

Report of Director of City Development

Report to Executive Board

Date: 25th June 2014

Subject: Aire Valley Enterprise Zone Park & Ride Proposals Update and funding approval

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Burmantofts & Richmond Hill	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: 10.4(3) Appendix number: A	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

1. The Park & Ride proposals within the city region's Enterprise Zone fit within the Best Council Plan strategic aims to promote sustainable and inclusive economic growth by improving the economic wellbeing of local people and businesses. The scheme helps people into jobs, boosts the local economy and could generate income for the council.
2. The recently announced boost for business and local economies by the Department for Communities and Local Government has awarded Aire Valley Leeds Enterprise Zone £8.57 million for remediation and infrastructure works that will attract advance manufacturing and supply chain companies with the potential of creating 630 new jobs and delivering over 300,000 sq ft of new commercial floor space in the long term.
3. In March 2014 Executive Board endorsed the principle of a 1000 space strategic Park & Ride site which will provide an important link to the city centre for people travelling into Leeds from the east of the city. Executive Board also approved the principle of progressing the scheme in partnership with the Combined Authority via the West Yorkshire Plus Transport Fund.
4. The site has been identified as a priority scheme in the West Yorkshire Plus Transport Fund (WY+TF) and the Gateway 1 business case has been approved by the Combined Authority. The Combined Authority is not in a position to pursue the

land acquisition at this stage, however, it would expect to proceed when the WY+TF is fully in place and the Gateway 2 business case is presented later this year.

5. The Park & Ride site is intrinsically linked to the wider economic regeneration within the Enterprise Zone as detailed in a report to Executive Board in March 2014 which recommended the acceptance of the grant from the Government's "Building Foundations for Growth" (BFG) fund and delegated approval of the terms to the Director of City Development and the Deputy Chief Executive. Executive Board also approved the principle of entering into individual funding and investment packages, with the individual developers of Logic Leeds, Connex 45 and Temple Green.
6. Timescales of BFG, developer and Combined Authority (CA) are not compatible in terms of land acquisition for the Park & Ride site. Therefore to ensure the successful progress of the Temple Green BFG scheme and delivery of this strategic Park & Ride site, this report seeks approval for LCC to underwrite the land acquisition for the P&R scheme in the interim period until the WY+TF approvals are forthcoming. .

Recommendations

Executive Board is requested to:

- i. Approve the provisionally agreed heads of terms with Aire Valley Land Ltd for the Council's purchase of a 10 acre remediated site for a 1000 space Park & Ride facility.
- ii. Approve that if necessary the Council funds the acquisition of the park and ride site as set out in the confidential appendix A of this report and that this constitutes an authority to spend.
- iii. Approve the injection of funds into the capital programme for the acquisition.
- iv. Authorise the Director of City Development, in consultation with the Leader, the Executive Member for Transport and Economy, the Deputy Chief Executive, and the City Solicitor, to use his delegated powers to agree final terms and enter into all necessary documents for the acquisition of the site.
- v. Declare that its decision is exempt from call in.
- vi. And to note:
 - a. The stages required to implement the decision as outlined in section 3.7.
 - b. Proposed timescales for implementation as outlined in section 3.7.
 - c. That the Chief Officer Highways & Transportation will be responsible for implementation.

1 Purpose of this report

- 1.1 This report provides an update on the previous reports of 5 March 2014 on progress towards delivering a Park & Ride site in Aire Valley and the Aire Valley Enterprise Zone Building Foundations for Growth (BFG) grant funded schemes and requests approval to fund the purchase of the park and ride site if necessary.

2 Background information

- 2.1 Developing Park & Ride in Leeds has been identified as an essential component of managing traffic and travel in the city. A report to Executive Board in April 2012 approved the rationale behind the proposed strategy for Park & Ride in Leeds. The development of the park and ride strategy will occur in several stages including the capacity expected from the NGT scheme and the progression of the West Yorkshire Local Transport Plan with the Combined Authority. The proposed scheme will therefore complement the existing bus and rail park and ride provision in place at local stations in Leeds and West Yorkshire (including the newly commissioned bus site at Elland Road) and their future development.
- 2.2 This scheme will also sit within the overall context of parking policies and parking management for the city centre as set out in the reports to Executive Board in September 2011 and September 2012.
- 2.3 Leeds UDP Section 6.4.16 states '*Encouragement to the establishment of Park & Ride facilities is an important part of the WYLTP. ...they offer significant scope to reduce the growth in car usage, particularly of car commuting into the City Centre. Park & Ride facilities could be developed in association with each of the modes of public transport*'.
- 2.4 Policy CCCC1 currently limits the supply of temporary commuter car parking on 'cleared sites'. Over time the supply of parking in the city centre will reduce as existing 'cleared site' car parks are redeveloped. Park & Ride sites provide a sustainable solution to offset this reduction in city centre parking and at the same time reducing congestion on routes into the city centre.
- 2.5 The Aire Valley Park & Ride is a key scheme for the Enterprise Zone and Leeds City Council for the following reasons:
- i) A network of Park & Ride sites is a key element of the city transport strategy as set out in the emerging LDF Core Strategy, West Yorkshire Local Transport Plan (LTP3) and associated Leeds Local Implementation Plan. P&R provides sustainable transport options and parking capacity for the growth in the city centre.
 - ii) Park & Ride in the Enterprise Zone will anchor high quality public transport at an early stage in development of the Aire Valley and deliver a step change in transport provision to between the area and the city centre. The high quality, high frequency bus service associated with the park and ride site will encourage a higher public transport mode share and therefore reduce existing and future development vehicle trips, reducing congestion and

delivering sustainable transport for the city. The public transport provision will ensure the full potential of the Temple Green site and the wider Enterprise Zone can be met.

- iii) The scheme has a strong business case and modelling work undertaken for the WY+TF shows the transport benefits unlock over 250 jobs in the city centre at a GVA of over £20m. These benefits occur by improving the connectivity and reducing the cost of travel to areas to the east of Leeds.
- iv) Additional jobs and GVA benefits will occur in the Enterprise Zone, in part from the transport benefits for new employees, and also the financial and infrastructure contribution the site brings in opening up the Temple Green site for further development.
- v) Accessibility to employment across the Aire Valley is improved for those employees without access to a car, this in turn increases the potential range of employees available for recruitment to employers in the Enterprise Zone.
- vi) The Park & Ride site would attract business rates which can be recycled via the LEP for other projects to encourage economic growth in EZ and across the City Region.

3 Main issues

- 3.1 The boost for business and local economies announced by the Department for Communities and Local Government awarded £8.57 million to Aire Valley Leeds Enterprise Zone for remediation and infrastructure works that will attract advance manufacturing and supply chain companies with the potential of creating 630 new jobs and delivering over 300,000 sq ft of new commercial floor space in the long term.
- 3.2 Within the area of land to be remediated using the grant funding a site suitable for a strategic Park & Ride facility has been identified as shown in Appendix B. The use of the land for Park & Ride and the associated land purchase forms an intrinsic part of the financial package to bring forward the development of the Temple Green site within the Enterprise Zone.
- 3.3 While the WY+TF is part of the City Deal and gives the Combined Authority autonomy over the schemes to be delivered, part of the funding within the WY+TF is devolved major scheme funding from DfT and as such the WY+TF process is being developed to reflect this and demonstrate to DfT that sufficiently robust assessments are carried out.
- 3.4 The scheme has been identified in the WY+TF programme and a Gateway 1 business case was approved by the Combined Authority in May 2014. The Gateway 1 approval releases funds to develop the detailed design, planning and full business case for the Gateway 2 decision. Gateway 2 is equivalent to DfT's conditional approval stage and allows the authority to go out to tender for the scheme. Gateway 3 then gives full authority to spend once the tenders are returned. Given the amount of work required to reach the Gateway 2 stage, the

programme identifies that a Gateway 2 decision will not be possible before November 2014, with a Gateway 3 decision following in March 2015.

- 3.5 The pace of development in the Enterprise Zone has been given a major boost through the confirmation by DCLG of the £8.57m BFG grant. However, these funds, including the land remediation on the park and ride site, have to be spent by March 2015, which in turn requires the works to start in July 2014. Accordingly, the spend profile of the DCLG grant is out of synch with WY+TF funding process, which if not mitigated, will put at risk the capital investment into the Enterprise Zone. The process of land purchases within the WY+TF would normally require Gateway 3 full approval before purchasing the land. It was recognised for this project that bringing the land purchase forward so it follows Gateway 2, before full Gateway 3 approval is in place, would be advantageous. However despite this relaxation of the approvals in the WY+TF there would still be insufficient time for the BFG grant to be spent by the DCLG deadline of March 2015. The developer requires confirmation of funding being approved prior to entering into the agreements that are required to progress the development of the park and ride site. The BFG grant agreement and conditional purchase agreement must be entered into by July 2014 if the DCLG funding deadline is to be met.
- 3.6 In order to resolve the funding approval issues outlined at 3.5 above it is proposed that LCC will fund the site acquisition if necessary. The funding for this acquisition should be met from the WY+TF following Gateway 2 approval, but if Gateway 2 approval is not forthcoming LCC will need to fund the acquisition itself. The Council will incur capital expenditure in acquiring the site, the payment of Stamp Duty Land Tax (which cannot be recovered), other Land Registry fees, and VAT (which will be recoverable). These sums are detailed in the confidential appendix A.
- 3.7 The indicative programme for delivery of the project is:
- WY+TF Gateway 1 approval – May 2014
 - Agreed Heads of Terms to purchase land – May 2014
 - Planning application – May to June 2014
 - Executive board – June 2014
 - Exchange contracts for land acquisition – July 2014
 - WY+TF Gateway 2 approval – November 2014
 - Site remediation – July 2014 to March 2015
 - WY+TF Gateway 3 approval - March 2015
 - Purchase of land completed – April 2015
 - Park & Ride construction - April to November 2015
 - Opening - November 2015

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 A Park & Ride site has been included in the Area Action Plan from an early stage and formal consultation on this document has been undertaken at various stages of its development, most recently in 2011.
- 4.1.2 The Highways Agency has been consulted on the proposals and is supportive of the principle of Park & Ride in this location. Further detail of the proposal will be presented in the Transport Assessment submitted as part of the planning application.
- 4.1.3 Specific consultation on the Park & Ride proposal will be undertaken during the planning application process.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality, Diversity, Cohesion and Integration Screening has been carried out on the proposals (Appendix C) and has determined there is no adverse impact and that an impact assessment is not required for the approvals requested.

4.3 Council policies and City Priorities

- 4.3.1 The Park & Ride Proposals within the city region's Enterprise Zone fit within the Best Council Plan strategic aims to promote sustainable and inclusive economic growth by improving the economic wellbeing of local people and businesses. The scheme helps people into jobs, boosts the local economy and provides a good and efficient transport system.
- 4.3.2 The proposals are consistent with the strategy and policies set out in the West Yorkshire Local Transport Plan 2011-2016 and with the emerging Draft Leeds Local Implementation Plan.
- 4.3.3 Strategic park and ride measures are in accordance with the Leeds City Region Transport Strategy and with the Vision for Leeds and City Priorities for transport.
- 4.3.4 Park & Ride in the Aire Valley Enterprise Zone will:
- Provide sustainable transport access to support creation of jobs in Enterprise Zone and wider AAP area.
 - Reduce congestion on the Strategic Highway Network
 - Provide public transport links to existing and planned employment areas
 - Provide access to employment opportunities from adjacent deprived areas
 - Fit with City Centre Commuter Car Parking policy CCCCPC1.

4.4 Resources and value for money

- 4.4.1 The current scheme estimate is circa £8m including land acquisition and construction, and is expected to be fully funded from the WY+TF programme. The Council may, however, have to fund the land acquisition to commence the project earlier to ensure the DCLG BFG grant can be used.
- 4.4.2 Details of the land acquisition costs are included in the confidential Appendix A.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 Executive Board has the power to approve the Key Decisions recommended in this report.
- 4.5.2 The information contained in Appendix A to this report relates to the financial or business affairs of a particular person, and of the Council. This information is not publicly available from the statutory registers of information kept in relation to certain companies and charities. It is considered that since this information was obtained through one to one negotiations for the purchase of the land/property referred to then it is not in the public interest to disclose this information at this point in time. Also the release of such information would or would be likely to prejudice the Council's commercial interests in relation to and undermine its attempts to acquire by agreement similar properties in the locality in that owners of other similar properties would be aware about the nature and level of consideration which may prove acceptable to the Council. It is considered that whilst there may be a public interest in disclosure, much of this information will be available from the Land Registry following completion of the purchase and consequently the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time. It is therefore considered that this element of the report should be treated as exempt under rule 10.4(3) of the Access to Information Procedure Rules.
- 4.5.3 Under the City Council's Constitution, a decision may be declared as being exempt from Call In if it is considered that any delay would seriously prejudice the Council's or the public interest. A delay in completing all the necessary legal documentation as soon as practically possible will have an adverse impact on achieving the programme of works to enable delivery within the specified time frame.

4.6 Risk Management

- 4.6.1 While the Park & Ride site is identified as a priority project within the WY+TF the funding for the land purchase and the construction of the Park & Ride facility are subject to a formal approval process which is not compatible with the timetable for the BFG grant scheme. Aire Valley Land Ltd require the contract for the Council's acquisition of the land to be exchanged before they will commit to the site remediation works.
- 4.6.2 The WY+TF funding for the land purchase will be available following the approval of the Gateway 2 business case. There is a risk that this approval may not occur, however, the Gateway 1 business case has been approved with a strong strategic

and economic case and very high cost benefit ratio presented. This is very likely to remain the case at Gateway 2 and therefore the risk is considered relatively low.

- 4.6.3 In the case where this risk did materialise Leeds City Council would have ownership of a site which could be developed as a strategic Park & Ride using another funding source. Alternatively LCC could recover the cost of acquiring the site by disposing of it on the open market. There are no restrictions on the land that would prevent from being used for other purposes nor would the DCLG funding be repayable on a disposal. The site will be remediated to a standard suitable for Park & Ride and also industrial development in the form of small building up to 10,000sqft. A market demand for this type of unit has been demonstrated by the recent sales of council owned sites at Thornes Farm within the Enterprise Zone. These options are explored in more detail in confidential appendix A.

5 Conclusions

- 5.1 This report adds to the reports of March 2014 regarding the Park & Ride site and the Enterprise Zone. The report proposes a way forward in delivering the economic development opportunity using BFG grant funding from DCLG and securing the high quality public transport provision and links to the city centre for the Aire Valley Enterprise Zone.

6 Recommendations

6.1 Executive Board is requested to:

- i. Approve the provisionally agreed heads of terms with Aire Valley Land Ltd for the Council's purchase of a 10 acre remediated site for a 1000 space Park & Ride facility.
- ii. Approve that if necessary the Council funds the acquisition of the park and ride site as set out in the confidential appendix A of this report and that this constitutes an authority to spend.
- iii. Approve the injection of funds into the capital programme for the acquisition.
- iv. Authorise the Director of City Development, in consultation with the Leader, the Executive Member for Transport and Economy, the Deputy Chief Executive, and the City Solicitor, to use his delegated powers to agree final terms and enter into all necessary documents for the acquisition of the site.
- v. Declare that its decision is exempt from call in.
- vi. And to note:
 - a. The stages required to implement the decision as outlined in section 3.8.
 - b. Proposed timescales for implementation as outlined in section 3.8.

- c. That the Chief Officer Highways & Transportation will be responsible for implementation.

7 Background documents¹

7.1 None

8 Appendices

Appendix A – Exempt Information

Appendix B – Site plan

Appendix C – Equality impact assessment screening

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.