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**Report to:** West Yorkshire Combined Authority

**Date:** 16 April 2020

**Subject:** **Capital Spending and Project Approvals**

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**Director:** Melanie Corcoran, Director of Delivery

**Author:** Craig Taylor

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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 Fund, for consideration by the Investment Committee at stages 1, 2 and 3 of the Combined Authority's assurance process.
- 1.2 One of the schemes being considered today was recommended by 5 March 2020 West Yorkshire and York Investment Committee.
- 1.3 One scheme has not have been considered by Investment Committee, which due to the current situation did not meet on 2 April 2020. However, in order to expedite scheme delivery and to avoid any delay (the next meeting of the Combined Authority is currently scheduled for June 2020) the report is being presented at this time. The recommendations within this report are based on recommendations from the Combined Authority's Programme Appraisal Team and those schemes would have been put to Investment Committee.

## **2 Integrated Clean Growth**

- 2.1 Through the Assurance Framework and other internal decision-making procedures, the Combined Authority will review and embed clean growth considerations into our activities.
- 2.2 Building on the recent work to strengthen how clean growth and climate change impacts are considered as part of all new schemes that come through the Combined Authority's Assurance Framework (Decision point 1 and 2), the Combined Authority are now in the process of procuring expert advice to frame and develop a robust quantifiable methodology for assessing all new scheme's predicted carbon emissions / wider clean growth impacts. This will include a review of existing Combined Authority schemes and additional

resource to support the development and implementation of the new assessments.

- 2.3 The development of the specification for the work (which has benefitted from active engagement and input from Leeds City Region local authorities) will allow the Combined Authority to map and detail the emissions footprint of the 180+ projects in the West Yorkshire Plus Transport Fund and Leeds City Region Local Growth Fund pipeline and provide technical advice and training support to project sponsors in the design and development of future investments. This will ensure that the business cases for these reflect the Leeds City Region Climate Emergency and that we can evidence that they will reduce carbon emissions (both directly and indirectly).
- 2.4 A tender has now been issued to the market with the intention of appointing a successful consultant (or consortium) by the end of the financial year. It should be noted that Leeds City Region local authority officers will be involved in the evaluation of tender responses working alongside Combined Authority officers. It is anticipated that the technical work will be completed by September 2020, with the training and support elements running throughout the year across a longer timeline.
- 2.5 Clean growth, including climate change, impact assessment / considerations are all now included in all Capital Spending and Project Approvals reports.

### **3 Impact of Coronavirus**

- 3.1 This is an unprecedented time and the Combined Authority, and our staff, consultants, contractors and suppliers are all having to adapt to new ways of working. Currently the impact that this has had on our programmes and projects has been minimal. However, while most projects on site are currently continuing to deliver, a number have flagged supply chain issues which are likely to cause delays to delivery.
- 3.2 We are still trying to understand the impact by setting up a tracker which looks to record impacts to each programme and project, which the Combined Authority and partners are regularly updating. Issues include:
  - Working from Home: The Combined Authority, partners and consultants have in the main closed their offices and the majority of staff are now working from home. Staff at the Combined Authority able to access our ICT systems fully and our broadband connection capacity has been increased to cope with the additional traffic of staff being at home and to date all is working well and efficiently and productivity has not suffered. There are some difficulties being reported from partners but none from consultants; this is being monitored.
  - Contractors and suppliers: To date all works that are on site are continuing as normal. However:
    - The advice / instruction from Government may change;

- Availability of materials may become an issue. We have had a few reports of delays in the supply chain.
- A number of projects are due to start on site. Discussions are currently being held to decide whether they should be postponed.
- A number of projects are currently being tendered and there are reports of contractors not willing to tender in the current climate.
- Consultation: Many projects are dependent upon consultation with the public. Although online methods are utilised it is common practice to hold public meetings to ensure transparency and equality. These cannot take place at present and therefore projects may be delayed until this consultation can take place.
- Decision making:
  - The Investment Committee meeting on 2 April was cancelled due to the inability to hold committee meetings virtually. However, Regulations have since come into force to enable virtual meetings to be held and to enable greater flexibility as to the timings of such meetings. The Authority's calendar of meetings for the next municipal year is currently under review and will have regard to this flexibility.
  - Partner Executive Boards / Cabinets have been still taking place with decisions being made through existing delegations in advance of the introduction of the Regulations for virtual meetings.
  - Recent planning committees have been cancelled and/or postponed during the pandemic which may result in delays for projects, although the ability to hold virtual meetings going forward once implemented should mitigate such delays.
- Surveys: There are reports of these being delayed, which may in turn delay projects. Further information is being sought.

3.3 The effect on the level of expenditure on funding programmes for the financial year 2019/20 will be minimal. However, it is very likely that spend for this financial year (2020/21) will be lower than was originally expected. To that end, BEIS and DfT have been contacted to seek their support in helping us respond to the challenges posed by COVID-19 with regards extending reporting deadlines and managing possible delays to the programme.

3.4 On a positive note, the Combined Authority and partners are exploring opportunities to bring forward specific works on site whilst traffic volumes are low.

## **4 Report**

4.1 This report presents proposals for the progression of two schemes, which have been recommended for approval and considered in line with the Leeds City Region Assurance Framework. These schemes have a total combined funding value of £11.340 million when fully approved, of which £11.255 million

will be funded by the Combined Authority. A total expenditure recommendation to the value of £2.337 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.

<p><b>Rail Parking Package – Normanton</b></p> <p>Normanton</p> <p>(5 March 2020 Investment Committee)</p>	<p><b><u>Scheme description</u></b></p> <p>This scheme will deliver an extended car park at Normanton rail station, increasing the free rail car parking capacity to 173 spaces.</p> <p>The scheme will also deliver enhanced drainage infrastructure, CCTV, low energy lighting and provision of electrical ducting for two future electric charging bays.</p> <p>The scheme is to be wholly funded by the West Yorkshire plus Transport Fund.</p> <p><b><u>Impact</u></b></p> <p>The scheme will increase the parking capacity by 121 spaces, enabling additional users' access to secured parking at the rail station, and to onward travel by rail, supporting the transport fund policies and strategies. This will include provision of an additional seven blue badge bays, taking the total provision to eight spaces.</p> <p>The value for money assessment reflects a benefit cost ratio (BCR) of 2.3:1, judging the scheme as high value for money when assessed against the Department for Transport's value for money criteria.</p> <p>The scheme supports the inclusive growth principle of a better quality of life by increasing the access to jobs, education, and retail through a more sustainable transport mode, and in the process reducing road traffic congestion, supporting ambitions to improve air quality.</p> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 5 (full business case plus costs) and work commences on activity 6 (delivery).</p> <p>Total value of the scheme - £1.987 million</p> <p>Total value of Combined Authority funding - £1.987 million</p> <p>Funding recommendation sought - £1.987 million</p>
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<p><b>Corridor Improvement Programme (CIP): A650 Newton Bar</b></p> <p>Wakefield</p> <p>(Combined Authority's Programme Appraisal Team recommendation)</p>	<p><b><u>Scheme description</u></b></p> <p>The A650 Newton Bar scheme primarily involves the construction of a new signalised 'hamburger' roundabout (where the main road goes through the centre of the roundabout) and improvements to the approach roads, to support a more efficient transport network.</p> <p>The scheme is to be delivered through the West Yorkshire plus Transport Fund's Corridor Improvement Programme, a programme of low and medium cost highway interventions on strategic highway corridors on the West Yorkshire Key Route Network (WYKRN), which aims to improve connectivity and accessibility to support economic growth.</p> <p><b><u>Impact</u></b></p> <p>The scheme anticipates improving journey reliability for all modes by reducing journey times, to improve road safety by reducing the number of collisions, and the improvement to active mode provision (walking &amp; cycling) through the new signalised pedestrian and cycle crossings. The scheme will also facilitate housing and employment growth as well as include green infrastructure provision by way of tree planting and wildlife protection measures supporting clean growth and climate change principles.</p> <p>The scheme is judged as very high value for money when assessed against the Department for Transport's value for money criteria. Further work to refine the value for money (VfM) position is to be undertaken, which may reduce the BCR but is unlikely to change the very high VfM classification.</p> <p>The scheme supports inclusive growth by supporting a better quality of life through improving connectivity by enhancing the road network and, as well as enhancing the urban environment and green infrastructure, supporting better air quality.</p> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 4 (Full Business Case) and work commences on activity 5 (Full Business Case with costs).</p> <p>Total value of the scheme - £9.353 million</p> <p>Total value of Combined Authority funding - £9.268 million</p> <p>Funding recommendation sought – £0.350 million</p>
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4.2 The Combined Authority's assurance framework requires that formal approval is given to the following elements of a scheme as part of its development:

- The progression of a scheme through a decision point to the next activity.
- Indicative or full approval to the total value of the scheme funding requested.
- The Combined Authority's entry into a funding agreement with the scheme's promoter.

- The assurance pathway and approval route for future decision points.
- The scheme's approval tolerances.

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

4.4 Since the Combined Authority's meeting on 6 February 2020, the following decision points and change requests have been assessed in line with the Combined Authority's assurance process and approved through the agreed delegation to the Combined Authority's Investment Committee.

<u>Scheme</u>	<u>Scheme description</u>
<p><b>A647 Corridor</b> Leeds (5 March 2020 Investment Committee)</p>	<p>The scheme consists of a series of improvements along the A647 corridor that extends from Armley Gyratory and Leeds Road Gyratory and includes Stanningley Road including:</p> <ul style="list-style-type: none"> <li>• extending sections of existing bus lanes and the conversion of existing High Occupancy Vehicle lanes to dedicated bus lanes with bus priority measures at traffic signals</li> <li>• improvements to the Armley Road/Ledgard Way junction and Pickering Street, reducing delays to general traffic and improving safety for all users</li> <li>• new/improved crossings, widening of footways and the relocation/reorganisation of bus stops</li> <li>• segregated lanes to complement the Leeds Bradford cycle superhighway</li> </ul> <p>The scheme supports Priority 4 (Infrastructure for Growth) of the Strategic Economic Plan. It is part of the Leeds Public Transport Investment Programme (LPTIP) and will be funded through devolved Department for Transport funding.</p> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 4 and commence work on activity 5 (full business case with finalised costs)</p> <p>Total value - £15.93 million</p> <p>Total value of Combined Authority funding - £15.93 million</p> <p>Funding recommendation sought - £0</p>

## 5 Information

5.1 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**.

5.2 Location maps for each of the schemes presented in this report (where applicable) are provided in **Appendix 2**.

5.3 One scheme set out in this report was considered by the Investment Committee on 5 March 2020 and two are to be considered as part of this Combined Authority meeting.

## **Projects in stage 1: Eligibility**



- 5.5 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.
- 5.6 There are no schemes requiring consideration at this assurance stage.

## Projects in Stage 2: Development



- 5.7 Projects at this 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.

<b>Project Title</b>	<b>Rail Parking Package - Normanton</b>
<b>Stage</b>	2 (development)
<b>Decision Point</b>	5 (full business case with finalised costs)

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

### Background

- 5.8 As part of the West Yorkshire plus Transport Fund (WY+TF), a programme of car park extensions at rail stations was identified to enhance connectivity to, from, and within West Yorkshire. This scheme is part of phase 1 of the programme.
- 5.9 The current car park at Normanton rail station can accommodate 52 vehicles. Capacity audits since 2014 reflect the car park reaches 99% capacity by 9.00am on most term time weekdays and given growth in rail demand is set to continue. This scheme provides opportunity to deliver a modern, fit for purpose car park that supports the growth.
- 5.10 The car park is to be constructed entirely within Network Rail land and will increase the free rail car parking offer to 173 spaces, including an additional seven blue badge bays. Additionally, the scheme will deliver enhanced drainage infrastructure, CCTV, low energy lighting, provision of electrical ducting for two future electric charging bays, and installation of a Metro totem which will provide information to rail users on the location of the rail station

within Normanton and real time updates on bus times to support multi modal journeys.

- 5.11 Scheme delivery will support Priority Area 4 'infrastructure for growth' of the Leeds City Region Strategic Economic Plan, with the increase to secure parking enhancing access via rail to employment, education, and retail opportunities across West Yorkshire and the City Region.
- 5.12 The scheme has come forward at full business with finalised costs (activity 5) with total scheme costs of £1.987 million to be funded from WY+TF.

### **Clean Growth / Climate Change Implications**

- 5.13 The scheme will contribute to the delivery of a low emission transport system with the station car park extension enabling a further 121 users to access free secure parking and complete onward journeys to employment, education, or retail via the rail network. This will support reducing road congestion levels and as a result carbon emissions.

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

- 5.14 The scheme outputs and benefits include:
- To increase capacity through the provision of +121 parking spaces by Feb 2021, including an additional seven blue badge bays
  - To increase new rail user patronage at Normanton Rail station, to be measured by the Office for Rail and Road (ORR) footfall data and the Combined Authority's pre and post rail user surveys
  - Reduction in overall journey times through better access to the rail network as a result of more secure parking. To be measured by pre-construction and post one-year rail user surveys
  - Enhanced environment for rail users by converting neglected brownfield sites and tree cutback to improve user security
  - Enhance connectivity within Normanton as part of the Urban Renaissance programme through installation of Metro totem, providing multi modal information to users
  - The value for money assessment reflects the scheme as high value for money when judged against the Department for Transport's value for money criteria, with a benefit cost ratio of 2.3:1.
  - The scheme supports inclusive growth principle of a better quality of life by increasing the access to jobs, education, and retail through a more sustainable transport mode, and in encouraging modal switch to rail, reduce carbon emissions, supporting improvement in air quality within the City Region.

## Risks

5.15 The scheme risks include:

- *Drainage* – Given the site sits outside a high flood risk zone, there is a possibility the scheme will need to include an attenuation tank below the car park to collect rainwater before controlled release by Yorkshire Water to the main sewers. This has been included in the final tendered costs.
- *Delays in tenants vacating Network Rail land* - A sum for tenants' compensation and legal costs for Network Rail to serve notice to the tenants has been agreed between the Combined Authority and Network Rail and is affordable within the overall funding allocation. There is the possibility of a delay with the tenants vacating the land, which could impact on scheme delivery. Any delay is likely to be limited, as a result of the tenancy agreement in place and the Combined Authority entering into a Basic Asset Protection Agreement (BAPA) with Network Rail

## Costs

5.16 The scheme costs are:

- The total forecast scheme cost is £1.987 million to be wholly funded by the WY+TF.
- The Combined Authority will enter into a Section 56 funding agreement with Northern Trains Limited for construction expenditure up to £1.635 million from the WY+TF.
- The Combined Authority entered into a Basic Asset Protection Agreement (BAPA) with Network Rail for £288,439. This included costs to serve notice to the tenants, the approval of the scheme design, and associated fees.
- The remainder of the funding is for programme and project management costs.

## Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
5 (full business case with finalised costs)	Recommendation: Investment Committee Decision: Combined Authority	16/04/2020
6 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	26/02/2021

## Other Key Timescales

- Approval and signing of the Section 56 agreement is forecast for April 2020.
- Construction commence is forecast for April 2020.
- Practical completion is forecast for February 2021.

## Assurance Tolerances

Assurance tolerances
That any scheme cost increase remains within 10% of costs set out.
That the delivery programme remains within 3 months of the timescales set out.

## Project Responsibilities

Senior Responsible Officer	Dave Haskins
Project Manager	John Huxall
Combined Authority case officer	Asif Abed

## Appraisal Summary

- 5.17 The business case adequately establishes the strategic drivers for investment, reflecting this scheme as one of 14 sites to be delivered through the West Yorkshire plus Transport Fund rail car park programme (phase 1), with the extension to the parking offer and improvement in facilities to encourage rail patronage and modal switch from the car for onward journeys.
- 5.18 Contractual arrangements and statutory regulations have been suitably established, whilst the value for money assessment reflects the scheme as high value for money, with a benefit cost ratio of 2.3:1.

## Recommendations

- 5.19 The Investment Committee recommends to the Combined Authority that:
- (i) The Normanton Rail Car Park project proceeds through decision point 5 and work commences on activity 6 (Delivery).
  - (ii) Approval to the total project value of £1.987 million is given from the West Yorkshire plus Transport Fund.
  - (iii) The Combined Authority enters into a Section 56 Funding Agreement with Northern Trains Limited for expenditure of up to £1.635 million from the West Yorkshire plus Transport Fund.

- (iv) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report 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.

<b>Project Title</b>	<b>Corridor Improvement Programme (CIP): A650 Newton Bar</b>
<b>Stage</b>	2 (development)
<b>Decision Point</b>	4 (full business case)

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

## Background

- 5.20 The Corridor Improvement Programme (CIP) is a programme of low and medium cost highway interventions on strategic highway corridors on the West Yorkshire Key Route Network (WYKRN), which aims to improve connectivity and accessibility to support economic growth. In order to achieve this the programme aims to deliver an 8% reduction in journey times for all traffic, with a higher target of 12% reduction in journey times for buses.
- 5.21 The total forecast cost of the programme is £130.3 million, of which £125 million will be funded from the Combined Authority's West Yorkshire plus Transport Fund (WY+TF). The programme is being delivered as two phases, with phase 1 allocated £77 million from the WY+TF.
- 5.22 The A650 Newton Bar scheme sits within phase 1 and comprises a major junction improvement of an existing roundabout and approach roads around the A650 at Newton Bar, Wakefield. It involves the construction of a new signalised 'hamburger' roundabout (where the main road goes through the centre of the roundabout), upgrade of adjacent signal controlled junction, additional traffic lanes, the provision of shared cycle / pedestrian footways, signalised pedestrian/cycle crossings, and the extension of a bus lane along the A650/A61 corridor.

- 5.23 The scheme will reduce congestion, which has increased due to population growth and as a result of housing and employment development at Snowhill and Paragon Business Park. Additionally, it will facilitate further planned housing developments, with enhancement to the roundabout and approach roads to provide the capacity to support increased traffic.
- 5.24 Following scheme opening, it is anticipated to improve journey reliability for all modes by reducing journey times along the route by 8% by 2025, to improve road safety by reducing the number of collisions by 10% by 2025, and to improve the active mode provision (walking and cycling) through the new signalised pedestrian and cycle crossings. It should be noted a key user of the route are emergency services to Pinderfields Hospital.
- 5.25 The scheme at Outline Business Case (decision point 3) was approved at the Combined Authority on 13 December 2018. The scheme has come forward now at Full Business Case (activity 4). The revised completion date of September 2021 (decision point 6) reflects a nine-month delay to initial estimates.
- 5.26 At detailed design stage, the scheme reflects enhancement to the green infrastructure with increased tree planting as well as provision of bat boxes, bird boxes and hedgehog boxes to sustain and encourage the wildlife in the area.

### **Clean Growth / Climate Change Implications**

- 5.27 The scheme supports clean growth and climate change principles through delivery of 1.1 hectares (2.7 acres) of landscaped green areas including substantial tree planting and a widened tree-lined central reserve, which will also improve the attractiveness of the gateway to the city and enhanced cycle and walking access.
- 5.28 The scheme also includes provision of bat boxes, bird boxes and hedgehog boxes to sustain and encourage the wildlife in the area.
- 5.29 Traffic modelling demonstrates a reduction to CO2 levels of 3,392 tonnes of carbon by 2050, across the modelled area, as a result of reduced congestion and an improvement in air quality.

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

- 5.30 The scheme outputs and benefits include:
- To improve journey time reliability by reducing journey times for all modes along the route by 8% by 2025.
  - Enhanced provision for active modes by providing 1,320 metres of footpath / cycle way and 11 new signalised pedestrian / cycle crossings by 2021.
  - Improve road safety by reducing the number of collisions by 10% by 2025.

- Facilitate current and future housing and employment growth by reducing transport constraints to future development.
- Enhancement to the surface water attenuation, green infrastructure, and provision for wildlife, supporting clean growth and climate change principles.
- The value for money assessment reflects a benefit to cost ratio (BCR) of 15.97:1, judging the scheme as very high value for money when assessed against the Department for Transport's value for money criteria. Further work to refine the value for money (VfM) position is to be undertaken, which may reduce the BCR but is unlikely to change the very high VfM classification.
- The scheme supports inclusive growth by supporting a better quality of life through improving connectivity by enhancing the highway capacity for motorised travel and the walking and cycling provision for active mode travel, and by improving the urban environment and air quality by enhancing the public realm, green infrastructure, and reduced congestion levels.

## **Risks**

5.31 The scheme risks include:

- The discovery of additional shallow mine workings, requiring further mitigation leading to increased costs or impact to the programme. Additional bore hole work is to be undertaken with costs profiled within the budgeted risk allowance.
- Unknown or known utility services are out of position, adding costs to the scheme and delaying construction. Ground surveys have been completed but additional trial holes to be carried out at critical points to mitigate for this risk.
- Disposal costs for unforeseen hazardous waste. To be mitigated by additional sampling and with the potential costs profiled within the budgeted risk allowance.

## **Costs**

5.32 The total scheme cost estimate at Full Business Case (activity 4) is £9.353 million, broken down as follows:

- The Combined Authority's funding contribution will be £9.268 million from the West Yorkshire plus Transport Fund (WY+TF)
- Section 106 developer contribution of £0.085 million

- The total scheme cost estimate at Full Business Case (activity 4), reflects a £2.601 million increase to the Outline Business Case (activity 3) estimate. Investment Committee on 9 January 2020, approved the increase as part of its approval of the revised allocations for schemes funded by the West Yorkshire plus Transport.
- The scheme cost increase has been attributed to significant earthwork costs for dealing with more extensive shallow mine workings and hazardous waste, which given site topography challenges was not picked up through previous ground investigation surveys. Further surface water drainage works and attenuation tanking following flood risk assessment has also led to additional costs, as have enhancements to the green infrastructure to sustain and encourage the wildlife in the area.
- The appraisal acknowledges that cost savings as a result of value engineering, tender responses, and a reduction to the costed risks (Quantified Risk Assessment) is expected at Full Business Case with finalised costs (activity 5).
- The promoter is to actively pursue the securing of a further Section 106 developer contribution, which will be offset against the WY+TF ask.
- Approval of an additional £145,365 business case development cost from the WY+TF is now sought, taking the total approval to £350,165 to get the scheme to Full Business Case (FBC) with finalised costs.
- The Combined Authority to enter into an addendum to the existing funding agreement with Wakefield Council for expenditure up to £350,165 from the WY+TF.

### Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	16/04/2020
5 (full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	11/09/2020

### Other Key Timescales

- Construction contractor appointment is expected in September 2020.
- Construction commencement is forecast for September 2020.

- Completion is forecast for September 2021.

### Assurance Tolerances

Assurance tolerances
The scheme costs remain within the costs set out.
The delivery programme remains within 3 months of the timescales set out.

### Project Responsibilities

<b>Senior Responsible Officer</b>	Graham West, Wakefield Council
<b>Project Manager</b>	Paul Stevenson, Wakefield Council
<b>Combined Authority case officer</b>	Asif Abed

### Appraisal Summary

- 5.33 At Full Business Case (activity 4), the strategic drivers for investment are reinforced, whilst appraisal reflects a healthy value for money assessment, judging the scheme as very high value for money when assessed against the Department for Transport's value for money criteria. Additionally, it appears there are minimal risks to scheme deliverability based on the commercial case and management case.
- 5.34 The delivery programme has however incurred a delay to initial estimates, whilst the scheme cost has increased. The cost increase has however been clearly presented and has secured endorsement from the CIP Programme Board, and additionally has been deemed affordable following the Combined Authority's transport fund re-baseline exercise. It is however recommended the promoter pursues cost saving opportunities through value engineering and tender responses, mitigating the risk of affordability should known or unknown risks materialise.
- 5.35 The promoter acknowledges a key lesson learned has been to undertake robust geotechnical surveys and to profile in the appropriate risk and contingency at outline business case to better inform total scheme cost estimates at an early stage of business case development, especially when dealing with site topography challenges.

### Recommendations

- 5.36 The Combined Authority's Programme Appraisal Team recommends to the Combined Authority that:
- The A650 Newton Bar project proceeds through decision point 4 and work commences on activity 5 (FBC with finalised costs).

- (ii) An indicative approval to the Combined Authority's contribution of £9.268 million, which will be funded from the West Yorkshire plus Transport Fund is given, with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (FBC with finalised costs). The total project value is £9.353 million.
- (iii) Additional development costs of £145,365 from the WY+TF are approved in order to progress the scheme to decision point 5 (FBC with finalised costs), taking the total project approval from the WY+TF to £350,165.
- (iv) The Combined Authority enters into an addendum to the existing Funding Agreement with Wakefield Council for expenditure of up to £350,165 from the WY+TF.
- (v) Future approvals are made in accordance with the assurance 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.

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



- 5.37 Once in Delivery and Evaluation the scheme is delivered and Combined Authority funding is drawn down. When delivery is completed a review is carried out to ensure that the scheme has met all its requirements and outputs in accordance with its Funding Agreement. Finally, information about a scheme's performance following its completion is collected, in order to evaluate the success of the scheme.
- 5.38 There are no schemes requiring consideration at this assurance stage.

### **Decisions made by the Investment Committee**

- 5.39 The Investment Committee is authorised to progress a scheme under the Assurance Framework in accordance with any bespoke approval pathway and approval route, subject to an exception relating to exceeding the cumulative total of the financial approval and tolerance levels agreed by the Combined Authority by more than 25%. Decisions regarding the following scheme were made by Investment Committee on the 5 March 2020. The decisions were made by the Investment Committee following a recommendation from Combined Authority Programme Appraisal Team. The scheme outlined below

has remained within the financial approvals and tolerance levels agreed by the Combined Authority unless stated otherwise below.

### **A647 Corridor**

- 5.40 The scheme consists of a series of improvements along the A647 corridor that extends from Armley Gyratory and Leeds Road Gyratory and includes Stanningley Road.

The scheme will deliver, improvements to the Armley Road / Ledgard Way junction and Pickering Street, new/improved crossings, widening of footways and the relocation/reorganisation of bus stops, segregated lanes to complement the Leeds Bradford cycle superhighway and extending sections of existing bus lanes and the conversion of existing High Occupancy Vehicle lanes to dedicated bus lanes with bus priority measures at traffic signals

The Investment Committee agreed approval to proceed through decision point 4 and commence work on activity 5 (full business case with finalised costs).

Total value - £15.93 million

## **6 Clean Growth Implications**

- 6.1 Clean growth implications are outlined in each scheme, see above.

## **7 Inclusive growth implications**

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

## **8 Financial implications**

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

## **9 Legal implications**

- 9.1 The payment of funding to any recipient will be subject to a funding agreement being in place between the Combined Authority and the organisation in question.

## **10 Staffing implications**

- 10.1 A combination of Combined Authority and local Partner Council project, programme and portfolio management resources are or are in the process of being identified and costed for within the schemes in this report.

## **11 External consultees**

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

## **12 Update on Future Mobility Zone – Combined Authority Meeting 6 February 2020**

12.1 The Future Mobility Zone (FMZ) bid that was submitted by the Combined Authority on behalf of Leeds City Region in September 2019 and came to the Combined Authority meeting as a Strategic Outline Case on 6 February 2020 was not successful. There are several elements of the bid which we already have alternative funding to progress and we are currently looking at additional funding opportunities that might enable us to bring forward some of the other elements of the FMZ bid. The following areas were successful in gaining funding: Derby / Nottingham; West of England CA; and Portsmouth / Southampton

## **13 Recommendations**

### **Rail Parking Package - Normanton**

- 13.1 The Investment Committee recommends to the Combined Authority that:
- (i) The Normanton Rail Car Park project proceeds through decision point 5 and work commences on activity 6 (Delivery).
  - (ii) Approval to the total project value of £1.987 million is given from the West Yorkshire plus Transport Fund.
  - (iii) The Combined Authority enters into a Section 56 Funding Agreement with Northern Trains Limited for expenditure of up to £1.635 million from the West Yorkshire plus Transport Fund.
  - (iv) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report 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.

### **Corridor Improvement Programme (CIP): A650 Newton Bar**

- 13.2 The Combined Authority's Programme Appraisal Team recommends to the Combined Authority that:
- The A650 Newton Bar project proceeds through decision point 4 and work commences on activity 5 (FBC with finalised costs).
  - An indicative approval to the Combined Authority's contribution of £9.268 million, which will be funded from the West Yorkshire plus Transport Fund is given, with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (FBC with finalised costs). The total project value is £9.353 million.
  - Additional development costs of £145,365 from the WY+TF are approved in order to progress the scheme to decision point 5 (FBC with finalised costs), taking the total project approval from the WY+TF to £350,165.

- The Combined Authority enters into an addendum to the existing Funding Agreement with Wakefield Council for expenditure of up to £350,165 from the WY+TF.
- Future approvals are made in accordance with the assurance 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.

## **14 Background documents**

- 14.1 Business case summaries for the schemes recommended for approval by the Investment Committee are available here:

[5 March 2020 Investment Committee](#) and the business case summary for the A650 Newton Bar scheme is available [here](#)

## **15 Appendices**

**Appendix 1-** Background to the Combined Authority's assurance framework

**Appendix 2–** Location maps for the schemes presented in this report