase travel to the centre by sustainable modes of transport.

Description of the Change Request

- 3.133 The Leeds City Centre Package (LCCP) was included in the original baseline of the West Yorkshire plus Transport Fund in 2012 (then called Leeds City Centre Network Improvements programme); the cost estimate for delivery at the time was £36.5 million based on outline work completed as part of the Transport for Leeds project. At the time it was recognised that the schemes were still works in progress and that modifications would be required to reflect the emerging aspirations for South Bank and proposals for HS2 arriving in the city.
- 3.134 As part of the previous West Yorkshire plus Transport Fund assurance process, the scheme received mandated approval in 2014 to initial

development costs of £319,000 to take the developing package to Gateway 1 approval (equivalent to decision point 3 outline business case) on 6 February 2016. The key changes from the original scope were the increased works required to remove general traffic from City Square, the increased costs to develop Armley Gyratory and the reallocation of space to cyclists, pedestrians and public transport in South Bank.

3.135 An increase in development funds from £319,000 to £3.774 million was approved by the Combined Authority on 6 February 2016. The Gateway 1 submission identified that the total costs to deliver all elements of the package would be in the order of £149.800 million. This forecast increase to total scheme costs, although stated in the financial case, did not request indicative approval at this time and as a result the allocation within the West Yorkshire plus Transport fund remained at £36.5 million.

3.136 Subsequently, a £12.8 million contribution from the Leeds Public Transport Investment Programme (LPTIP) has been secured and up to £70.2 million of other funding sources has been identified to deliver the Leeds City Centre Package. This results in the funding requirement from the West Yorkshire plus Transport Fund now being £66.8 million (against a baseline allocation of £36.5 million).

3.137 It has been determined that in order to secure the third party funding the package should be split into four independently deliverable phases which will be progressed individually through the Combined Authority's assurance process.

- Phase 1: Reconfigure Armley Gyratory and closure to general traffic of City Square
- Phase 2: South Bank Highways reconfiguration
- Phase 3: Reconfigure M621 Junctions 3&4
- Phase 4: Widen M621 Junctions 1 to 2

3.138 In addition, this will enable the phase 1 business case to be expedited in order for the works on the Armley Gyratory to be completed by December 2021, with works on City Square forecast to be initially closed in 2021 and related public realm works completed by 2023. The West Yorkshire plus Transport funding will in the main be utilised on phase 1 of the package, but some will also be spent developing the other phases as part of the existing development funding approval of £3.774 million.

3.139 This Change Request can be summarised as follows:

- Increase to the total LCCP costs from £36.5 million to £149.8 million
- That the revised total LCCP costs will be funded as follows
 - £66.8 million – The Combined Authority's West Yorkshire plus Transport funding

- £12.8 million – the Combined Authority’s Leeds Public Transport Investment Programme funding
- £70.2 million – Third Party funding
- That the funding contribution from the West Yorkshire plus Transport Fund is increased from £36.500 million to £66.8 million. This increase will be funded through over programming against the West Yorkshire plus Transport Fund.
- That the LCCP package will now be delivered as four individual phases

Outputs, benefits and inclusive growth implications

3.140 The overall objective of the Leeds City Centre Package (LCCP) is to enable growth in the Leeds City Region economy. The LCCP is a programme of works designed to support Leeds as an urban growth centre as identified in the Leeds City Region’s Strategic Economic Plan (SEP), delivering growth in jobs and housing on South Bank and enabling the city to be HS2 ready. The package has strong interdependencies with several major complex projects including the new HS2 station serving the Leeds City Region and Highways England Road Investment Strategy investment in the M621.

3.141 It is expected that the full LCCP will deliver the following outputs, with the output relating to Armley and City Square delivered as part of phase 1 of the package:

- Closure to general traffic of City Square and creation of a Leeds City Region gateway and extended City Centre.
- Increased capacity of the Armley Gyratory to absorb the revised traffic flow.
- Development works to detail the South Bank highways reconfiguration required for the South Bank regeneration.
- Increased travel to the centre by sustainable modes of transport
- Reducing severance at Armley Gyratory and through South Bank and improving non-motorised user facilities and improvements to public transport services through South Bank.

Risks

3.142 The key risks, and mitigating actions, for this project are:

- The package has the potential to build upon other 3rd party funding initiatives including Highways England, LPTIP, and Housing Infrastructure Fund (HIF) worth £83 million. However confirmation of all of these funding sources may not fall within the package required timescales. A detailed funding strategy for phases 2, 3 and 4 will be developed.
- There are indications that the scale and complexity of the package outweighs the current resource allocation and this needs to be addressed

in order to achieve the stated timescales. However by phasing the project, Armley Gyratory and elements of City Square can be delivered within the Transport Fund timescales.

Costs

- 3.143 The total forecast cost for the Leeds City Centre Package (LCCP) is £149.8 million. This has increased from the original 2012 forecast of £36.5 million.
- 3.144 The Combined Authority's total contribution to the LCCP is £79.6 million. This will be funded from the West Yorkshire plus Transport Fund's original allocation (£36.5 million), Leeds Public Transport Investment programme (£12.8 million) and over-programming against the West Yorkshire plus Transport Fund (£30.3 million).
- 3.145 The West Yorkshire plus Transport Funding of £66.8 million will fund the whole of Phase 1 and progression of business cases for Phases 1, 2, 3 and 4 of the LCCP. The £66.8 million includes the already approved £3.774 million development costs. No further development costs are requested as part of this report.

Timescales

- 3.146 The anticipated timescales of the Leeds City Centre Package phase 1 are:
- Decision point 5 for Phase 1- Armley Gyratory December 2019 and for City Square December 2020.
 - Forecasted Decision point 6 for Phase 1 – Armley Gyratory December 2021, City Square December 2023.

Future assurance pathway and approval route

| Assurance pathway | Approval route |
|--|--|
| Decision point 4 for Phase 1 (full business case) (two separate full business cases for Armley Gyratory and City Square) | Recommendation - Investment Committee Approval - the Combined Authority |
| Decision point 5 for Phase 1 (full business case with finalised costs) (two separate full business cases for Armley Gyratory and City Square) | Recommendation - Programme Appraisal Team Approval - Managing Director |

Tolerances

| Project tolerances |
|---|
| That Combined Authority funding for phase 1 should remain within 5% of costs set out in this report |
| That Phase 1 timescales should remain within 3 months of the timescales set out in this report. |

Project responsibilities

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|--|------------------------------------|
| Senior Responsible Officer | Gary Bartlett, Leeds City Council |
| Project Manager | Jacque Boulton, Combined Authority |
| Combined Authority case officer | Sara Brook |

Appraisal summary

3.147 The strategic case for the Leeds City Centre package (LCCP) is strong and based on deliverable schemes that meet core objectives whilst facilitating the development of HS2 and South Bank. Quantifiable benefits, through improved journey times, can be attributed to key phases of the scheme however further analysis is required to assess and quantify where possible the wider holistic benefits, in particular the closure to general traffic of Leeds City Square. Developing the package into a series of deliverable phases will better enable third funding to be secured and the final requirements upon the Transport Fund determined.

Recommendations

3.148 That Investment Committee recommends to the Combined Authority that:

- (i) The change request for Leeds City Centre Package (LCCP) to increase the funding contribution from the West Yorkshire Plus Transport Fund from £36.5 million to £66.8 million is given indicative approval, that the LCCP package will now be delivered as four individual phases is approved and work continues on Activity 4 (full business case) for Phase 1 and on Activity 3 (outline business case) for Phases 2, 3 and 4.
- (ii) The revised total package delivery cost of £149.8 million is noted of which indicative funding from the Combined Authority is £79.6 million. This will be funded from the West Yorkshire plus Transport Fund's original allocation (£36.5 million), over-programming against the West Yorkshire plus Transport Fund's requested as part of this report (£30.3 million) and Leeds Public Transport Investment programme (£12.8 million).
- (iii) Future approvals are made in accordance with the approval pathway and approval route outlined in this report, including at decision point 5, which

will be made through a delegation to Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This approval route will be subject to the scheme remaining within the tolerances outlined above.

4 Inclusive Growth implications

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

5 Financial implications

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

6 Legal implications

6.1 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.

6.2 The information contained in **Appendix 12** is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the content of the appendices as exempt outweighs the public interest in disclosing the information as publication could prejudice current and future decision making.

7 Staffing implications

7.1 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.

8 External consultees

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

9 Recommendations

9.1 Institute for high speed railways and system integration

That Investment Committee recommends to the Combined Authority:

- (i) The Institute for High Speed Rail and System Integration scheme Phase 1 proceeds through decision point 2 and work commences on activity 4 (full business case).
- (ii) An indicative approval to the Combined Authority's contribution of £11.44 million is given, which will be funded through over-programming against the Local Growth Fund, with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs). The total Phase 1 value

is £22.88 million (The University of Leeds will contribute match funding of £11.44 million).

- (iii) Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 5 (full business case with finalised costs) through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

9.2 Leeds City Region Enterprise Zones

That Investment Committee recommends to the Combined Authority:

- (i) The full Enterprise Zones programme proceeds through decision point 2 (case paper) and work commences on Activity 3 (outline business case) for all Enterprise Zones sites, with the exception of Leeds (Aire Valley) which will continue progressing through Activity 4 (full business case).
- (ii) An indicative approval to the Combined Authority's contribution of £45.044 million is given (which will be funded through £20 million from Local Growth Fund's existing approval, £24.939 million from over-programming against the Local Growth Fund, £75,000 of Department of Communities and Local Government Grant funding and £30,000 of other Combined Authority budget funding), with full approval to spend being granted once individual schemes have progressed through the Assurance Process to Decision Point 5 (full business case with finalised costs). The total programme value is £49.558 million.
- (iii) Development costs of up to £1.541 million are approved in order to progress the schemes within the programme to Decision Point 3 (outline business case) taking the total development cost approval up to £1.923 million. This will be funded from Local Growth Fund (£1.516 million) and the Department of Communities and Local Government Grant funding (£25,000).
- (iv) Future approvals are made in accordance with the approval pathway and approval route outlined in this report. This will be subject to the programme remaining within the tolerances outlined in this report.

9.3 Leeds Inland Port

That Investment Committee recommends to the Combined Authority:

- (i) The Leeds Inland Port project proceeds through decision point 2 and work commences on activity 3 (outline business case).
- (ii) An indicative approval to the Combined Authority's contribution of £3.17 million is given, which will be funded through over-programming against the Local Growth Fund, with full approval to spend being granted once the scheme has progressed through the Assurance Process to Decision

Point 5 (FBC with Finalised Costs). The total project value is £3.37 million (Canal & Rivers Trust match funding of £200,000).

- (iii) Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision points 3 and 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

9.4 Gateway to Huddersfield - Phase 1

That Investment Committee recommends to the Combined Authority:

- (i) The Gateway to Huddersfield Phase 1 project proceeds through decision point 2 and work commences on activity 3 (outline business case).
- (ii) An indicative approval to the Combined Authority's contribution of £5.05 million is given, to be funded by the West Yorkshire plus Transport Fund, with full approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (full business case with finalised costs). The total project value is £5.55 million (£500,000 contribution from Kirklees Council).
- (iii) Development costs of up to £115,000 are approved in order to progress the scheme to decision point 3 (outline business case), taking the total development cost approval to £165,000.
- (iv) West Yorkshire Combined Authority enter into a funding agreement with Kirklees Council for expenditure of up to £115,000. This funding agreement will also acknowledge the existing £50,000 development funding approval.
- (v) Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

9.5 CityConnect Cycle City Ambition Programme - Phase 1 & 2 extension

That Investment Committee recommends to the Combined Authority:

- (i) The City Connect Cycle City Ambition Programme – Phase 1 & 2 extension proceeds through decision point 2 and work commences on activity 3 outline business case for each of the projects within the programme.
- (ii) An indicative approval to the total project value of £14.824 million is given of which £14.424 million will be funded by the Combined Authority with full approval to spend being granted once each of the projects within the programme have progressed through the assurance process to decision

point 5 (full business case with finalised costs). The Combined Authority contribution will be funded from £12.053 million from over-programming against the West Yorkshire plus Transport Fund and £2.371 million from the existing City Connect programme funding from the Department for Transport.

- (iii) Development costs of up to £350,000 are approved in order to progress the projects within the programme to Decision Point 3 (outline business case) to be funded from over-programming against the West Yorkshire plus Transport Fund.
- (iv) Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report including at Decision Point 3 (outline business case) through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

9.6 Bradford city centre heritage properties development Scheme

That Investment Committee recommends to the Combined Authority:

- (i) The Bradford city centre heritage properties development scheme proceeds through decision point 2 and work commences on activity 3 (outline business case).
- (ii) An indicative approval to the Combined Authority's contribution of up to £7.4 million, which will be funded through over-programming against the Local Growth Fund, is given with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs). The total project value is £31.602 million (private sector investment estimated at £24.202 million).
- (iii) Future approvals are made in accordance with the Approval Pathway and approval route outlined in this report, including the use of a delegation to the Combined Authority's Managing Director at decision point 5 (full business case with finalised costs). This will be subject to the scheme remaining within the tolerances outlined in this report.

9.7 Halifax Living programme (Phase 1)

That Investment Committee recommends to the Combined Authority:

- (i) The Halifax Living Programme (Phase 1) proceeds through decision point 2 and work commences on activity 3 (outline business case).
- (ii) An indicative approval to the Combined Authority contribution to the programme of £764,000 is given to be funded from over-programming against the Local Growth Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs). In addition, that

an additional £797,000 of over-programming against the Local Growth Fund can be utilised to fund the land remediation element of the Beech Hill project (which will be considered as a separate business case at a later meeting) and subject to satisfactory progress through the assurance process.

- (iii) Future approvals are made in accordance with the approval pathway and approval route outlined in this report, including through a delegation to the Combined Authority's Managing Director at decision point 5. This will be subject to the scheme remaining within the tolerances outlined in this report.

9.8 Wakefield City Centre South East Gateway

That Investment Committee recommends to the Combined Authority:

- (i) The Wakefield City Centre South East Gateway project proceeds through decision point 2 and work commences on activity 3 (outline business case) or 4 (full business case) dependent on sufficient detail being available at submission stage.
- (ii) That an indicative approval to the total project value of £41.55 million is given, which includes a £6.505 million contribution from the Combined Authority to be funded from over-programming against the Local Growth Fund, with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Future approvals are made in accordance with the approval pathway and approval route outlined in this report, including through a delegation to the Combined Authority's Managing Director at decision points 5, following a recommendation by the Combined Authority's Investment Committee or Programme Appraisal Team respectively. This will be subject to the scheme remaining within the tolerances outlined in this report.

9.9 Rail Park & Ride Programme Phase 2

That Investment Committee recommends to the Combined Authority:

- (i) The Rail Park & Ride Programme Phase 2 proceeds through decision point 2 and work on the individual schemes commences on activity 3 (outline business case).
- (ii) An indicative approval to the total project delivery cost of £33.638 million is given which will be funded entirely by the Combined Authority (with £5 million from the Leeds Public Transport Investment Programme to fund works at New Pudsey rail station and £28.638 million from over-programming against the West Yorkshire plus Transport Fund) with full approval to spend being granted once individual projects have progressed through the assurance process to decision point 5 (full business case with finalised costs).

- (iii) Development costs of up to £2.016m are approved in order to progress the scheme to decision point 3 (outline business case) from over-programming against the West Yorkshire plus Transport Fund.
- (iv) Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report, including the use of a delegation to the Combined Authority's Managing Director at decision points 3 and 5, following a recommendation by the Combined Authority's Programme Appraisal Team. This approval route will be subject to the scheme remaining within the tolerances outlined above.

9.10 Leeds City Centre Package

That Investment Committee recommends to the Combined Authority:

- (i) The change request for Leeds City Centre Package (LCCP) to increase the funding contribution from the West Yorkshire Plus Transport Fund from £36.5 million to £66.8 million is given indicative approval, that the LCCP package will now be delivered as four individual phases is approved and work continues on Activity 4 (full business case) for Phase 1 and on Activity 3 (outline business case) for Phases 2, 3 and 4.
- (ii) The revised total package delivery cost of £149.8 million is noted of which indicative funding from the Combined Authority is £79.6 million. This will be funded from the West Yorkshire plus Transport Fund's original allocation (£36.5 million), over-programming against the West Yorkshire plus Transport Fund's requested as part of this report (£30.3 million) and Leeds Public Transport Investment programme (£12.8 million).
- (iii) Future approvals are made in accordance with the approval pathway and approval route outlined in this report, including at decision point 5, which will be made through a delegation to Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This approval route will be subject to the scheme remaining within the tolerances outlined above.

10 Background documents

10.1 None as part of this report.

11 Appendices

11.1 Appendix 1 – Summary of call for project submissions

11.2 Appendix 2 – Background to the Combined Authority's assurance framework

11.3 Appendix 3 – Business case summary - Institute for High Speed Railways

11.4 Appendix 4 – Business case summary – Leeds City Region Enterprise Zones

11.5 Appendix 5 – Business case summary – Leeds Inland Port

- 11.6 Appendix 6 – Business case summary – Gateway to Huddersfield Phase 1
- 11.7 Appendix 7 – Business case summary – City Connect Cycle City Ambition
- 11.8 Appendix 8 – Business case summary – City Centre heritage properties
- 11.9 Appendix 9 – Business case summary – Halifax Living
- 11.10 Appendix 10 – Business case summary – Wakefield city centre SE gateway
- 11.11 Appendix 11 - Business case summary – Rail park & ride phase 2
- 11.12 Appendix 12 – Exempt appendix Rail park & ride phase 2