

Report to: Transport Committee

Date: 21 September 2018

Subject: **CityConnect Cycle City Ambition Programme (CCAG)**

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Is this a key decision?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	3

1 Purpose of this report

- 1.1 To provide an update on the progress of the City Connect programme including the contractual dispute between Leeds City Council and the delivery contractor for the Leeds-Bradford Cycle Superhighway project.
- 1.2 To seek approval to enter into a funding agreement with Leeds City Council for up to £0.300m for enhancement works on the cycle superhighway in Leeds following the conclusion of the stage three Road Safety Audit, together with the remaining project contingency funding outlined in para 2.9 of Appendix 1.
- 1.3 To seek approval to enter into a funding agreement with Bradford Council for up to £0.150m for enhancement works on the cycle superhighway in Bradford following the conclusion of the stage three Road Safety Audit.

2 Information

- 2.1 The £57.8m CityConnect Programme, majority funded through the Department for Transport Cycle City Ambition Grant (CCAG) and LTP Integrated Transport Block (plus other DfT Grant funding) is being delivered in two Phases. The first phase of works to deliver the Leeds – Bradford (CS1) and Leeds to Seacroft (CS2) cycle superhighways, 20mph zones, an upgrade to the Leeds –

Liverpool Canal Towpath and additional cycle parking were completed in 2016.

- 2.2 In April and July 2017 it was reported to the Transport Committee that a number of cost estimates across the whole of the West Yorkshire phase 2 programme were low and that the level of contingency within bids, which was based on standard practice, had proved to be inadequate. This was primarily as a consequence of the requirement to secure funds through competitive bidding processes, with tight timescales, and costs being based upon preliminary estimates, rather than detailed design.
- 2.3 Due to the resulting pressure on the programme's financial position it was necessary to re-scope the programme and include some Phase 2 projects on a reserve list pending further information on costs, deliverability and value for money and the outcome of that review was endorsed by Transport Committee in November 2017.
- 2.4 The Phase 2 projects were subject to the Combined Authority's Assurance Process and were approved to proceed to delivery in two waves in July 2017 and November 2017.
- These projects are progressing well with the following schemes completed and opened: Castleford to Wakefield Greenway Phase 1 (Methley Bridge to Faries Hill Lock), Airedale Greenway (Leeds Liverpool Canal Towpath Riddlesden to Silsden) and Calder Hebble Towpath upgrade to Sowerby Bridge.
 - Construction continues on the Bradford Canal Road cycleway, cycle superhighway extensions in Leeds City Centre and towpath improvements on the Huddersfield Narrow and Rochdale Canals with completion of these projects expected between October 2018 and June 2019.
 - The remaining phase 2 projects, Castleford – Wakefield Phases 2, 3 and new Bridge over Hallam Line and York Scarborough Bridge are due for completion by March 2019.

Subsequently additional funding for the remaining reserve list schemes has been secured through the Department for Transport's Cycle Safety scheme (Rochdale Canal Phase 2) and approved in principle (subject to progression through the Assurance Framework) for Huddersfield Town Centre funded through the Growth Deal 'Call for Projects'.

- 2.5 Monitoring and evaluation of the usage of Phase 1 of the programme continues with record numbers of cyclists being recorded on the cycle superhighway and Leeds-Liverpool canal towpath over the summer months. Between May and July almost 120,000 trips were made on the Bradford - Leeds Cycle Superhighway, an overall increase of 26% on last year. Following the resurfacing works on the Leeds Liverpool Canal towpath between Kirkstall and Shipley in spring 2016 overall usage has increased significantly, with 150,000 trips recorded by counters at three locations between May and July - a 30% increase on the same months in 2016.

Cycle Superhighway

- 2.6 In January 2015 Leeds City Council let the contract for construction of the Leeds to Bradford cycle superhighway to North Midland Construction (NMC) following a competitive tender process published in compliance with the Official Journal of the European Union procurement rules (OJEU).
- 2.7 Construction of the Leeds – Bradford cycle superhighway (CS1) commenced in January 2015 and completed in July 2016. However, the final account for the Leeds-Bradford CS1 scheme has yet to be concluded between Leeds and NMC.
- 2.8 In addition, as is the case for all highways schemes, a post-completion stage three Road Safety Audit has been undertaken on the entire route between Seacroft and Bradford. This audit has recommended a series of minor enhancement works. The value of these works is approximately £450,000 in total. The works to date are being undertaken, at risk, by Leeds and Bradford.
- 2.9 In November 2017 it was reported to Transport Committee in that:
- “Although Phase 1 is largely complete there are some enhancement works required following the conclusion of the road safety audit and other audits of the cycle superhighway. There is ongoing risk associated with the finalisation of the account between Leeds City Council and the primary contractor of the original works. A level of contingency is currently being held by the programme to deal with these matters should further costs be realised, but will need to be committed by March 2018 alongside the rest of the programme”.*
- 2.10 At this time a level of risk funding is still being held within the project budget for the conclusion of the phase 1 account should it be required along with delivery of the enhancement works detailed in 2.8 above. This funding remains uncommitted and is part of the Integrated Transport Block allocation for the programme, details can be found within Appendix 1. The DfT CCAG funding was committed to deliver the Phase 2 schemes by March 2018 and is on track for spend by Q3 of 2018/19 as is detailed in Ppras2.4 above.
- 2.11 As a phase 1 project, CS1 commenced prior to the introduction of the Combined Authority’s assurance framework being introduced and no funding agreement currently exists with Leeds or Bradford by which to claim the funding from the Combined Authority for the enhancement works or conclusion of the final account with NMC. It is therefore proposed that a funding agreement is entered into between the Combined Authority and each of the parties. This will enable Leeds and Bradford to drawdown funding against the defrayed expenditure.
- 2.12 Leeds and NMC are currently engaged in a formal dispute resolution process in order to conclude the final account and further details can be found in Appendix 1, which is confidential. The outcome of this process will not be known until autumn 2018 at the earliest. Notwithstanding this, it is proposed that the Combined Authority enters into a funding agreement with Leeds City

Council for the remaining contingency outlined in Appendix 1 to enable Leeds to draw down on this funding **if required** at the appropriate time.

- 2.13 It is proposed that officers continue discussions as necessary with Leeds City Council and Bradford Council (as a beneficiary of the scheme) in respect of the outcome of the dispute resolution once known, with a report back to this Committee if and when required.
- 2.14 For clarification, it should be noted that all projects in the phase 2 CityConnect programme are subject to the Combined Authority's Assurance Framework with appropriate funding agreements put in place to outline the roles and responsibilities of each of the parties involved including maximum funding available. The phase 1 programme pre-dated the Assurance Framework process.

3 Financial implications

- 3.1 The first (Leeds - Bradford) and second (West Yorkshire and York wide) phases of the CityConnect programme are funded through a range of funding streams, primarily CCAG and Local Transport Plan Integrated Transport Block. The programme budget for the two phases is managed as one budget and totals £57.8m.
- 3.2 It is proposed that, up to £0.450m currently being held as risk for conclusion of the Cycle Superhighway project is released to Leeds (£0.300m) and Bradford (£0.150m) councils to contribute towards the remedial works undertaken as part of the outcome of the road safety audit. With payment made once a funding agreement has been signed with each party and expenditure evidenced.
- 3.3 It is proposed that, should it be required upon conclusion of the contractual dispute process, up to the value of the remaining contingency funding currently allocated to phase 1 of the programme, (less the up to £0.450m detailed above), is released to Leeds Council, to contribute towards any outstanding liability determined. With funds to be paid, once a funding agreement has been signed and expenditure evidenced. Details can be found in Appendix 1.

4 Legal implications

- 4.1 It is suggested that one funding agreement is entered into with Leeds City Council for the available risk funds to cover the matters outlined in paras 3.2 and 3.3 above. A separate funding agreement will need to be entered into with Bradford Council for the remedial works for the value of up to £0.150m.
- 4.2 The information contained in **Appendix 1** is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the content of the appendices as exempt

outweighs the public interest in disclosing the information as publication could prejudice current and future decision making.

5 Staffing implications

5.1 There are no staffing implications directly arising from this report.

6 External consultees

6.1 Leeds City Council Highways have been consulted in the preparation of this report.

7 Recommendations

7.1 That a funding agreement is entered into with Leeds City Council for up to £0.300m, together with the remaining contingency funding outlined in para 2.9 of Appendix 1.

7.2 That a funding agreement is entered into with Bradford Council for up to £0.150m.

7.3 That further discussions are initiated with Leeds City Council and Bradford Council once the outcome of the dispute resolution process is known.

8 Background documents

8.1 None.

9 Appendices

9.1 Appendix 1 - CityConnect Leeds-Bradford Cycle Superhighway – Update on Final Account