

# WEST YORKSHIRE INTEGRATED TRANSPORT AUTHORITY

DATE: 27 MARCH 2009

AGENDA ITEM NO: **20**

## SUBJECT: CAPITAL PROGRAMME

### Report of the Passenger Transport Executive

#### 1 MATTERS FOR CONSIDERATION

##### 1.1 This report:

- provides an update on the overall level of funding available in the 2009/10 capital programme, including through the Local Transport Plan (LTP) and the Congestion Performance Fund; and
- seeks approval for schemes to be funded through the capital programme.

#### 2. INFORMATION

##### Background

- 2.1 At the last meeting of the Authority, the success in achieving around £300m of regional funding allocations for schemes across the city region was reported. This included an additional £99m for the Leeds New Generation Transport scheme. Schemes are now being developed for the submission of full business cases to the Department for Transport and the capital programme reflects the development costs associated with this schemes.
- 2.2 A further scheme, identified in the Leeds City Region Transport Vision as a high priority project, relates to the potential to develop a Tram-Train network for the City Region (conversion of the Harrogate Line, a link to Leeds Bradford International Airport and on-street running in Leeds City Centre). Although the Regional Transport Board was not able to allocate funding at this stage, the Regional Assembly and Yorkshire Forward made specific reference to the scheme in their advice to government as a 'strong concept bid' and highlighted the need for major investment in public transport. It is therefore important that Metro progresses the development of this scheme. Indicative funding for this work has been identified within the 2009/10 capital programme and it is proposed that, as soon as there is a greater level of cost certainty around the next stage of project feasibility, a further report be brought to the Authority for funding approval. Contributions to this study are currently being sought from other partners.

- 2.3 It was also reported that the Regional Transport Board had decided to uplift Local Transport Plan funding allocations by 20% over the next three years in order to address underspend in the regional programme.

#### Funding Available in 2009/10

#### **Local Transport Plan (LTP) Funding**

- 2.4 The Authority has previously been advised that an LTP capital allocation for 2009/10 of £9.257m was announced in December 2007.

#### **LTP Uplift**

- 2.5 As reported in paragraph 2.2, it was proposed that the LTP allocation be uplifted over a 3-year period. The DfT had given an initial indication that the first payment would be made at the end of 2008/9. It was therefore proposed, following discussion with partners, that this first payment would be made directly to each of the West Yorkshire LTP partners on the basis of the existing LTP formulaic allocations.
- 2.6 For the remaining two years, the West Yorkshire LTP partners are developing proposals to establish a strategic programme and approach to the allocation of these additional funds. This is being developed through the Authority's Local Transport Planning Steering Group and a recommendation will be subsequently made to the Association of West Yorkshire Authorities. If a strategic programme is agreed, an appropriate element of the uplift funding is likely be paid, in the first instance, to the ITA to act as banker.
- 2.7 It is understood that further consideration is being given to the timing of the payments by the DfT. Although this will not affect the overall level of funding available to West Yorkshire, it means that the precise allocation of payments cannot be confirmed at this stage. Once the payment profiles have been agreed, the capital programme will be adjusted accordingly.

#### Congestion Performance Fund

- 2.8 The Authority has previously been informed that West Yorkshire had qualified for part of the available Congestion Performance Fund for 2006/07. Payment of £178,500 will be made to the Partnership over two financial years, 2008/09 and 2009/10.
- 2.9 On 23 February 2009, the DfT announced the latest round of Congestion Performance Fund awards. It has confirmed that congestion levels on the West Yorkshire routes are better than the target and therefore the partnership has been awarded a further £1,198,674 (ring fenced for spending on measures to tackle urban congestion). This funding will be paid to the ITA as shown in Table 1.

**Table 1 - Congestion Performance Funding for West Yorkshire**

<b>Award</b>	<b>2008/09</b>	<b>2009/10</b>	<b>Totals</b>
Tranche1 (2006/07)	£382,500	£153,000	£535,500
Tranche 2 (2007/08)	£510,134	£153,040	£663,174
<b>Totals</b>	<b>£892,634</b>	<b>£306,040</b>	<b>£1,198,674</b>

2.10 The payment for 2008/09 will be available from March 2009 and the payment for 2009/10 will be released in May 2009. This funding is available as 50% capital and 50% revenue. Given the late award of this money in the current financial year, all of the funding shown in Table 1 will be allocated to the 2009/10 programme (funding can be carried over without penalty).

2.11 As a result of the above the current value of the Metro 2009/10 Capital programme is set out in Table 2.

**Table 2 – Metro's Capital Programme for 2009/10**

<b>Funding Source</b>	<b>£000s</b>
LTP	£9,257k
LTP Uplift	To be confirmed
Congestion Fund	£1,199k
Other inc. developer contributions, DfT grants, other Third Party cont (estimated)	£6,008k
<b>Total</b>	<b>£16,464k</b>

### Specific Approvals

#### **New Generation Transport (NGT )**

2.12 At their meeting of 23 January, the Regional Transport Board re-endorsed Phase 1 of the NGT project and endorsed a £98.8m bid for Phase 2 of the NGT project, resulting in a total of approximately £250m being secured for the project to date. This figure, supplemented by the necessary 10% local contribution will allow for the initial development of the core 3 line network within the defined funding package in the order of £280 million.

2.13 Work is ongoing to develop a core proposition for a 3 line New Generation Transport (NGT) network to include:

- southern route from Stourton to the City Centre,
- northern route to Bodington; and
- eastern route to St James's Hospital.

- 2.14 Therefore there is a continued need to develop the NGT project in order to reach a point where the scheme can be considered for “major scheme programme entry” (the first stage in the DfT’s approval process). The next key milestone would be the development of a Transport and Works Order. These are critical stages in the scheme project development process. Funding is required to cover the cost of the programme of work to be undertaken by the NGT project advisors and the Metro staff costs in 2009/10.
- 2.15 An approval of £4,153,000 is sought to fund estimated costs associated with the technical work to develop the NGT scheme. This would be funded through a £2,076,500 contribution from Metro’s LTP allocation in 2009/10 and a £2,076,500 contribution from Leeds City Council.
- 2.16 In line with previous arrangements, a further approval of £250,000 is sought to fund Metro’s staffing costs within the Rapid Transit team. This would be funded through Metro’s LTP allocation in 2009/10.
- 2.17 It should be noted that all development costs must be borne by the scheme promoter up to programme entry. After Conditional Approval and Full Approval the promoter can claim back up to 50% of the eligible development costs from the DfT.

#### **LTP Scheme Development**

- 2.18 The efficient and effective implementation of Metro’s capital programme requires appropriate investment in scheme development, including the recharging of some staff costs to the capital programme. This approach has enabled the full use of LTP2 funding, good progress in implementing the 2008/9 capital programme and the development of successful bids to the Regional Transport Board for Major Schemes as outlined in paragraph 2.1.
- 2.19 Approval is therefore sought for £300,000 which will be funded from Metro’s LTP allocation to fund scheme development of LTP schemes during 2009/10, design work for major schemes to secure DfT Programme Entry for major schemes (including Wakefield Westgate and East Leeds Parkway) and to begin to develop the next Local Transport Plan.

#### **Congestion Fund**

- 2.20 As reported above, the DfT announced that in latest round of Congestion Performance Fund awards West Yorkshire has been awarded a further £1,198,674 that is ring fenced for spending on measures to tackle urban congestion.
- 2.21 LTP funding allocations are approved by the West Yorkshire District leaders. However, in keeping with previous arrangements, the Association of West Yorkshire Authorities have been asked to delegate approval for the expenditure to the LTP Steering Group.

2.22 The Performance Fund will be paid to Metro to act as 'banker' for the partnership. The Authority is therefore asked to approve the expenditure of £1,198,674 with the programme to be overseen by the Local Transport Plan Steering Group.

**3. FINANCIAL AND EC PROCUREMENT IMPLICATIONS**

3.1 The funding sources of the proposed capital schemes are set out in Section 2 above.

3.2 Procurement will comply with EU regulations.

**4. STAFFING IMPLICATIONS**

4.1 Staff costs for scheme development are included in the above approvals.

**5. EQUAL OPPORTUNITY IMPLICATIONS**

5.1 Schemes will be designed so as to ensure maximum accessibility for all members of the public.

**6. RECOMMENDATIONS**

6.1 That the report be noted.

6.2 That the expenditure set out in section 2 be approved.

Director General  
West Yorkshire Passenger Transport Executive