
Report to: West Yorkshire and York Investment Committee

Date: 5 June 2018

Subject: Capital spending and project approvals

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1 Purpose of this report

- 1.1 To put forward proposals for the progression of, and funding for, a number of West Yorkshire Combined Authority supported projects, including West Yorkshire plus Transport Fund (Transport Fund) and Growth Deal, for consideration by the Investment Committee at stages 1, 2 and 3 of the Combined Authority's assurance process.
- 1.2 This report presents proposals for the progression of 5 schemes through the Combined Authority's assurance process in line with the Leeds City Region Assurance Framework. These schemes have a total combined funding value of £29.232 million when fully approved, of which £19.362 million will be funded by the Combined Authority. A total expenditure recommendation to the value of £6.302 million is sought as part of this report for the development and delivery of these schemes. Further details on the schemes summarised below can be found as part of this report.

| Scheme | Scheme description | Decision sought |
|--|---|---|
| Land Release Fund Leeds City Region | <p>To combat barriers that would otherwise make land unusable for development.</p> <p>The project is funded from the Cabinet Office's Land Release Fund (One Public Estate Capital Grant Programme).</p> <p>The scheme has an indicative benefit cost ratio of 5.46:1</p> | <p>Approval to proceed beyond decision point 2 and work commence on activity 6 (delivery).</p> <p>Total value – £662,125</p> <p>Total value of Combined Authority funding - £662,125</p> <p>Funding recommendation sought - £662,125</p> <p>Funding agreement with Craven, Wakefield, Leeds</p> |

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| | | and Selby Councils for expenditure of up to £494,000, £19,000, £131,000 and £19,000 respectively. |
| Leeds integrated station masterplan Leeds | <p>A Leeds integrated station will transform Leeds rail station into a world class gateway for the city region which integrates High Speed rail, Northern Powerhouse Rail and classic rail services, including the TransPennine route upgrade. It will also act as a catalyst for wider growth, in particular the regeneration of the adjacent south bank Leeds area and create jobs.</p> <p>This masterplanning project is funded from the Leeds Public Transport Investment Programme and will fund development and feasibility work and some quick win interventions.</p> <p>Initial indications demonstrate that the wider Leeds integrated station scheme is expected to deliver high value for money with an indicative strong benefits to cost ratio which will be developed at a later stage</p> | <p>Approval to proceed beyond decision point 2 and work commence on activity 3 (outline business case).</p> <p>Total value – £6.32 million</p> <p>Total value of Combined Authority funding - £5.32 million</p> <p>Funding recommendation sought - £1 million</p> |
| Northgate House Halifax | <p>To refurbish and redevelop the Northgate House building to deliver a mixed use scheme of retail, office and residential accommodation.</p> <p>The project is funded through a combination of Growth Deal and Calderdale Council funds.</p> <p>The scheme offers good value for money at this expression of interest stage and will be explored further during development work.</p> | <p>Approval to proceed beyond decision point 2 and work commence on activity 4 (full business case).</p> <p>Total value – £11.87 million</p> <p>Total value of Combined Authority funding - £3 million</p> <p>Funding recommendation sought - £2.7 million</p> |
| Real Time Bus Information Leeds | To deliver an additional 1,000 real time display units across the Leeds area. | Approval to proceed beyond decision point 3 and work commence on activity 4 (full business case). |

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| | <p>The project is funded by the Leeds Public Transport Investment Programme (LPTIP).</p> <p>The benefit to cost ratio for this scheme has been assessed at 2.6:1.</p> | <p>Total value – £7.2 million</p> <p>Total value of Combined Authority funding - £7.2 million</p> <p>Funding recommendation sought - £1.74 million</p> |
| <p>Ultra Low Emissions Vehicles (ULEV) taxi scheme</p> <p>West Yorkshire</p> | <p>To deliver 88 taxi rapid charge point sites.</p> <p>The project is funded from the Department for Transport to Office for Low Emission Vehicle (OLEV) grant scheme.</p> <p>The project is part funded by the Local Transport Plan (LTP).</p> <p>This scheme represents good value for money at this stage which will be explored further during the next phase of activity.</p> | <p>Approval to proceed beyond decision point 4 and work commence on activity 5 (full business case with finalised costs).</p> <p>Total value – £3.18 million</p> <p>Total value of Combined Authority funding - £3.18 million</p> <p>Funding recommendation sought - £200,000</p> |

1.3 This report also presents recommendations for the following schemes that have had change request reports assessed in line with the Combined Authority’s assurance process. These schemes have a total combined funding of value of £45.982 million when fully approved, £44.056 million of which will be funded by the Combined Authority. A total expenditure recommendation to the value of £1.560 million is sought as part of this report for the development and delivery of these schemes. Further details on the schemes summarised below can be found as part of this report.

| Scheme | Scheme description | Change request decision sought |
|---|---|---|
| <p>Leeds Station Gateway - New Station street improvements</p> <p>Leeds</p> | <p>To significantly improve the environment for pedestrians on New Station Street and around the entrance to the main concourse of Leeds station.</p> | <p>Activity 3 (outline business case) change request to amend the scheme’s timeframe</p> <p>Total value - £1.591 million</p> <p>Total value of Combined Authority Funding - £1.591 million</p> <p>Funding recommendation sought - £ 0</p> <p>Change request – to extend the scheme’s completion date by six months, from December 2018 to June 2019, with a tolerance of up</p> |

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| | | to three months, to September 2019. |
| Harrogate Road New Line – junction improvement Bradford/Leeds corridor | To improve the Harrogate Road / New Line Junction to create a new junction to reduce congestion, increase safety provision for cyclists and pedestrians and support delivery of significant new housing developments together with longer term development opportunities. | Activity 3 (outline business case) change request to increase indicative approval to £6.765 million, approve development costs of £585,000 and an addendum to existing funding agreement with Bradford Council for £585,000 Total value - £8.691 million Total value of Combined Authority Funding - £6.765 million Funding recommendation sought - £585,000 Change request – Approve additional development costs |
| A65-A658 airport link road project Leeds | To enable growth in the City Region economy through improving road access to Leeds Bradford Airport, as part of a wider package of transport improvements in north west Leeds. | Activity 3 (outline business case) change request to increase the development budget from £855,000 to £1.830 million for more comprehensive business case for three full options and expanded scope to improve the A65. Total value - £35.7 million Total potential Combined Authority Funding - £35.7 million Funding recommendation sought - £975,000 Change request – Approve the revised development costs |

1.4 Since the Investment Committee’s meeting on 18 April 2018, the following decision point has been assessed in line with the Combined Authority’s assurance process and approved through the agreed delegation to the Combined Authority’s Managing Director. Under the delegation a total expenditure of £1.164 million has been approved.

| Scheme | Scheme description | Decision sought |
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| Apprenticeship Grants for Employers (AGE) Extension, West Yorkshire | The Combined Authority has devolved responsibility for the use of the grant to engage SMEs in offering | The AGE Extension project proceeds through decision point 5 and work |

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| | <p>apprenticeships across the Leeds City Region.</p> <p>Scheme first approved by Combined Authority in July 2016.</p> | <p>commences on activity 6 (delivery).</p> <p>Approval to the total project value of £1.164 million is given from the AGE Programme 2015-2017 funds.</p> |
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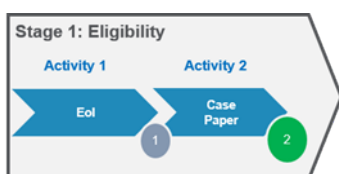
- 1.5 The Combined Authority's Corporate Technology Strategy was approved by the Combined Authority on 10 May as part of the corporate priorities report.

2 Information

- 2.1 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 1**. In addition, this appendix also provides a description of the approach for the future assurance approval pathway and the assurance tolerances for each scheme.

Programmes and projects for consideration

Projects in stage 1: Eligibility



- 2.2 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 | Land Release Fund (LRF) |
| Stage | 1 (Eligibility) |
| Decision point | 2 (Case paper) |

Background

- 2.3 In October 2017 the Combined Authority's Managing Director, in conjunction with the Land and Asset Panel Board Chair, and the Chief Executive lead for Housing and Planning agreed the final One Public Estate (OPE) phase 6 submission by the Combined Authority in November 2017.
- 2.4 As part of the OPE phase 6 submission, the Combined Authority bid for £1.573 million of Land Release Fund (LRF) which aims to combat barriers that would otherwise make land unusable for development. The submitted bid was for funding two phases of remediation and infrastructure works to unlock 31 small stalled sites delivering 247 housing units in the region.
- 2.5 Confirmation was received in February 2018 that the Combined Authority has been awarded £662,125 to develop phase 1 - small housing sites.
- 2.6 The LRF capital allocation of £662,125 will attract Small and Medium sized Enterprises (SMEs) to deliver 103 homes on 11 small sites owned by local authorities. These are sites which would not otherwise be developed on due to lack of capital funding to undertake the necessary remediation, demolition and infrastructure work. This will contribute to the Strategic Economic Plan (SEP) objective of delivering 10,000 – 13,000 homes per year and 32,000 accelerated or additional new homes by 2028. It will also deliver opportunities for SMEs in the Leeds City Region (LCR) to develop small housing sites (including modern methods of construction/ innovative design) in line with the SEP's Priority 4: Infrastructure for Growth.

2.7 Discussions with the four districts involved at the OPE officers working group and leadership panel has confirmed that each district will procure and deliver the remediation on its own sites:

- Craven Council - 4 sites - 51 housing units
- Wakefield - 1 site - 11 housing units
- Leeds Council - 4 sites - 35 housing units
- Selby Council - 2 sites - 8 housing units

2.8 A summary of the scheme's business case is included in **Appendix 2**.

Outputs, benefits and inclusive growth implications

2.9 The project will contribute to the SEP objective of delivering 10,000 – 13,000 homes per year and 32,000 accelerated or additional new homes by 2028. It is expected that project will deliver the following outputs:

- Develop 103 houses on 11 small sites across the LCR with land released for housing by 2020.
- There will be approximately 4.79 ha of land released for housing.
- Deliver £9.181 million inward investment by the end of the programme.
- Deliver £3.075 million capital receipts (to local government) by the end of the programme.
- Deliver significant affordable housing covering a range of tenures which will contribute to addressing one of key challenges outlined in the Leeds City Region housing policy position statement.
- Deliver opportunities for Small and Medium sized Enterprises (SMEs) in the LCR to develop small housing sites (including modern methods of construction/ innovative design) in line with the SEP's Priority 4: Infrastructure for Growth.

2.10 The cost of bringing forward smaller sites is often higher as there is less opportunity for economies of scale and the cost of remediation work can be significant. The phase 1 - LRF funding will unlock the above sites and enable the delivery of 103 new homes.

2.11 The scheme has an indicative benefit cost ratio of 5.46:1.

2.12 The scheme aims to provide local housing to meet the needs of local people. The aim is to deliver some affordable housing through housing associations to contribute to inclusive growth objectives.

Risks

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

- The initial budget estimates for intrusive site investigations and initial designs is insufficient. Mitigation: The risk will be mitigated by seeking

additional funding. Estimates were based on detailed discussions with potential suppliers. Council partners are clear that the LRF allocations are fixed and that any additional funding would come from internal resources.

- Funding awarded in 2019/20. Mitigation: Partners have agreed to forward fund the works. The Combined Authority could also consider this approach.
- Unable to sell the site to a developer at market value due to viability of site. Mitigation: Offer to a registered provider or a joint venture partner or reduce capital receipt expected. Councils would need to demonstrate that sites were marketed with no interest.
- Intrusive works find major unexpected issues. Mitigation: Site surveys have been completed on each of the 11 sites which should have raised any major problems. Where these have not been identified partners to contribute funding to cover the additional costs.
- Districts are proceeding with their own works procurement when the delivery plan envisaged the Combined Authority using YORhub (regional procurement service) to procure the site remediation works. Mitigation: Due to delay in announcement of the programme local councils have progressed sites in the meantime. Councils have their own internal frameworks in place. It would therefore be pragmatic for councils to undertake their own procurement. This approach has been agreed by the OPE regional representative.

Costs

2.14 The total cost to deliver the project is £662,125 to be funded through an OPE Capital Grant.

2.15 The project has no additional funding approved to date.

Timescales

2.16 The timescales of the project are:

- Remediation works to begin by April 2019
- Remediation works to be complete by March 2020

Future assurance pathway and approval route

| Assurance pathway | Approval route |
|------------------------|---|
| Activity 6 Delivery | Recommendation – Programme Appraisal Team Approval – the Combined Authority's Managing Director delegated decision |
| Activity 7 | Recommendation – Programme Appraisal Team |

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| Close and Review | Approval – the Combined Authority's Managing Director delegated decision |
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Tolerances

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| Project tolerances |
| That the total project cost remains within the costs identified within this report. |
| That the project delivery timescale remains within three months of the timescales identified within this report. |
| The forecasted 4.79ha of land to be developed remains within 5%. |

Project responsibilities

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| Senior Responsible Officer | David Walmsley, Combined Authority |
| Project Manager | Rob Hignett, Combined Authority |
| Combined Authority case officer | Laura Greenan |

Appraisal summary

- 2.17 The project has a clear fit to the Strategic Economic Plan and will deliver against its objectives by developing sites for 103 houses on 11 small sites across the Leeds City Region with land released for housing by 2020. The project will deliver significant affordable housing covering a range of tenures and will also provide access to work for SMEs within the region. There is no financial risk to the Combined Authority and detailed cost plans for the works have been provided by the Councils. Project Management documentation is required and will be produced throughout the delivery of the project.

Recommendations

- 2.18 That Investment Committee recommends to the Combined Authority that:
- (i) The Land Release Fund (LRF) project proceeds through decision point 2 and work commences on activity 6 – delivery.
 - (ii) An approval to the total project value of £662,125 is given from the OPE Capital Grant fund with full approval to spend granted.
 - (iii) Delivery costs of £662,000 are approved in order to progress the scheme to activity 6 – delivery, taking the total project approval to £662,125.
 - (iv) The Combined Authority enter into a funding agreement with Craven, Wakefield, Leeds and Selby Councils for expenditure of up to £493,750, £18,750, £130,875 and £18,750 respectively from the OPE Capital Grant Fund.

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

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|-----------------------|---|
| Project title | Leeds Integrated Station Masterplan (LISM) |
| Stage | 1 (Eligibility) |
| Decision point | 2 (Case paper) |

Background

- 2.19 The Leeds Integrated Station Masterplan (LISM) is a key deliverable of the Leeds Growth Strategy and the West Yorkshire Transport Strategy which are closely aligned with the Strategic Economic Plan. It is part of the wider Leeds Public Transport Investment Programme (LPTIP). LISM is focused on transforming Leeds Rail Station into a world class gateway for the City Region which integrates High Speed rail (HS), Northern Powerhouse Rail (NPR) and core rail services, including the TransPennine route upgrade. It will also act as a catalyst for growth accelerating economic development within the Leeds City Region, in particular the regeneration of the adjacent South Bank Leeds area which at 300,000 sq.m of commercial development is one of Europe's largest regeneration schemes. The masterplan project also aims to cater for future rail demand and the doubling of rail passengers using the station through early development and feasibility work.
- 2.20 Following a public consultation in late 2017, this next piece of work on LISM is focused on developing a strategic outline business case and overall concept design prior to the parliamentary submission (HS2b Hybrid Bill 2019). It will also provide clarity on the scope, nature and context of the individual projects required to incorporate the existing rail station, HS2, NPR and the City's South Bank regeneration. Completion of this work will enable the development of an overarching LISM programme which will establish a package of short, medium and long term schemes for Leeds Station, as well as roles and responsibilities to deliver LISM.
- 2.21 This element of work will draw down funding from the Leeds Public Transport Investment Programme to cover early development and feasibility work and some quick win interventions which are identified in the overarching LISM programme
- 2.22 The overarching LISM masterplan will effectively serve as a roadmap in ultimately delivering the new integrated station. The masterplan provides a strong foundation in which to develop robust business cases for the individual scheme components to justify government funding and attract private investment. The component projects will be delivered by the respective partner organisations who are members of the Leeds Station Joint Working Group. The cost to deliver all elements of the LISM is anticipated to be in the region of £500 million. The funding for the delivery of the new station is not included in this proposal.

A summary of the scheme's business case, together with a location map, is included in **Appendix 3**.

Outputs, benefits and inclusive growth implications

2.23 The Leeds Integrated Station Masterplan will contribute towards the objectives of the Leeds Growth Strategy, the West Yorkshire Transport Strategy and will directly support the Strategic Economic Plan Priority 4 through providing infrastructure for growth that enhances places, transforms connectivity, maximises Gross Value Added, minimises carbon impacts and enables all businesses, people and places to have access to opportunities.

2.24 It is expected that the wider overall station masterplan project, which the work to be approved enables, will deliver:

- A combined Leeds Rail Station which will cater for the capacity and growth of the existing rail services, the requirements of the future connectivity improvements in the region and proposed Northern Powerhouse Rail and HS2 Services (excluding track infrastructure);
- A world class gateway to the Leeds City Region and into Leeds with enhancements to the public and urban spaces including a revitalised waterfront, improved Dark Arches and a new inner linear park (Arbour) providing additional retail, commercial and hospitality space; and
- Creation of a catalyst to the regeneration of the South Bank area of Leeds.
- This scheme is anticipated to support inclusive growth through increasing access to employment and productivity growth through boosting connectivity between rail services and other forms of transport as part of the creation of a world class gateway hub for the Leeds City Region.

The wider scheme is expected to deliver over 5,000 jobs directly and in part a further 40,000 jobs indirectly across the city of Leeds and the wider City Region. Initial indications demonstrate that the scheme is expected to deliver high value for money and a strong benefits to cost ratio.

Risks

2.25 The main risks facing the scheme and mitigating actions are as follows:

- Funding availability for the delivery of all the components of the Leeds Integrated Station Masterplan. This will be considered as part of the further business case development and preparation of a supporting Funding and Financial Strategy for the wider scheme programme;
- Funding coming forward from multiple agencies at a time when it is needed, thus needing a coordinated approach. This again will be considered as part of the further business case development and preparation of a supporting funding and financial strategy for the wider scheme programme;
- The 30-year vision for the Leeds Integrated Station Masterplan not being maintained, particularly in relation to HS2 route and progress changes and delivery happening concurrently. This will be managed through the wider programme governance; and

- Multiple authorities and delivery partners involved in the delivery of the various Leeds Integrated Station Masterplan programme components, each with their own views, aspirations and understanding of the assurance processes. This will be managed through the wider programme governance.

Costs

- 2.26 The total cost to deliver this element of the masterplan project is £6.32 million of which £5 million will be funded by the Combined Authority (to be funded from the Leeds Public Transport Investment Programme (LPTIP), £320,000 from the LCR HS2 Growth Strategy and West Yorkshire Plus Transport Fund and Network Rail is anticipated to provide a further £1 million match funding support to cover their internal costs for scheme development.
- 2.27 Development costs of up to £1 million are requested in order to progress the scheme to decision point 3 (outline business case).

Timescales

- 2.28 The project is entering into stage 2: development in the assurance pathway and it is expected that the outline business case will be completed by October 2019, followed by the completion of the full business case with finalised cost by July 2020.
- Construction will commence July 2020 for the short term / quick win elements of the Leeds Integrated Station Masterplan which are to be funded out of the Leeds Public Transport Investment Programme;
 - Construction to complete March 2021 for the short term / quick win elements of the Leeds Integrated Station Masterplan which are to be funded out of the Leeds Public Transport Investment Programme; and
 - Construction of the remaining short, medium and long elements of the Leeds Integrated Station Masterplan have yet to be determined but are anticipated to continue up to 2040s in line with strategic rail initiative programmes such as High Speed 2.

Future assurance pathway and approval route

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

Tolerances

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

Project responsibilities

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| Senior Responsible Officer | Liz Hunter, West Yorkshire Combined Authority |
| Project Manager | Rebecca Cheung, West Yorkshire Combined Authority |
| Combined Authority case officer | Adam Kendall Ward |

Appraisal summary

- 2.29 Leeds Integrated Station Masterplan has a strong alignment to the Strategic Economic Plan and Transport Strategy, and demonstrates a clear ability to deliver against the objectives of increasing access to employment, unlocking development, accelerating the regeneration of South Bank Leeds, and contributing towards economic growth within the City Region. The project will help to create a world class gateway into the Leeds City Region, boost connectivity through proving seamless integration of rail services with multiple modes of transport, and create an enhanced public environment both within and outside of the station building.
- 2.30 Latest rail patronage growth forecasts from the rail industry provide a strong evidence base for the demand for the project, to increase capacity and accessibility of Leeds Station, capitalise on opportunities offered by major rail initiatives such as HS2, and boost connectivity between rail services and other modes of transport.

Recommendations

- 2.31 That Investment Committee recommends to the Combined Authority that:
- (i) The Leeds Integrated Station Masterplan project proceeds through decision point 2 and work commences on activity 3 (outline business case);
 - (ii) An indicative approval to the total project value of £6.32 million of which £5 million will be funded by the Combined Authority (to be funded from the Leeds Public Transport Investment Programme (LPTIP), £320,000 from the LCR HS2 Growth Strategy and West Yorkshire Plus Transport Fund and £1 million match funding from Network Rail, 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) Development costs of up to £1 million are approved in order to progress the scheme to decision point 3 (outline business case);
- (iv) Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 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.

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| Project title | Northgate House |
| Stage | 1 (Eligibility) |
| Decision point | 2 (Case paper) |

Background

- 2.32 The project was originally included within the Housing and Regeneration Programme with funding allocated to decommission, decant and demolish Northgate House and provide a de-risked cleared site available to the market for redevelopment.
- 2.33 This approach was in line with the Council's aspirations to continue with the regeneration of the town centre, following on from the success of the new library and Piece Hall regeneration. Calderdale Council are delivering a successful town centre office strategy whereby they are amalgamating Council staff in the town centre into 3 key refurbished buildings leaving Northgate House surplus to requirements.
- 2.34 On this basis, an advance payment in the form of an interest free loan of £300,000 was paid to Calderdale Council in 2016/17 for decant and decommissioning phases of the scheme.
- 2.35 To progress with the proposal to redevelop the key town centre location, following an open tender procurement, the Council appointed a private sector developer to regenerate the site through a new build offer. Unfortunately, this approach only saw limited progress in negotiations with potential retail occupants which resulted in the formal termination of the Option Agreement.
- 2.36 The Northgate House site is a critical, central location within Halifax and strategically important to continuing with the regeneration of Halifax town centre. On this basis following a detailed pre-feasibility study and market appraisal assessment to understand what can be delivered on site, the Council have now submitted an expression of interest for a revised and re-scoped project that will see the redevelopment and refurbishment of the existing Northgate House and adjacent former library building to deliver a mixed use scheme of retail, office and residential accommodation.
- 2.37 The Council is separately pursuing the refurbishment of the former library building, which is attached and connects through to Northgate House, to deliver a 6th Form College within the town by September 2019. This scheme will see more than 600 students being based at the site as part of comprehensive whole site redevelopment proposals. Due to the construction of the buildings, a section of Northgate House, at the lower ground floor level, will form part of the 6th form. The development of a college does not form part of this Growth Deal proposal.
- 2.38 The project will deliver against priority 4 of the Strategic Economic Plan, Infrastructure for Growth by developing and regenerating a site within Halifax

which is an identified spatial priority area and bringing forward a scheme that will support employment, quality environments and building of new homes.

- 2.39 The project is not deliverable or financially viable without public sector investment funding, with a need for a viable and sustainable solution to avoid urban blight caused by leaving a key town centre site vacant.
- 2.40 In addition, and alongside the expression of interest, the Council also submitted a change request to change the terms upon how the Council receive the funding sought. The original allocation of funding available to the project was on the basis of an interest free loan which would be repaid and available to other projects from the Combined Authority through a revolving fund approach. The council is now seeking all received funding on the basis of a grant.
- 2.41 The Northgate site is a sustainable location, immediately adjacent to Halifax bus station with clear positive linkages to further West Yorkshire plus Transport Fund investment, including A629 Phase 2 Halifax Town Centre and Station Gateway scheme.
- 2.42 Halifax is a spatial priority area identified within the SEP and the scheme aims to support LEP and Combined Authority objectives to improve local transport links, accelerate housing growth and town centre regeneration, develop a skilled and flexible workforce, support growing businesses and build a resource efficient city region.
- 2.43 A summary of the scheme's business case, together with a location map, is included in **Appendix 4**.

Outputs, benefits and inclusive growth implications

- 2.44 The project will contribute to the objectives of the Housing and Regeneration Programme to increase economic and employment growth and deliver new homes within the Halifax spatial priority area and the wider city region. It is expected the project will deliver the following outputs:
- Provision of 770 square sqm of retail space
 - 1,900 sqm of office floor space
 - 40 apartments/housing units (20 one bed and 20 two bed)
 - Improved public realm and place making benefits in Halifax town centre contributing to increased confidence amongst businesses to invest and higher levels of footfall, in turn facilitating an increase in GVA output.
 - The scheme supports inclusive growth through increasing access to employment (336 jobs directly created and construction jobs safeguarded). These are based on Homes and Communities Agency Employment Density Guide for new floor space and split as 51 retail, 238 office and 47 construction jobs. (Note: under the Housing and Regeneration Programme objectives, temporary construction jobs may not be captured as outputs).

Risks

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

- Full condition of Northgate House will not be clear until structural and intrusive surveys, which are currently underway, have been completed. There is a risk project costs could increase, although Calderdale Council will be liable for any increases. Full surveys will be complete before full business case submission.
- The proposed redevelopment scheme is speculative. The market for securing tenants for all areas of commercial property are challenging in Halifax. The building could be redeveloped and yet remain vacant without suitable tenants signed up. If the refurbished building remains vacant for any length of time, this could ultimately result in demolition. Calderdale Council need to manage the release of accommodation to ensure the market can accommodate a scheme of this size and the project can be delivered without risk or additional maintenance cost to the Council. Calderdale Council are currently developing a marketing strategy to address these issues. Whilst challenging, independent appraisal of the Northgate site supports the mixed-use approach on the proposed scale.
- Northgate House is not listed but sits within Halifax town centre Conservation Area. Consent will therefore be required to undertake works. Historic England may wish to see as much of the existing fabric retained which would restrict redevelopment proposals and options for flexibility of space. Early dialogue has already been held with Historic England and Calderdale Council's Conservation Team.

Costs

2.46 The total cost to deliver the project is £11.87 million to be funded through a combination of Local Growth Fund and Calderdale Council funds.

2.47 The project has previously received indicative approval to £1.3 million as an interest free loan. £300,000 of this has been paid as a loan from the Combined Authority. Calderdale Council are now seeking the £300,000 loan to be converted to a grant and also an increase in indicative funding to £3 million, all as grant, from the Local Growth Fund.

2.48 Calderdale Council will secure £8.87 million from prudential borrowing and capital investment.

Timescales

2.49 The anticipated timescales of the project:

- Full business case submission November 2018
- Construction will start on site August 2019

- Construction will complete on the retail and office accommodation March 2020
- Construction will complete on the residential accommodation May 2020

Future assurance pathway and approval route

| Assurance pathway | Approval route |
|---|--|
| Decision point 4 (full business case) | Recommendation - Investment Committee Approval - the Combined Authority |
| Decision point 5 (full business case plus costs) | Recommendation - Investment Committee Approval the Combined Authority's Managing Director delegated decision |

Tolerances

| Project tolerances |
|--|
| That the total project costs remain within the costs identified within this report |
| The delivered housing units are not reduced and remain within 10% of the target numbers identified |
| The programme delivery timescale remains within 3 months of the dates outlined in this report |

Project responsibilities

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| Senior Responsible Officer | Robert Summerfield, Calderdale Council |
| Project Manager | Mark Dowson, Calderdale Council |
| Combined Authority case officer | Jess McNeill |

Appraisal summary

- 2.50 The project has a good fit to the Strategic Economic Plan and is within a spatial priority area. The project aims to provide economic growth and employment opportunities for the residents of Calderdale. This 'good growth' combines innovation and productivity with more and better jobs, improved skills and career progression for all.
- 2.51 Further work is required to define total project costs and demonstrate the ability to successfully market the building to attract new tenants and businesses to occupy the available accommodation at Northgate House.

Recommendations

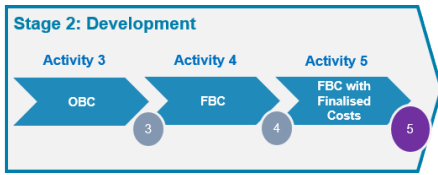
- 2.52 That Investment Committee recommends to the Combined Authority that:

- (i) The Northgate House project proceeds through decision point 2 and work commences on activity 4 (full business case).
- (ii) An indicative approval from the Combined Authority of £3 million from the Local Growth Fund (previously a £1.3 million loan) 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 £11.87 million.

(Note - £300,000 of this £3 million has already been paid to Calderdale Council as a loan).

- (iii) Approval to amend the terms of the funding agreement from an interest free loan to grant funding.
- (iv) Future approvals are made in accordance with the approval pathway and approval route outlined in this report which includes a Combined Authority approval at decision point 4 and at decision point 5 through a delegation to Combined Authority's Managing Director following a recommendation by Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

Projects in Stage 2: Development



- 2.53 Projects at Development stage should demonstrate that they have tested the feasibility of a solution through their business case. This business case should then be developed in order to confirm and detail the preferred solution including finalising its cost.

| | |
|-----------------------|----------------------------------|
| Project title | Real Time Bus Information |
| Stage | 2 (Development) |
| Decision point | 3 (Outline business case) |

Background

- 2.54 The Real Time project is a scheme that has been developed as part of the Leeds Public Transport Investment Programme (LPTIP) which has been approved by Department for Transport (DfT). 'Real time' is the name given to the display boards at bus stops which show the real time of the next bus. There are currently 520 real time displays within bus shelters in the Leeds area, most of which are located in the city centre. Research has shown them to be popular with public transport users.
- 2.55 This scheme will deliver an additional 1,000 real time display units at bus stops across the Leeds area. Overall this will promote the local bus network in Leeds and improve the offer for existing customers as well as growing the market by attracting new customers. Along with other measures in LPTIP this scheme will contribute to the overarching aim of doubling bus patronage within Leeds in the next 10 years.
- 2.56 The project will also allow the development of branding and infrastructure on key corridors which will improve the customer experience and complement the investment being made by operators in service frequency and improved bus fleets on these key routes.
- 2.57 The project is being managed by the Combined Authority with approved suppliers who have good experience of delivering and installing real time units. Initial designs for the units have been developed and costed.

A summary of the scheme's business case is included in **Appendix 5**.

Outputs, benefits and inclusive growth implications

2.58 The project will contribute to the overall objectives of the LPTIP programme which aims to:

- Move on the trajectory towards doubling bus patronage from 2016 levels in 10 years;
- Significantly improve air quality and reduce carbon emissions, particularly in the city centre;
- Support economic growth and job creation by creating almost 2,000 new jobs which will generate a Gross Value Added of over £200 million p.a.;
- Reduce road congestion;
- The benefit to cost ratio for this scheme has been assessed at 2.6:1 due to the cost savings of those customers who will be able to use the new system.
- This scheme supports inclusive growth through increasing access to employment and productivity growth through providing access to sustainable transport.

Risks

2.59 The key risks for the scheme, together with mitigating actions, are:

- Capacity for production of screens delays delivery - mitigated by an initial order having been placed for 490 units to commence delivery and achieve value for money by procuring within real-time evolution project framework.
- Higher than expected costs to supply power - mitigated by a reserve list of stops which have been identified if costs to install power to bus stops is excessive at particular locations.
- Lack of resident demand for real time screens in proximity to homes – consultation to be carried out; reserve list identified to mitigate this risk.

Costs

2.60 The total cost to deliver the project is £7.2 million to be funded through the LPTIP.

2.61 Development costs of £1.74 million is requested for the purchase and installation of the first 490 units and bus shelters with existing power supply along the core network (£1.64 million) and for funding a project manager (£100,000).

Timescales

2.62 The project is advanced and it is expected that the full business case with finalised costs will be completed by August 2018.

- Construction will commence September 2018
- Construction to complete March 2021

Future assurance pathway and approval route

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

Tolerances

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

Project responsibilities

| | |
|---------------------------------|------------------------------------|
| Senior Responsible Officer | Dave Pearson, Combined Authority |
| Project Manager | Michael Ramsey, Combined Authority |
| Combined Authority case officer | Ben Manuja |

Appraisal summary

- 2.63 The project has a clear fit within the LPTIP programme and will be one of the key drivers to kick start the LPTIP and start to achieve the benefits.
- 2.64 There is evidenced demand for the project, to increase customer satisfaction with existing bus users and the highly visible nature of the units is anticipated to drive demand from non-bus users.
- 2.65 The Combined Authority has good knowledge and experience of delivering this type of scheme and has well trusted suppliers, so is confident in delivering the project competently within budget and timescale.

Recommendations

- 2.66 That Investment Committee recommends to the Combined Authority that
- (i) The Real Time project proceeds through decision point 3 (outline business case) and work start on activity 5 (full business case with finalised costs).

- (ii) Approval to the total indicative project value of £7.2 million from the LPTIP 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).
- (iii) Approval for development costs of £1.74 million for the purchase and installation of the first 490 units and bus shelters with existing power supply along the core network (£1.64 million) and for funding a project manager (£100,000).
- (iv) 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.

| | |
|-----------------------|--|
| Project title | Ultra Low Emissions Vehicles (ULEV) taxi scheme |
| Stage | 2 (Development) |
| Decision point | 4 (Full business case) |

Background

- 2.67 The Secretary of State for Transport has awarded West Yorkshire Combined Authority a capital grant on 30 March 2017 to deliver its Ultra-low Emission Vehicle (ULEV) Taxi Infrastructure proposals, for the low uptake scenario. The Combined Authority is named as delivery lead, and financial accountable body for the Office for Low Emissions (OLEV) grant funding.
- 2.68 The OLEV grant is for 88 taxi rapid charge point sites (with a local variation adding a second bay to each site for use by the general public), as follows:
- 2.69 The £1.98 million OLEV grant is limited to 75% per site, and capped at £22,500 per site. Discussions can be held with OLEV on a site-by-site basis, if costs are greater.
- 2.70 An approved allocation of £1.2 million Local Transport Plan (LTP) capital funding has been made as match funding
- 2.71 This scheme has now progressed directly from decision point 2 to this full business case (activity 4). It is necessary to review the detailed procurement strategy, and the tolerances at this stage.
- 2.72 In January 2018, the Combined Authority's Investment Committee recommended that the Combined Authority's Managing Director approve total development costs of £180,000 to complete the procurement of a rapid charge point supplier.

A summary of the scheme's business case is included in **Appendix 6**.

Outputs, benefits and inclusive growth implications

- 2.73 Implementation of 88 taxi/public ULEV charge points to deliver:
- 18% reduction in Nitrogen Oxide
 - 5.1% increase in ULEV taxi uptake by 2020
 - Improved local air quality
 - Cheaper whole life costs for ULEV taxis, compared to petrol/diesel versions

The project is not aligned with Growth Deal funding but does support delivery of the Strategic Economic Plan, Transport Strategy and the West Yorkshire Low Emissions Strategy.

This scheme represents good value for money at this stage which will be explored further during the next phase of activity.

Risks

2.74 The key risks, and mitigating actions, are:

- The procurement strategy will seek a capital contribution from the supplier to maximize the number of electric vehicle charging points (EVCPs) that can be delivered. The cost of delivering each EVCP will vary depending on local conditions. The combination of OLEV Grant and LTP funding may not be sufficient to deliver 88 EVCPs, and this risk will remain until the procurement of a supplier is complete.
- Significant Combined Authority and partner council staff time is required to develop and deliver this project. The partner councils have confirmed this project is a priority, and the appropriate resources have been made available.
- The procurement strategy for a single supplier is complex, with many different parties involved. Specialist legal advice has been procured to assist with developing the procurement strategy.

Costs

2.75 The cost to the Combined Authority to deliver the project is £3.18 million (£1.98 million OLEV grant and £1.20 million LTP), with an additional private sector contribution (market dependant) that would be required to deliver all 88 charge points.

2.76 The OLEV scheme first was reviewed by Investment Committee in June 2017 where an initial £25,000 was approved. In January 2018 the Investment Committee approved £155,000 for further development works. Additional development funding of £200,000 is required now to carry out the following advance site preparation tasks which will minimise risk for the first 27 charge point sites across West Yorkshire, to allow a quick start on site when the charge point supplier is appointed:

- Traffic Regulation Orders / Parking Orders
- Quotations for electricity connection costs
- Site Agreement (leases etc)
- Planning permission (if required)

It should be noted these do not increase the total cost of the project to the Combined Authority.

Timescales

2.77 It is expected that the full business case with finalised costs will be completed by September 2018.

- Appoint a Charge Point supplier 30 September 2018
- Schemes accepted for delivery at Contract Award (Category A & B Sites) 30 September 2018
- Schemes accepted for delivery as Category C Sites 31 March 2019
- Completion of Capital Works 31 March 2020
- End of minimum operational period 31 March 2023

2.78 Future assurance pathway and approval route

| Assurance pathway | Approval route |
|-------------------|--|
| Decision point 5 | Recommendation – Programme Appraisal Team Approval – Combined Authority Managing Director |

Tolerances

| Project tolerances |
|--|
| That the total project cost remains within 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 sites should remain within 30% of the proposed delivery of 88 charge points. |

Project responsibilities

| | |
|---------------------------------|--------------------------------|
| Senior Responsible Officer | Huw Oeppen, Combined Authority |
| Project Manager | Mark Auger, Combined Authority |
| Combined Authority case officer | Chris Dunderdale |

Appraisal summary

- 2.79 The project is well defined, particularly around the strategic drivers for the project and the intended procurement strategy. The commercial case shows a well-defined strategy for procuring a framework that will deliver the project successfully. It gives good detail of how the project will be managed between Office of Low Emission Vehicles, the Electric Vehicle Charge Point supplier, Partner Councils and the Combined Authority. The economic case should be considered supportive of the strategic case, as the funding has been granted and is measured against strategic objectives set out by OLEV. Details in the financial and management cases will be firmed up at full business case with costs when more detail is known from the appointed charge point supplier.

Recommendations

2.80 That Investment Committee recommends to the Combined Authority that

- (i) The ULEV Taxi Scheme project proceeds through decision point 4 and work commences on activity 5 (full business case with finalised costs).
- (ii) An indicative approval to the Combined Authority's contribution of £3.18 million which will be funded through £1.2 million from the LTP fund and £1.98 million from the OLEV grant 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).
- (iii) Approval to the additional £200,000 development costs to allow advance site preparation tasks to commence, taking the total development costs for the project to £380,000.
- (iv) 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 Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

| | |
|-----------------------|---|
| Project title | Leeds Station Gateway - New Station street improvements |
| Stage | 2 (Development) |
| Decision point | Change request |

Background

- 2.81 The aim of this Transport Fund scheme is to significantly improve the environment for pedestrians on New Station Street and around the entrance to the main concourse of Leeds Station.

Current plans involve rationalising the bus stops on New Station Street and a doubling of the area of footway available for pedestrian circulation. This will involve widening the footway along most of the distance from the concourse doors down to City Square and also to the east past City House. The complete length of New Station Street will be repaved, that is from the junction with Wellington Street/Bishopgate Street to the junction with Boar Lane.

Four bus stops will remain along the road and the taxi collection point is unchanged as is access for bicycles.

The road is unadopted and owned by Network Rail (NR). The scheme has been developed with Network Rail and Leeds City Council, both of whom are very supportive of the project.

The scheme was first approved by the Combined Authority in July 2016.

Delivery of the scheme is now scheduled for completion in June 2019, instead of December 2018.

2.82 Description of change request

This change request is to extend the scheme's completion date by six months, from December 2018 to June 2019.

Outputs, benefits and inclusive growth implications

- 2.83 It is expected that the project will:

- Help the station to achieve its long term aim of being a major transport exchange; functional business; civic gateway; shop window for rail and for Leeds City Region, and major economic artery
- Improve pedestrian flows between the city centre and the station leading to a reduced walking journey time in peak hours
- Improve pedestrian visibility and links to and from the station to other key destinations in the city

- Improve the general quality of the station environment and make it a more welcoming and accessible area to wait for buses and taxis, with the aim of creating an open environment for pedestrians such that guard railing can be minimised.

Risks

2.84 The key risks, and mitigating action, for this project are:

- The timescales slip further and the lifespan of the scheme is compromised leading to the benefits from the scheme being reduced, resulting in a poor value for money position. This project is intended to be a short to medium term upgrade to the station frontage which will be in place until the new integrated station can be delivered. Therefore there is only a limited window of opportunity for the delivery of this scheme before the LISM work commences. Further slippage to the scheme will be mitigated by maintaining the close working relationship with Network Rail, and regularly reviewing the programme.

Costs

2.85 The total cost of the Transport Fund scheme is forecast to be £1.591 million. £125,000 development costs was approved when the scheme passed through decision point 3 in 2016. No further funding is requested at this stage.

Timescales

2.86 The anticipated timescales of the project:

- Revised full approval at decision point 5 is forecast, October 2018
- Revised forecasted completion date (decision point 6), June 2019

Future assurance pathway and approval route

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

Tolerances

| Project tolerances |
|--|
| That the total project costs remain within 10% of the costs identified within this report. |
| That the project delivery timescale remains within 3 months. |

Project responsibilities

| | |
|--|-----------------------------------|
| Senior Responsible Officer | Liz Hunter, Combined Authority |
| Project Manager | Steve Butcher, Combined Authority |
| Combined Authority case officer | Rachel Jones |

Appraisal summary

- 2.87 The change to delivery timescales for this scheme could have an impact on the economic case, and this will be tested when the scheme comes forward at decision point 5.

Recommendations

- 2.88 That Investment Committee recommends to the Combined Authority's Managing Director that:
- (i) The change request to Leeds Station Gateway – New Station Street Improvements, to extend the completion date from December 2018 to June 2019 is approved.
 - (ii) The scheme progresses through to full business case with costs and that subject to the scheme remaining within the tolerances for cost and time, approval be given by the Managing Director at decision point 5.
 - (iii) 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 Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

| | |
|-----------------------|--|
| Project title | Harrogate Road - New Line – junction improvement |
| Stage | 2 (Development) |
| Decision point | Change request |

Background

- 2.89 The project will rebuild the Harrogate Road / New Line Junction to create a new junction to reduce congestion, increase safety provision for cyclists and pedestrians and support delivery of significant new housing developments together with longer term development opportunities.

The A658 Harrogate Road / A657 New Line Junction is situated on the corridor between Bradford and Leeds Bradford International Airport (LBIA). The crossroads are a significant congestion pinch point with delays on all four legs having a detrimental impact on journey times between Bradford and LBIA, and also between Shipley / Airedale and Leeds. It will also facilitate housing development in the immediate area, and improve safety and reduce severance for pedestrians and cyclists.

Description of change request

- 2.90 The constrained urban setting of the scheme has resulted in many complex challenges to consider in working to find a deliverable engineering solution. In addition the physical constraints will require third party interests and property to be acquired.

Engineering redesigns have taken place to reduce the impact where possible but the scale of interests required (over 50) and the need to manage and develop a project that is deliverable, additional development costs have been incurred to bring the project forward.

As a result of the CPO (Compulsory Purchase Order) process and the number of objections received (six outstanding objections as of 14 May 2018), the expected programme to achieve full business case has been extended by approximately 9 months. This has resulted in additional legal costs and additional engineering input.

The expected full scheme cost is expected to be in the order of £8.7 million. However, it should be noted that there is a significant amount of risk and uncertainty included within this.

To ensure the project can be delivered, Bradford Council have committed to securing required interests through a CPO process. A Public Inquiry is due to be heard by Planning Inspector from the 6 – 9 November 2018. Legal and staff time associated with this process are considerable and have further added to the need for additional development costs and increase in total project costs.

Outputs, benefits and inclusive growth implications

2.91 The scheme will deliver:

- Reduced congestion on all approaches through the junction.
- Increased safety provision for cyclists and pedestrians through provision of dedicated pedestrian crossing facilities on all arms of the junction along with cycle lanes and advanced stop lines on all approaches.
- Improved air quality for local residents.
- Supports the delivery of significant new housing developments in the short term as well as opening up long term development opportunities in the area through releasing transport constraints.
- Improve access to Leeds Bradford Airport and the new rail station at Apperley Bridge with its interchange capabilities encouraging modal shift.

Risks

2.92 The risks and mitigating actions associated with this project are:

- Issues raised at public inquiry which may slow the process down or create further issues for the project. Mitigation – Liaison with objectors, although no guarantee that the issues will be removed. Appointment of expert witnesses and a robust strategy to engage with objectors is underway.
- Current budget does not allow enough funds for a public inquiry. Mitigation – Change request approved to allow sufficient funds to manage the public inquiry.
- Public Inquiry costs are greater than expected. Mitigation – Ongoing liaison with objectors, preparation of rebuttals and case evidence is undertaken with due diligence and support from CBMDC Legal and Counsel. Add risk around costs with regards public inquiry

Costs

2.93 The total cost to deliver the project was originally £6.826 million of which £4.900 million was to be funded through the West Yorkshire plus Transport Fund and £1.926 million from Bradford Council's Section 106 monies.

2.94 The current estimate is £8.691 million of which £6.765 million is requested to be funded through the West Yorkshire plus Transport Fund and £1.926 million from Bradford Council's Section 106 monies.

2.95 It should be noted that there is one area of the cost build up which has the potential to change significantly. Costs for land acquisition and associated legal costs with the CPO process are currently estimated, the worst case estimate is approximately £7 million, best case £2.3 million and likely case is £3.6 million. The likely case has been used in the full scheme cost build up, this means that we have a predicted variance of +/- circa £1.4 million. Bradford

Council will need to undertake a detailed cost exercise in the next 4 to 6 weeks, however, it should be noted that until the CPO process is complete and a better understanding of the legal and financial ramifications are available, the costs remain in flux.

- 2.96 The project has requested additional development costs of up to £585,000 in order to secure sufficient budget for a public inquiry. This takes the development costs from £1.3 million to £1.885 million for the scheme.

Timescales

- 2.97 Public Inquiry is scheduled from the 6 to 9 November 2018. Note, this is the expected time period, however there is the possibility that it may be longer or shorter depending on objections raised (if any) during the inquiry.
- 2.98 The project is expected to reach full business case with finalised costs by September 2019.

Future assurance pathway and approval route

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

Tolerances

| Project tolerances |
|--|
| That the total project costs remains within 5% of the costs identified within this report. |
| That the project delivery timescale remains within three months of the timescales identified within this report. |

Project responsibilities

| | |
|---------------------------------|----------------------------------|
| Senior Responsible Officer | Julian Jackson, Bradford Council |
| Project Manager | Ben McCormac, Bradford Council |
| Combined Authority case officer | Paul Coy |

Appraisal summary

- 2.99 The project has a clear fit to the Strategic Economic Plan and Transport Strategy and will deliver against the objectives reduce congestion on all

approaches through the junction, increased safety provision for cyclists, improve air quality, support delivery of new housing developments and improve access to Leeds Bradford Airport and the new rail station at Apperley Bridge.

Recommendations

2.100 That Investment Committee recommends to the Combined Authority that:

- (i) The change request to the Harrogate Road New Line Junction Improvement project to increase the indicative approval to the Combined Authority's contribution to £6.765 million, which will be funded from the Transport fund and 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 £8.691 million (£6.765 million plus £1.926 million Bradford council section 106 monies) is approved
- (ii) The change request to the Harrogate Road New Line – Junction Improvement project to additional development costs of £585,000 in order to progress the scheme to decision point 5 (full business case with finalised costs) is approved
- (iii) The Combined Authority enters into an addendum of £585,000 to the existing funding agreement with the City of Bradford for expenditure of up to £1.885 million from the Transport fund
- (iv) 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

| | |
|-----------------------|------------------------------------|
| Project title | A65-A658 airport link road project |
| Stage | 2 (Development) |
| Decision point | Change request |

Background

- 2.101 This scheme was one of the West Yorkshire plus Transport Fund schemes originally identified for delivery by 2021, with an initial development funding allocation of £210,000. As the technical assessment of the scheme developed, it became clear that the complexity of the scheme meant that the delivery date and approved funding for development costs identified in the mandate were in need of revision. In 2016, with three potential options identified, the Combined Authority approved £600,000 additional development costs from the Transport Fund, based on the current status of the project just prior to the first round of public consultation.
- 2.102 In Autumn 2016, Leeds City Council and the Combined Authority revealed plans for investing £173.5 million of Department for Transport (DfT) funding for the Leeds Public Transport Investment Programme (LPTIP). This funding for Leeds offered an unprecedented opportunity to review all aspects of the transport network in the city, including north west Leeds and connectivity to the airport. As such, improving rail connectivity to the airport to meet a long-held ambition for the city became a possibility, with a proposal for a new airport parkway station put forward as part of the LPTIP programme. Along with other proposed measures to improve transport infrastructure and services, this meant a significant change in the transport landscape around the airport, which impacted on the link road plans as part of the updated overall position. As a result a review of the link road project needed to be undertaken to recognise and incorporate its position within the updated transport strategy for Leeds.
- 2.103 In addition to the factors outlined above, other factors which have impacted on the development of the project include:
- 2.104 Initial public consultation in 2016 showed strong support for a rail scheme, which subsequently DfT LPTIP offered an opportunity to address. The consultation also included requests for detailed technical information to be made available prior to business case submission. To address these points a second round of public consultation prior to submission of the outline business case is now proposed. The second round now needs to include the broader strategic position integrating road, rail and employment hub/land use elements for the public, businesses and stakeholders to consider. This has impacted on the planning, timing and scope of both the second round of consultation and therefore the timing and cost of completing activity 3 and putting forward the outline business case for consideration.

- 2.105 There is now more clarity on the risks, design needs and appraisal requirements, which have expanded the scope of technical work. Three separate options are being developed to present within the outline business case, and will be included in the next round of consultation and to maximise transparency in decision making. The three options will ensure there is sufficient detail and evidence available to support further rounds of public consultation.
- 2.106 The new Leeds Transport Model (known as LTM2) which uses state-of-the-art analytical technology to predict future highways and transport usage, has taken longer than initially expected to be finalised. This is due to the complex nature of the technology and the analysis being undertaken, given it is not just to be used for this project but for all future highways schemes in Leeds now in development, and as it is replacing the outdated previous model from 2008 it is vital it works effectively and produces accurate results in the context of Leeds being one of the fastest-growing cities in the UK. Although the direct costs associated with development of the model are not being borne by this scheme. The delay has resulted in associated costs such as increased project management, technical liaison and delays to the development of this scheme.

Description of change request

- 2.107 This change request is for an additional £975,000 of development costs, to supplement the £810,000 already being provided by the Combined Authority, making a revised total development funding budget for achieving outline business case of £1.785 million from the Combined Authority.

Outputs, benefits and inclusive growth implications

- 2.108 The scheme outputs are dependent upon the selected option and are expected to be as follows:
- Option A: a new five kilometre road connecting the A65 and the A658 passing east of the airport. Includes a new footway/cycleway with connections into the surrounding right of way network; three new junctions plus one upgraded junction; 700 metres widening of the A658 between the new road and the Otley Old Road junction.
 - Option B: a new three kilometre road connecting the A65 and the A658 to the west of the airport, connecting in on the A658 where the road enters the existing tunnel under the runway. Includes a new footway/cycleway with connections into the surrounding right of way network; three new junctions and two upgraded junctions.
 - Option C: upgrades to five new junctions on the existing A65 and A658 routes including localised land take and property acquisition outside the highway boundary.
- 2.109 Leeds Bradford Airport is the international gateway to the largest city region outside of London and contributes over £336 million to the regional economy per year. One of the fastest growing regional airports, it is forecast to grow

from 4 million passengers in 2017 to 7.1 million passengers by 2030, and to 9 million passengers by 2050.

2.110 The package of infrastructure improvements which includes this scheme (a parkway rail station serving the airport, an enlarged and improved terminal building and the development of an economic hub) are forecast to provide:

- An additional 5,500 new jobs
- Contribute £2.6 billion-£3.3 billion to the economy by 2030.

2.111 By then, the growth of the airport itself is expected to more than double the value of economic benefits accruing to the city region economy. Ensuring continued and sustainable growth of the airport as a hub is therefore a priority within the Transport Fund as the benefits are significant and extend across the region.

2.112 Currently all trips arriving at or departing from the airport require road-based transport as there is no rail connection, as would many of the trips to the new employment hub in the future. Plans are being brought forward for a new parkway station located on the Leeds to Harrogate line about one mile from the airport terminal building and employment hub, also providing a new park and ride opportunity from north west Leeds district, Otley and surrounding areas, serving both Leeds and Harrogate. Whilst this interchange will help achieve a modal shift of passengers who would otherwise have used the road network, experience from other UK airports such as Manchester shows that there will still be a residual balance of growth that needs to be accommodated on the highway network, despite rail options being available.

2.113 Accordingly, to provide infrastructure that supports the wider growth plans of the airport as an economic and transport hub, the overarching objectives of the scheme are to:

- Provide additional capacity on the highway network that will help facilitate the forecast growth of the airport, as well as improving the travel experience for all users to the airport as a transport and employment hub.
- Complement the planned development of the 36 hectare employment hub by providing highway infrastructure that helps to facilitate efficient highway access and promotes the growth and development of the hub.
- Complement the planned development of the parkway rail station. To provide an efficient use of planned infrastructure that supports timely connectivity and interchange with the airport terminal and seamless access and egress for park and ride users connecting to and from both Leeds and Harrogate.
- Provide relief to local residents and road users by supporting more effective operation of the local highway and bus networks, including removing traffic from some less suitable local roads.

2.114 Without delivery of the proposed multi-modal connectivity package including the highway improvements, future growth projections are at risk with the consequential impact on the local and regional economies, whilst full and efficient delivery of the parkway station and employment hub may also be put at risk.

Risks

2.115 The key risks and mitigating actions for this scheme are:

- State Aid – this relates to uncertainty over use of public money to fund a scheme which benefits a private development. A specialist advisor has been appointed, the costs for which are included within this change request;
- Affordability – the cost of the three identified options will be considered as part of the outline business case submission once capital costs have been established, and a funding strategy will be developed;
- Public support – costs are included within this change request for a thorough engagement exercise later this year, with high quality visuals, presentation of detailed information explaining the up-to-date transport landscape and issues for the area, including engagement with businesses and key stakeholders;
- Modelling programme and robustness of results – a risk of programme slippage and cost increases is to be managed by ongoing liaison between the various teams employing the revised
- Leeds Transport Model has been developed and will be used to forecast the benefits of the scheme in liaison with the Combined Authority modelling and appraisal manager;
- Interfaces with the parkway station and employment hub – whilst in general terms providing significant positive benefits for this scheme, the interfaces can provide programme risk as approvals, funding and processes may need to be harmonised at key decision points. This is being managed by a new programme-level Strategic Airport Board.

Costs

2.116 The scheme has £35.7 million allocated from the West Yorkshire plus Transport Fund (WY+TF). Work is in progress to develop the capital cost estimates for the three options. The costs reported to date and at public consultation are broad estimates as follows: Option A: £50 million to £75 million; Option B: £25 million to £50 million and Option C: up to £15 million. Given the additional complexity of the scheme described above, the cost estimates are likely to increase. To plan for the eventuality that Option A or Option B may be selected as the preferred option (given that Option C would be affordable from within the current allocation), a funding strategy will be developed, led by the council in collaboration with West Yorkshire Combined Authority and potential third party contributors including the airport.

- 2.117 This change request is for an additional £975,000 of development costs, to supplement the £810,000 already being provided by the Combined Authority, making a revised total development funding budget for achieving outline business case of £1.785 million from the Combined Authority. A typical range of 1-3% as a proportion of total project costs is expected for achieving decision point 3. Although this equates to 5.1% of the £35.7 million allocation, the figure reduces to 2.4% of a £75 million total cost, which is well within the typical range, especially considering that the scope includes three 'full' options and is one of the most complex projects within the WY+TF portfolio.
- 2.118 The cost estimate includes a risk allocation of just over £103,000 to manage unexpected additional work as well as a further risk allowance of £155,000 to allow amendments of the design, appraisal and business case to reflect feedback from the second round of consultation.
- 2.119 A sum of £145,000 is included for the second round of consultation including business engagement, which is being planned as an integrated approach covering both road and rail. The parkway station project will supplement the identified funding.
- 2.120 In summary, 35% of the additional costs have accrued as a direct or indirect result of the broader requirements of the second round of consultation, 42% has accrued as a result of technical scope changes including State Aid and confirmation of costs with consultants, whilst 13% is attributable to other costs including additional project management costs arising from delays. Finally, there is a risk allowance for development costs which was not included in the previous approval which contributes the remaining 10%, but provides more reassurance of delivery to the proposed budget.
- 2.121 Leeds City Council has contributed £45,000 to the scheme for project development costs.

Timescales

- 2.122 In 2016, the project delivery programme estimated scheme opening in 2023. As a result of the changes outlined in this report, the key approximate milestones are now revised to:

- Activity 3 outline business case approval - July 2019
- Planning application submission - November 2020
- Public Inquiry (if required) Secretary of State decision - March 2022
- Activity 4 procurement approval - June 2023
- Construction - December 2023 to December 2026

Work is underway to integrate the delivery programme of the road and rail station schemes, with a view to delivering the new parkway rail station alongside or, if possible, in advance of the road scheme. This is being assessed through a close working relationship between Leeds City Council, the Combined Authority and our advisors.

Future assurance pathway and approval route

| Assurance pathway | Approval route |
|--|--|
| Decision point 3 (outline business case) | Recommendation - Investment Committee Approval - Combined Authority |
| Decision point 4 (full business case) | Recommendation - Investment Committee Approval - Combined Authority |
| Decision point 5 (full business case with finalised costs) | Recommendation - Investment Committee Approval - Combined Authority |

Tolerances

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

Project responsibilities

| | |
|---------------------------------|------------------------------|
| Senior Responsible Officer | Gary Bartlett, Leeds Council |
| Project Manager | Mark Philpott, Leeds Council |
| Combined Authority case officer | Paul Coy |

Appraisal summary

- 2.123 This funding request is a significant variation and this project carries risk, but this project is a key scheme to progress for the development of the local and wider Leeds City Region economy. With the expansion of the infrastructure programme now integrating the employment hub and the parkway station, it is anticipated that the benefits expected to accrue to the scheme will be more significant than they were when a decision was made to enter this scheme into the WY+TF initially, when it was judged to be one of the best performing projects. It will deliver a regionally significant piece of transport infrastructure, enabling investment and job growth as well as facilitating a wide range of broader benefits in the context of the Leeds Transport Strategy and the regional economic plan. Funding the development work to reach decision point 3 will enable a fully-informed decision to be made about the business case and future direction of this scheme.
- 2.124 To mitigate risk and maximise efficiency and benefits, the development of the multi-modal surface access package and employment hub will be overseen by the Strategic Airport Board chaired by Leeds City Council's Director of City Development with director-level representation from the Combined Authority,

to which the A65-A658 airport link road project board will report. This robust approach is modelled on the successful structure employed for East Leeds Extension and the East Leeds Orbital Route, which is delivering on programme and to budget.

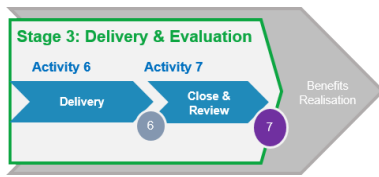
2.125 The project objectives are being reviewed as the outline business case develops and the transport strategy and land allocations develop in the area.

Recommendations

2.126 That Investment Committee recommends to the Combined Authority that

- (i) The Change Request to A65-A658 airport link road project for additional development costs of £975,000 are approved in order to progress the scheme to decision point 3 (outline business case), taking the total project approval to £1.785 million. This will be funded from the West Yorkshire plus Transport Fund.
- (ii) The Combined Authority enter into an addendum for £975,000 to the existing funding agreement with Leeds City Council for total expenditure of up to £1.785 million.
- (iii) Future approvals are made in accordance with the approval pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

Projects in Stage 3: Delivery and evaluation



2.127 There are no schemes in stage 3 to present in this report.

2.128 Decisions made through the delegation to the Managing Director

Since Investment Committee's meeting on the 18 April 2018, decisions regarding the following scheme has been exercised. This decision was made through the delegation to the Combined Authority's Managing Director following a recommendation from Combined Authority's Programme Appraisal Team.

Apprenticeship grants for Employers (AGE) extension

The decision point 5 approval related to the AGE extension project and work starting on activity 6 (delivery). The Combined Authority has devolved responsibility for the use of the grant to engage SMEs in offering apprenticeships across the Leeds City Region. The scheme was first approved by Combined Authority in July 2016. The Managing Director approved the decision point 5 total project value of £1.164 million from the AGE Programme 2015-2017 funds on 20 April 2018.

A summary of the scheme's business case is included in **Appendix 7**.

3 Inclusive growth implications

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

4 Financial implications

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

5 Legal implications

5.1 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 Staffing implications

6.1 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.

7 External consultees

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

8 Recommendations

8.1 Land Release Fund (LRF)

That Investment Committee recommends to the Combined Authority that:

- (i) The Land Release Fund (LRF) project proceeds through decision point 2 and work commences on activity 6 – delivery.
- (ii) An approval to the total project value of £662,125 is given from the OPE Capital Grant fund with full approval to spend granted.
- (iii) Delivery costs of £662,000 are approved in order to progress the scheme to activity 6 – delivery, taking the total project approval to £662,125.
- (iv) The Combined Authority enter into a funding agreement with Craven, Wakefield, Leeds and Selby Councils for expenditure of up to £493,750, £18,750, £130,875 and £18,750 respectively from the OPE Capital Grant Fund.

8.2 Leeds Integrated Station Masterplan (LISM)

That Investment Committee recommends to the Combined Authority that:

- (i) The Leeds Integrated Station Masterplan project proceeds through decision point 2 and work commences on activity 3 (outline business case);
- (ii) An indicative approval to the total project value of £6.32 million of which £5 million will be funded by the Combined Authority (to be funded from the Leeds Public Transport Investment Programme (LPTIP), £320,000 from the LCR HS2 Growth Strategy and West Yorkshire Plus Transport Fund and £1 million match funding from Network Rail, 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) Development costs of up to £1 million are approved in order to progress the scheme to decision point 3 (outline business case);
- (iv) Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 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.

8.3 Northgate House

That Investment Committee recommends to the Combined Authority that:

- (i) The Northgate House project proceeds through decision point 2 and work commences on activity 4 (full business case).
- (ii) An indicative approval from the Combined Authority of £3 million from the Local Growth Fund (previously a £1.3 million loan) 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 £11.87 million.

(Note - £300,000 of this £3 million has already been paid to Calderdale Council as a loan).

- (iii) Approval to amend the terms of the funding agreement from an interest free loan to grant funding.
- (iv) Future approvals are made in accordance with the approval pathway and approval route outlined in this report which includes a Combined Authority approval at decision point 4 and at decision point 5 through a delegation to Combined Authority's Managing Director following a recommendation by Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

8.4 Real Time Bus Information

That Investment Committee recommends to the Combined Authority that:

- (i) The Real Time project proceeds through decision point 3 (outline business case) and work start on activity 5 (full business case with finalised costs).
- (ii) Approval to the total indicative project value of £7.2 million from the LPTIP 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).
- (iii) Approval for development costs of £1.74 million for the purchase and installation of the first 490 units and bus shelters with existing power supply along the core network (£1.64 million) and for funding a project manager (£100,000).
- (iv) 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.

8.5 Ultra Low Emissions Vehicles (ULEV) taxi scheme

That Investment Committee recommends to the Combined Authority that:

- (i) The ULEV Taxi Scheme project proceeds through decision point 4 and work commences on activity 5 (full business case with finalised costs).
- (ii) An indicative approval to the Combined Authority's contribution of £3.18 million which will be funded through £1.2 million from the LTP fund and £1.98 million from the OLEV grant 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).
- (iii) Approval to the additional £200,000 development costs to allow advance site preparation tasks to commence, taking the total development costs for the project to £380,000.
- (iv) 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 Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

8.6 Leeds Station Gateway - New Station street improvements

That Investment Committee recommends to the Combined Authority's Managing Director that:

- (i) The change request to Leeds Station Gateway – New Station Street Improvements, to extend the completion date from December 2018 to June 2019 is approved.
- (ii) The scheme progresses through to full business case with costs and that subject to the scheme remaining within the tolerances for cost and time, approval be given by the Managing Director at decision point 5.
- (iii) 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 Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

8.7 Harrogate Road - New Line – junction improvement

That Investment Committee recommends to the Combined Authority that:

- (i) The change request to the Harrogate Road New Line Junction Improvement project to increase the indicative approval to the Combined Authority's contribution to £6.765 million, which will be funded from the Transport fund and 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 £8.691 million (£6.765 million plus £1.926 million Bradford council section 106 monies) is approved
- (ii) The change request to the Harrogate Road New Line – Junction Improvement project to additional development costs of £585,000 in order to progress the scheme to decision point 5 (full business case with finalised costs) is approved
- (iii) The Combined Authority enters into an addendum of £585,000 to the existing funding agreement with the City of Bradford for expenditure of up to £1.885 million from the Transport fund
- (iv) 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

8.8 A65-A658 airport link road project

That Investment Committee recommends to the Combined Authority that:

- (i) The Change Request to A65-A658 airport link road project for additional development costs of £975,000 are approved in order to progress the scheme to decision point 3 (outline business case), taking the total project approval to £1.785 million. This will be funded from the West Yorkshire plus Transport Fund.
- (ii) The Combined Authority enter into an addendum for £975,000 to the existing funding agreement with Leeds City Council for total expenditure of up to £1.785 million.
- (iii) Future approvals are made in accordance with the approval pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

9 Background documents

9.1 None as part of this report.

10 Appendices

Appendix 1 – Background to the Combined Authority’s assurance framework

Appendix 2 – Business case summary Land Release Fund

Appendix 3 – Business case summary Leeds integrated station masterplan

Appendix 4 – Business case summary Northgate House

Appendix 5 – Business case summary Real Time Bus Information

Appendix 6 – Business case summary ULEV taxi scheme

Appendix 7 – Business case summary AGE Apprenticeship scheme