

Originator:  
Director of Programme and  
Delivery



## ITEM 7

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**Report to:** West Yorkshire & York Investment Committee

**Date:** 9 March 2016

**Subject:** West Yorkshire 'plus' Transport Fund

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### 1. Purpose

- 1.1. To seek endorsement for the following Gateway approvals for West Yorkshire 'plus' Transport Fund (WY+TF) priority projects:
  - York Central Access and Station Gateway (Gateway 1)
- 1.2. To seek endorsement for an extended budget for further feasibility and impact studies on M62 Junction 24a to progress the project to Gateway 1.
- 1.3. To seek endorsement for a pre-mandate budget allocation for pre-feasibility work to commence on South East Bradford Link Road.
- 1.4. To seek endorsement for the release of 'held' funding from the request made as part of the A629 Phase 2 Gateway 1 Business Case submission.

### 2. Information

#### Gateway Approvals

##### York Central Access and Station Masterplan Gateway 1

- 2.1. This scheme has the potential to deliver significant jobs growth in York and to support the wider economic growth of the City Region. This project is be critical in unlocking the wider site and will allow future projects to take place.
- 2.2. The Leeds City Region Strategic Economic Plan (LCR SEP) identifies York Central as a major opportunity site for economic growth within the West Yorkshire region. It has also been identified by the HCA as a Housing Zone and recently has been granted Enterprise Zone status by UK Government.

- 2.3. Investment at York Central aligns with Priority 4 of the SEP “Delivering the infrastructure for growth”. The upfront financing of key infrastructure and development works will unlock this key strategic site and enable significant new employment and housing development to take place at an economically optimum pace, quality and scale.
- 2.4. The scheme will help to deliver a highly sustainable new central business district which will provide modern commercial floorspace currently lacking in the city centre. This will enable existing businesses to grow and encourage companies to relocate to York and the Leeds City Region. It will also deliver significant new homes, revitalise the National Railway Museum and act as a catalyst for growth in both York and the wider City Region.
- 2.5. It also delivers significant transport benefits. Specifically, the scheme aims to deliver the following:
- Provide new highway infrastructure to unlock both the York Central “teardrop” and land to the east of York station for redevelopment. This will enable up to 120,000 sq. m (gross) of commercial development which will create a new business district to accommodate existing growing businesses and allow other businesses to relocate to York. This will also enable development of up to 2,500 new homes.
  - Rationalise the highway network to the east and west sides of York Station. This will help address transport congestion issues, improve public transport provision and create new “gateway” public spaces for York. This will help support the attractiveness of York as a centre for commerce, education and tourism which will have a positive impact on the wider city economy.
  - Provide a fully compliant access to the western side of the station.
- 2.6. York City Council has made a submission to progress the scheme through Gateway 1. This has been subject to a peer review and following resubmission of the Business Case the following conclusions have been reached:
- The scheme has strong strategic and management cases;
  - Prior to Gateway 2 (GW2) submission, a number of technical details associated with the Economic Case will need to be resolved
  - Financial and Commercial Case is sufficiently developed to proceed
- 2.7. A summary business case and value for money statement are attached as Appendix 1 / 1a. Please note, the Value for Money (VfM) category may change at GW2 when the modelling and appraisal will be further refined and environmental and construction and maintenance impacts will be taken into account.
- 2.8. The funding requirements are set out below:
- Collectively, the components of the scheme have an estimated cost of £45.0m in outturn prices (excluding Optimism Bias);
  - York City Council is requesting £33m in outturn prices (excluding Optimism Bias) from the Transport Fund;
  - The previous Gateway 0 process identified a £27m WY+TF contribution towards the scheme (in 2012 prices). It is noted that the funding application to the WY+TF is slightly higher than that initially identified by partners. This is due to further detailed design and cost assessment work; the proposed extension to the highway to connect with the western station entrance and to Leeman Road and an increased allowance for monitoring of scheme outcomes. This amendment delivers increased benefits including improved bus journey times to the station and opportunity to capture increased land value.

- City of York Council and HCA are providing £12m of funding;
- The scheme does not have an economic case based on conventional Webtag guidance due to dispersal impacts. Further work is required to establish a multi-modal appraisal and to forecast wider economic benefits.

2.9 Subject to the approval of this GW1 submission, City of York Council request the release of £2.1m from the WY+TF to cover the costs of developing the scheme from GW1 through to GW2.

2.10 To date all work undertaken on York projects has been funded from York's own budget. As with all Transport Fund Project a funding agreement will need to be put in to place which sets out the standard terms and conditions which apply to grant funding. This agreement will include provision to recover any payment made to York in connection with the project should York not become contributing partners to the WY+TF.

### **Revised Budgets**

#### **M62 Junction 24a**

2.11 The inclusion of Junction 24a M62 performed well in the initial round of Urban Dynamic Modelling (UDM) and was considered part of the core package to be taken forward through the WY+TF. The project had been earmarked as an 'early win' project to be delivered by 2021. The programme for delivery is dependent on the commitment of Highways England (HE).

2.12 During the initial scoping phase of the WY+TF, HE expressed interest in the scheme concept and potential benefits that it may offer to the Strategic Road Network in terms of congestion relief on the mainline motorway and at junctions 24 and 25. However, due to the scheme not being included in the Roads Investment Strategy or Highways England Delivery Plan, they could not fund any initial feasibility work proposed.

2.13 Works to date have been led by Kirklees Council who have liaised at each staged with HE to discuss and review identified benefits and outputs from the UDM.

2.14 There has been a significant amount of feasibility work undertaken to date and a preferred option has been identified. Following a presentation to the HE Yorkshire, Humber and North East Regional Programme Board (RPB), the Board concluded that greater assurance on the potential scheme impacts and benefits was required.

2.15 The scope for this extended feasibility study has been discussed and agreed by officers from HE, Kirklees and Calderdale districts and the Combined Authority and will cover elements to include economic, social and wider impacts, and a better understanding of the role of J24a in supporting the growth development in local authority areas.

2.16 The mandate requests an additional allocation of £70,000 from the WY+TF to undertake an extended feasibility study with works to be completed by end of Q1 16/17.

#### **South East Bradford Link Road**

2.17 The South East Bradford Link Road (SEBLR) scheme was approved by WYCA as one of the schemes forming part of the WY+TF and earmarked for delivery on site post 2021. Due to the scale of the proposed scheme, long lead in periods and early interventions are necessary to ensure the project is at delivery stage as programmed.

- 2.18 The original SEBLR project alignment was proposed following initial prioritisation work to the first cross-boundary scheme extending from across both the Bradford and Leeds administrative district boundaries. An alternative shorter route was also developed as part of the Holme Wood Neighbourhood Development plan, which offered a less strategically important route.
- 2.19 However, in the intervening period both Bradford and Leeds Council have progressed development and local plans, identifying sites within the area of impact of the bypass for both residential and commercial opportunities.
- 2.20 Due to the original UDM assessment based on assumed, rather than current emerging, development potential for this scheme, the request for funding under this mandate is to undertake the re-evaluation of the GVA benefits of both the original scheme and other potential routes. This will allow for scope clarification of the project prior to commencing work on the preparation of a GW1.
- 2.21 On this basis, a mandate for pre-feasibility work stream delivery has been developed with a cost allocation of £91,000.

### **A629 Phase 2**

- 2.22 Calderdale Council submitted a GW1 for Phase 2 of the A629 project with a request for further funding of £2,316,000 in November 2015 and the Business Case underwent a Peer Review Evaluation on 15<sup>th</sup> December 2015. The outcome of this Peer Review was reported to the Investment Committee on 20<sup>th</sup> January 2016 along with approval for an initial allocation of funding of £700,000.
- 2.23 As reported on 20<sup>th</sup> January, at the time of the initial Peer Review Evaluation, concerns were raised as to the approach of modelling and the subsequent outputs identified within the Economic Case. Key additional tasks were agreed for the Promoting Authority to undertake to provide the Peer Review Panel with assurances and resolution for the outstanding issues. Upon the satisfactory completion of these tasks, the retained funding of £1,616,000 would be released.
- 2.24 This additional work has now been complete, and has been reviewed by the Peer Review Panel and discussed with the Panel Chair. This further evaluation has confirmed that the areas of concern have now been addressed and recommendation is made for the remaining funding £1,616,000 to be approved.

### **3. Financial Implications**

- 3.1 The approval sought from the WYCA for the Gateway approvals set out in section 2 will include approval to fund the following expenditure to be funded through the Local Growth Deal.
- 3.2 **York Central Access and Station Masterplan** - £2.1m to progress the project from GW1 to GW2.
- 3.3 **M62 Junction 24a** - £70,000 to progress the extended feasibility study to work towards a GW1.

3.4 **South East Bradford Link Road** – £91,000 to progress with pre-feasibility work to clarify the scope of the project.

3.5 **A629 Phase 2** - £1,616,000 to progress with full scope of work identified within the GW1 towards GW2.

#### **4. Legal Implications**

4.1. The payment of any funding received through the Local Growth Deal to any partner will be subject to a funding agreement being in place between WYCA and the partner in question.

#### **5. Staffing Implications**

2.9. None.

#### **6. Consultees**

2.10. The Director of Programme Delivery has been consulted in the preparation of this report.

#### **7. Recommendations**

2.11. That the Investment Committee endorses the progression of York Central Access and Station Masterplan through GW1.

2.12. That the Investment Committee endorses the requested budget to progress M62 Junction 24a to GW1.

2.13. That the Investment Committee endorses the pre-mandate budget allocation for pre-feasibility work to commence on South East Bradford Link Road.

#### **8. Background Documents**

- WYCA Committee Report December 2014 – West Yorkshire Plus Transport Fund