
Report to: West Yorkshire and York Investment Committee

Date: 11 August 2020

Subject: **Capital Spending and Project Approvals**

Director: Melanie Corcoran, Director of Delivery

Author(s): Craig Taylor

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 The Investment Committee has delegated decision making authority, this was approved by the Combined Authority on 13 December 2018. Where Investment Committee is asked to make an approval decision this will be highlighted in the summary table and made clear in the recommendations.

2 Impact of Covid-19

The full implications of COVID-19 on the region and its economy and transport system are still to be understood and the impact on our programmes and schemes has been mixed. The schemes that were due to start in the first half of 2020/21 have experienced delays due to variety of factors, therefore, during schemes' business case development and appraisal process we are working closely with our council partners to ensure that the delivery timescales reflect the current issues and schemes are actively stress tested to ensure ongoing viability.

3 Integrated Clean Growth

- 3.1 Through the Assurance Framework and other internal decision-making procedures, the Combined Authority now review and embed clean growth considerations into our activities.
- 3.2 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 have recently appointed Mott McDonald as consultants to lead the delivery of work to review and strengthen business case assessment of carbon and wider clean growth benefits approaches used in the Assurance Framework. This will include a review of existing Combined Authority schemes and additional resource to support the development and implementation of the new assessments. Project governance arrangements are currently being implemented with the project overseen by a Project Steering Board made up of CA and local authority personnel. The project is scheduled to report its detailed findings and make recommendations by December 2020 supported by a detailed training and implementation package.

- 3.3 Clean growth, including climate change, impact assessment / considerations are all now included in all Capital Spending and Project Approvals reports. This ensures that the business cases now reflect the Leeds City Region Climate Emergency priority and evidence that they will reduce carbon emissions (both directly and indirectly).

4 Report

- 4.1 This report presents proposals for the progression of three schemes through the Combined Authority's assurance process in line with the Leeds City Region Assurance Framework. These schemes have a total combined funding value of £31.583 million when fully approved, of which the total value of £27.363 million will be funded by the Combined Authority. Further details on the schemes are summarised below and can be found as part of this report.

Transforming Cities Fund (TCF) Funding

- 4.2 The March 2020 Budget announcement detailed that the West Yorkshire Combined Authority would receive £317 million from the DfT Transforming Cities Fund to progress all schemes against its 'low' scenario, including those in North Yorkshire (York, Selby, Harrogate and Craven), plus an additional £25 million to be allocated across the programme reflecting the Partners priorities. Through West Yorkshire's Devolution deal, also announced on 11 March 2020, in line with flexibility provided to other Mayoral Authorities, West Yorkshire Combined Authority will have scope to prioritise investments above this level.
- 4.3 The Combined Authority at the meeting of 27 July 2020 approved the use of future gainshare to support the delivery of the higher scenario of the Transforming Cities programme. This will require an additional £164.5 million funding which will be achieved by utilising an appropriate mix of capital and revenue funding to support borrowing. The Combined Authority also approved the high scenario of the TCF programme to be delivered over a longer timescale.
- 4.4 Please note that any reference below to the Transforming Cities Fund means £317 million from the DfT Transforming Cities Fund and the £164.5 million funding from gainshare and/or other sources which will be specified.

Transforming Cities Fund (TCF) Benefit Cost Ratios (BCRs)

- 4.5 The Government approved the Leeds City Region TCF programme on the basis that it would deliver a Benefit Cost Ratio (BCR) of between 1.5 (representing Low Value for Money) and 2 (representing Medium Value for Money) when assessed using the DfT's Transport Appraisal Guidance (TAG).
- 4.6 It is recognised that individual scheme BCRs may fall outside these values for money categories as business cases are further refined and progress through the assurance process.
- 4.7 These will not be reported at Strategic Outline Case (SOC), but at Outline Business Case (OBC) as the SOC in the main deals with the strategic case and the OBC the economic case.
- 4.8 This is because whilst calculating benefits to costs of a transport scheme there are many more journeys made by car than are made by bus, cycling and walking and as a consequence the monetised benefits arising from improvements to bus, cycling and walking journeys may be outweighed by the monetised dis-benefits to car users. However, a key strategic objective of investment is to encourage modal switch to more sustainable modes and therefore whilst the 'core' BCR (i.e. following Green Book guidance on total impact on the society as a whole) for some schemes may be low, discounting the dis-benefits to car users from the appraisal will result in a higher BCR and where possible this 'range of BCR' will be presented to support decision making.

<u>Scheme</u>	<u>Scheme description</u>
<p>TCF: Dewsbury–Batley–Tingley Sustainable-Travel Corridor</p> <p>Location</p> <p>Kirklees/ Leeds</p>	<p>The Batley-Chidswell-Tingley corridor is a key route providing connectivity between North Kirklees and Leeds. The 'North Kirklees Growth Zone' has been identified as a Strategic Economic Plan Spatial Priority area, which includes significant housing and employment sites.</p> <p>The package will introduce bus priority measures and enhancements to bus stops, through improved footways and crossing infrastructure.</p> <p>The package will be funded from the Transforming Cities Fund</p> <p><u>Impact</u></p> <p>The package will implement a series of bus, cycle and footway improvements to overcome access and cost barriers and reduce reliance on the private car.</p> <p>The package will enhance the bus offer, improving bus journey times and reliability, and facilitating new services and higher frequencies. In addition, the scheme will transform the sustainable transport offer for pedestrians and cyclists, delivering new and improved active mode infrastructure, positively impacting air quality.</p> <p>It will also facilitate the delivery of local housing and employment developments as part of the North Kirklees Growth Zone</p>

	<p>(NKGZ), whilst providing better connectivity to education and employment opportunities across the wider City Region.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 2 (Strategic Outline Case) and work commences on activity 3 (Outline Business Case).</p> <p>Total value of the scheme - £6 million</p> <p>Total value of Combined Authority funding - £6 million</p> <p>Funding recommendation sought - £0</p> <p>A recommendation to the Combined Authority is sought as part of this report.</p>
<p>Scheme</p> <p>City Connect Phase 3 Canals</p> <p>Location</p> <p>Leeds City Region</p>	<p><u>Scheme description</u></p> <p>The scheme will deliver a high-quality cycle route in the Kirklees and Bradford Districts, between Huddersfield and Slaithwaite on the Huddersfield Narrow Canal and Shipley in Bradford on the Leeds and Liverpool Canal.</p> <p>Building upon previous CityConnect scheme improvements, a total of 7.3km of route improvements will be delivered by utilising the canal towpaths, as a traffic free, flat, and attractive cycling path alternative to the main roads. The new upgraded towpath will increase widths available for cyclists and pedestrians, as well as providing a durable all-weather surface that is also in keeping with the nature and historic value of the canal environment.</p> <p>The scheme is to be funded from the West Yorkshire plus Transport Fund (WY+TF).</p> <p><u>Impact</u></p> <p>The scheme will improve and provide a comprehensive network of cycling and walking infrastructure encouraging uplift in cycling and walking trips on the routes aligning with multiple local, national and city region strategies around improving connectivity, health, well-being, road safety and air quality. In addition, the infilling of gaps, or extending, previous schemes will create a safe and attractive environment for active travel modes, reducing cyclist road traffic accidents by 20%.</p> <p>The core BCR has been calculated as 3.14, and the Value for Money (VfM) category is high.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 3 (Outline Business Case) and work commences on activity 5 (Full Business Case with finalised costs).</p> <p>Total value of the scheme - £1.363 million</p> <p>Total value of Combined Authority funding - £1.363 million</p> <p>Funding recommendation sought - £0</p> <p>A recommendation to the Combined Authority is sought as part of this report.</p>

<p>Scheme</p> <p>Tong Street A650 Highway</p> <p>Location</p> <p>Bradford</p>	<p><u>Scheme description</u></p> <p>This scheme will deliver highway capacity and efficiency improvements along with enhancements to pedestrian and cycle provision. The scheme will focus on a 1.5 km section of the A650 Tong Street between Knowles Lane and Westgate Hill (A651) to deliver:</p> <ul style="list-style-type: none"> • Carriageway widening from 1 lane to 2 lanes in each direction to increase capacity along Tong Street, allowing general traffic (particularly commercial vehicles and buses) to get to their destinations more efficiently and improving journey time reliability; • Central islands with turning areas; • Expanded footpath to the north side to incorporate a segregated cycle route; • Upgrade to existing puffin crossings and signalled junctions to include shared use Toucan crossing facilities; • Rationalisation of side road entry points to minimise traffic turning conflicts; • Review of on-street parking arrangements to minimise the impact on journey times; and green infrastructure improvements. <p>The scheme is to be funded from the West Yorkshire plus Transport Fund (WY+TF).</p> <p>The scheme has an indicative approval of £20 million in the West Yorkshire Transport Fund (WY+TF). A £20.5 million bid has been made to DfT's Major Route Network (MRN) fund, which if successful will reduce the WY+TF allocation to £4 million. To ensure the scheme is not delayed, development costs of £2.53 million are requested from WY+TF, whilst a decision on MRN is awaited.</p> <p><u>Impact</u></p> <p>The scheme aims to stimulate economic growth and unlock key development sites, particularly in south east Bradford, through improving traffic flow and access.</p> <p>The scheme will improve journey times and journey reliability for all modes, enhance multi modal travel opportunities and reduce congestion levels, contributing to carbon reduction and better air quality.</p> <p>It will also support the inclusive growth principle of a better quality of life by enhancing multi modal connectivity and access, which will create better opportunities for travel to employment, education.</p> <p>The value for money assessment reflects a very high value for money with a core BCR of 13.54 for the preferred option when assessed against the Department for Transport's value for money criteria.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 3 (Outline Business Case) and work commences on activity 4 (Full Business Case).</p> <p>Total value of the scheme - £24.49 million</p> <p>Total value of Combined Authority funding – up to £20 million</p> <p>Funding recommendation sought - £2.53 million</p>
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	A recommendation to the Combined Authority is sought as part of this report.
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4.9 Since the Investment Committee’s meeting on 8 July 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 Managing Director. Under the delegation a total expenditure of £578,000 has been approved.

<u>Scheme</u>	<u>Scheme description</u>
Corporate Technology Programme – final packages	<p>The Corporate Technology Programme (CTP) will deliver the Corporate Technology Strategy (CTS) which was approved by the Combined Authority’s (CA) Organisation Management Team on 20 March 2018.</p> <p>The CTS sets out the vision, culture and priorities for the use of technology in the CA over the next three years. It also sets out the CA’s technological priorities and includes a governance system which oversees its implementation whilst having regard for associated risks and opportunities and how these should be tackled.</p> <p>This approval secured the release of the remaining £577,959 from the total programme allocation of £3,914,638.06, in order to progress the delivery of the following programme packages:</p> <ul style="list-style-type: none"> • B06 Data Platform • B07 Meeting Room Technology • C01 Cyber Security • C02 ICT Disaster Recovery • E02 Digitising Services <p><u>Decision</u></p> <p>The Managing Director approved this decision point 5 (full business case with finalised costs) on 17 July 2020, giving full approval to the Corporate Technology Programme - Final Packages and work to commence on activity 6 (Delivery).</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**. In addition, this appendix also provides a description of the approach for the future assurance approval pathway and the assurance tolerances for each scheme.

Projects in stage 1: Eligibility



- 5.2 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.

Project Title	TCF: Dewsbury–Batley–Tingley Sustainable Travel Corridor
Stage	1 (eligibility)
Decision Point	2 (strategic outline 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

- 5.3 This package will be funded through the Department for Transport's Transforming Cities Fund (TCF). As part of the Government's Industrial Strategy and the National Productivity Investment Fund, the TCF aims to drive up productivity through improved connections between urban centres and suburbs. To do this, the TCF provides a significant opportunity to invest in infrastructure to improve public and sustainable transport connectivity in some of England's largest cities. This scheme will be funded through Tranche 2 of the fund, which received Department for Transport's approval in March 2020.
- 5.4 The Dewsbury-Batley-Tingley Corridor scheme runs through the centre of the 'North Kirklees Growth Zone' (NKGZ) providing connectivity between North Kirklees and Leeds. The NKGZ has been identified as a Strategic Economic Plan Spatial Priority area, which includes significant housing and employment sites and presents an opportunity to promote sustainable transport options in the catchments. However, the corridor currently faces various transport

challenges; including an unreliable bus offer, poor access to bus stops and lack of cycling infrastructure.

- 5.5 Through the scheme, bus priority measures will be introduced to improve reliability and customer experience, encouraging modal shift and new user choice to the bus. Accessibility to bus stops will also be enhanced through improved footways and crossing infrastructure, which will also promote more local journeys by walking.
- 5.6 Enhancements to the bus offer will be complemented by a range of improvements to the cycle network, including cycle lane provision and junction modifications to prioritise cyclists and pedestrians. Reconfiguration of the B6124/ A653 Junction will be key to provide capacity and safety for active mode trips between Chidswell, Batley, Leeds and local housing sites.
- 5.7 Improvements to both the bus and sustainable transport infrastructure will also facilitate the delivery of local housing and employment developments as part of the NKGZ, whilst providing better connectivity to education and employment opportunities across the wider City Region.
- 5.8 A summary of the scheme's business case and location map is included in **Appendix 2**.

Clean Growth / Climate Change Implications

- 5.9 This package aims to reduce the use of private vehicles along this corridor and encourage other active modes of transport including cycling and walking. This will reduce traffic congestion and road transport emissions.
- 5.10 By encouraging increased uptake of sustainable travel modes, including bus use, walking and cycling, the scheme will reduce transport related emissions along the corridor, improve local air quality and help tackle the national challenge of air pollution.
- 5.11 Further details on quantifying climate change implications will be undertaken as each scheme progresses through the assurance process.

Outputs, Benefits and Inclusive Growth Implications

- 5.12 The scheme outputs and benefits include:
 - Improved safety of bus stop users along the corridor – through new or upgraded crossing facilities in the vicinity of bus stops and improved pedestrian environment and bus stop access
 - Improved bus reliability and journey times – through bus priority in the form of bus stop clearways, restricted parking, signal priority and relocated bus stops

- Reduced vehicle emissions – through mode transfer to bus, cycle and walking from car
- Improved safety of pedestrians and cyclists along the corridor – through new cycle lanes and widening of the existing footway on Bradford Road and Soothill Lane
- Uptake in employment and training by residents from deprived communities – through easier access and expanded catchments to education and employment opportunities in North Kirklees and across the wider City Region, including Kirklees College and Chidswell
- Increased productivity and inclusive economic growth – through improved developer and business confidence to invest

Risks

5.13 The scheme risks include:

- Potential disruption to the road network during the construction period – mitigated through public consultation at early stages and throughout the process as well as measures to minimise disruption where possible.
- Stakeholders/public may object to proposals given removal and relocation of parking spaces to accommodate cycle lanes, which could delay the delivery timescale of the scheme – mitigated through public consultation at early stages and throughout the process, as well as communications on wider parking strategy.
- Potential dependencies with the Mirfield-Dewsbury-Leeds West Yorkshire plus Transport Fund scheme – mitigated by early engagement and close working with the transport fund team and appointed consultancy.

Costs

5.14 The scheme costs are:

- Development costs of £149,253 were approved by the Investment Committee on the 13 May 2020 in order to progress the project to decision point 3.
- The total cost for the preferred way forward for this package is £6 million. The package has no funding allocation in the TCF Low Cost Scenario but £6 million is included in the high scenario.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
3 (outline business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Investment Committee	03/02/2021
4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	25/06/2021

Other Key Timescales

- 5.15 The forecast completion date for this package is 30 September 2022.

Assurance Tolerances

Assurance tolerances
<ul style="list-style-type: none"> That Combined Authority costs remain within 10% of those outlined in this report. That the timeframes remain within 6 months of those outlined in this report.

Project Responsibilities

Senior Responsible Officer	Angela Blake, Kirklees Council
Project Manager	Keith Bloomfield, Kirklees Council
Combined Authority case officer	Ian McNichol

Appraisal Summary

- 5.16 The package has a strong strategic fit in terms of its alignment with national, local and regional strategies/policies, including Strategic Economic Plan Strategic Priorities and TCF objectives. The issues, challenges and opportunities on the Batley-Chidswell-Tingley corridor are clearly set out. Objectives are set out broadly in SMART format. Some further work is required to refine future objectives; including the provision of numerical targets and ensuring greater specificity to allow appraisal of achievability.
- 5.17 This package has no funding allocation in the TCF Low Scenario, however, is included in the TCF High scenario. Based on the current costs and previous appraisal (for the TCF bid to the DfT), the scheme does not appear to offer value for money, however the Economic Case sets out the areas of the scheme which have not yet been appraised. A full review and additional appraisal will take place at the next assurance stage and it is fully expected to show significantly

higher benefits and a higher value for money case. Further work is required to quantify wider benefits (e.g. productivity, air quality, social inclusion) and costings, including a breakdown for the discrete package elements.

Recommendations

5.18 The Investment Committee recommends to the Combined Authority that:

- (i) The Dewsbury–Batley–Tingley Sustainable Travel Corridor package project proceeds through decision point 2 (strategic outline case) and work commences on activity 3 (outline business case)
- (ii) That an indicative approval to the total project value of £6 million is granted from the Transforming Cities Fund, with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) 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 package remaining within the tolerances outlined in this report.

Projects in Stage 2: Development



- 5.20 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.

Project Title	City Connect Phase 3 Canals
Stage	2 (development)
Decision Point	3 (outline 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

- 5.21 The Leeds City Region Strategic Economic Plan recognises the importance of active travel for the region's economy and identifies the establishment of cycling as a major mode of transport, with increased active travel benefiting health, as one of the principles for future transport investment and policy. The City Connect Phase 3 canals scheme aligns with Priority 4 - Infrastructure for Growth and will provide sustainable and active transport infrastructure.
- 5.22 The projects are part of the CityConnect programme and will build upon routes already constructed in the areas (Airedale Greenway on the Leeds & Liverpool Canal and the Huddersfield Narrow Canal Phase 1); infilling the gaps will ensure a high quality, strategic cycle and walking network.
- 5.23 This scheme will be funded from the West Yorkshire plus Transport Fund. This is a £1 billion fund, covering West Yorkshire and York. The objectives of the West Yorkshire plus Transport Fund are to enable key employment and housing development areas and will help to create about 20,000 new jobs over the next 10 years. These strategic transport projects will be delivered to facilitate the growth priorities identified in the Leeds City Region Economic plan.

5.24 April 2018 Combined Authority gave indicative approval at decision point 2 (strategic outline case), to the total CityConnect programme pipeline value of £14.824 million, of which £14.424 million will be funded by the Combined Authority. Huddersfield Narrow Canal phase 2 and Leeds Liverpool Shipley sections are named pipeline projects.

5.25 The schemes will be delivered by Canal and River Trust.

5.26 A summary of the scheme's business case is included in **Appendix 3**.

Clean Growth / Climate Change Implications

5.27 The schemes will contribute to the delivery of sustainable and active transport infrastructure, and to reducing car use, and increasing walking and cycling in the areas.

Outputs, Benefits and Inclusive Growth Implications

5.28 The scheme outputs and benefits include:

- Upgrade 7.3km of towpath (3km Shipley sections and 4.3km Huddersfield Narrow Canal)
- Increase walking and cycling trips by 20% and up to 66% on the routes
- Link to other transport projects to deliver a comprehensive network of cycling and walking infrastructure
- Contribute to a reduction in carbon emissions, through modal shift from car travel with 5% of commuter trips by bike in Bradford and Kirklees
- Create a safe and attractive environment for active travel modes, reducing cyclist road traffic accidents by 20%.

Risks

5.29 The scheme risks include:

- Delays to construction due to poor weather: to be mitigated by carrying out less weather dependant works (wash wall repairs) during winter, and towpath construction during spring.
- The on-going Covid pandemic may delay works: to be mitigated by planning for delays and stand down time costs that may be incurred.

Costs

5.30 The scheme costs are:

- The scheme will be fully funded by Combined Authority funds, the total cost is £1.363 million, this includes £60,000 development costs (already approved).
- Combined Authority will be required to enter into a legal agreement with Canal and River Trust to deliver the scheme once full approval is granted.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
3 (outline business case)	Recommendation: Investment Committee Decision: Combined Authority	04/09/2020
5 (full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	15/01/2021

Other Key Timescales

4.31 Key milestones:

- Final designs and costings agreed: Oct 2020
- FBC+ submission: Nov 2020
- Completion: April 2021

Assurance Tolerances

Assurance tolerances
That the total project cost remains within 10% of the costs identified within this report.
That the project delivery timescale remains within 6 months of the timescales identified within this report.
That the length of towpath improved remains within 10% of the amount identified in this report.

Project Responsibilities

Senior Responsible Officer	
	Lizzie Dealey, Partnership & Engagement Manager, Canal & River Trust Andrew Norman, Transport Partnerships Lead, West Yorkshire Combined Authority

Project Manager	Paul Tranter, Enterprise Manager, Canal & River Trust
Combined Authority case officer	Vicky Dumbrell, Case Officer, Combined Authority

Appraisal Summary

- 5.31 The strategic case for the investment is clearly made. Delivering infrastructure to encourage more cycling and walking aligns with multiple local, national and city region strategies around improving connectivity, health, well-being, road safety and air quality. In addition, the infilling of gaps, or extending, previous schemes will provide a more complete network. The demand for the schemes is evidenced from comparable schemes in the city region (50 – 66% uplift), and consultation with the public has been largely positive. The procurement route is through a well-established framework, which has recently been extended.
- 5.32 There is a risk of cost increase and slippage, as the final designs are agreed, to ensure the scheme delivers accessibility and is in keeping with the canal heritage. Once agreed, ensuring the scheme stays within budget will be the responsibility of Canal and River Trust (CRT). CRT approach to contract management appears robust, and the project sits within the well-established CityConnect programme.

Recommendations

- 5.33 That the Investment Committee recommend to the Combined Authority the following:
- (i) That the CityConnect Phase 3 canals project proceeds through decision point 3 (outline business case) and work commences on activity 5 (full business case with final costs).
 - (ii) That an indicative approval to the total project value of £1.363 million is granted from the West Yorkshire plus Transport Fund, with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
 - (iii) 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.

Project Title	Tong Street A650 Highway
Stage	2 (development)
Decision Point	3 (outline 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

- 5.34 The scheme is funded from the West Yorkshire plus Transport Fund (WY+TF). This is a £1 billion fund, covering West Yorkshire and York. The objectives of the West Yorkshire plus Transport Fund are to enable key employment and housing development areas and will help to create about 20,000 new jobs over the next 10 years. These strategic transport projects will be delivered to facilitate the growth priorities identified in the Leeds City Region Economic plan.
- 5.35 Tong Street is on the West Yorkshire Key Route Network and fulfils a number of strategic functions, carrying on average 37,500 vehicles per day and linking with the UK's strategic Road Network. The A650 Tong Street currently suffers from inefficiencies and unreliability which is inhibiting strategic growth along the corridor and in south east Bradford.
- 5.36 The scheme forms part of the West Yorkshire plus Transport Fund Programme which aims to deliver Priority 4 of the Strategic Economic Plan (SEP), Infrastructure for Growth. The West Yorkshire Transport Strategy is aligned to and supports the SEP and this project will contribute to two of the key themes in the strategy.
- 5.37 The scheme will contribute towards unlocking growth in the M62 Enterprise Zone sites, playing an important role in connecting this area with central Bradford. The scheme aligns with Strategic Priority 4 of the SEP, Infrastructure for Growth.
- 5.38 The A650 Tong Street currently experiences congestion, delays and journey time unreliability with afternoon journey times doubling in the outbound direction. There are a number of planned residential and employment sites anticipated in south east Bradford, including sites close to Tong Street. Up to

7,200 new housing units are planned by 2028 and population growth of over 10% (from 2014) is expected in Bradford. Local traffic growth of 22% in the peak hour is forecast up to 2030. It is therefore predicted that if no intervention is made the existing issues in the highway network will deteriorate and impact on the delivery of housing and employment growth.

- 5.39 A summary of the scheme's business case and location map is included in **Appendix 4**.

Clean Growth / Climate Change Implications

- 5.40 The scheme will improve journey times and journey reliability for all modes, enhance multi modal travel opportunities and reduce congestion levels, contributing to carbon reduction and better air quality (see detail in outputs and benefits section).

Outputs, Benefits and Inclusive Growth Implications

- 5.41 The scheme outputs and benefits include:

- Improve future journey time reliability and reduce future journey times along Tong Street by 4 minutes for general traffic, and 2 minutes for buses by 2023,
- Improve road safety for all users by reducing the rate of traffic collisions along the Tong Street corridor and surrounding residential areas by 3.5% by 2027,
- Reduce known rat-run issues on adjacent residential streets by 10% by 2022,
- Improve sustainable transport facilities, public realm and green infrastructure features by 2022, to encourage the growth in walking trips by 20% and cycling trips by 300% along the corridor by 2027.
- To improve air quality by reducing the level of greenhouse gases resulting in 34,105 tonnes reduction in CO2 emissions.
- The scheme is forecast to lead to a net additional GVA of £16 million and 158 jobs and also support the inclusive growth principle of a better quality of life by enhancing multi modal connectivity and access, which will create better opportunities for travel to employment, education. The value for money assessment reflects a high value for money with a core BCR of 13.54 for the preferred option when assessed against the Department for Transport's value for money criteria.

Risks

- 5.42 The scheme risks and mitigations include:

- Increased costs of estimated land acquisition. Mitigation: realistic expenditure forecast needs to be provided based on previous experience and taking into account the complexity of the scheme.

- Unforeseen site issues. Mitigation: this should be mitigated by thorough ground investigations prior to construction.

Costs

5.43 The scheme costs are:

- The indicative total scheme cost is £24.49 million. A £20.5 million bid has been made by Bradford to the Department for Transport's Major Route Network (MRN) fund. The decision on this is still awaited. The scheme also has indicative approval of £20 million from the West Yorkshire plus Transport Fund (WY+TF). If the MRN bid is successful, then only £4 million from the WY+TF would be required. To ensure that the project is not delayed whilst the MRN bid decision is awaited, it is proposed that development costs are approved from the WY+TF.
- Development funding of £185,000 was secured at decision point 2. £2.53 million from the West Yorkshire plus Transport Fund is sought at this decision point (outline business case) in order to progress the scheme to full business case, taking the total approval to £2.715 million. The development funding will be used for project management, undertaking the detailed design and land acquisition and scheme modelling.
- The Combined Authority enters into an amendment to the existing funding agreement with Bradford Council for additional expenditure of up to £2.53 million from the West Yorkshire plus Transport Fund.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
3 (outline business case)	Recommendation: Investment Committee Decision: Combined Authority	04/09/2020
4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Investment Committee	30/01/2022
5 (full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	30/06/2022

Other Key Timescales

5.44 The scheme will be delivered by April 2025.

Assurance Tolerances

Assurance tolerances
Any cost increase remains within 5% as set out in this report. That the delivery timescales remain within 3 months of those set out in this report.

Project Responsibilities

Senior Responsible Officer	Richard Gelder, Bradford Council
Project Manager	Andrew Smith, Bradford Council
Combined Authority case officer	Andrew Norman

Appraisal Summary

- 5.45 The project has a clear fit to the SEP and Transport Strategy and will deliver against the objectives of increasing access to employment to the region's centres and delivering growth. The project will improve journey times, reliability and reduce delays on a key corridor on the West Yorkshire Key Route Network and in addition improve the transport offer for pedestrians, cyclists and bus users.
- 5.46 There is evidenced demand for the scheme, and it is indicated that increasing capacity and resolving current issues will unlock growth in south east Bradford. A stronger link is required as to the direct impact of this scheme in unlocking housing and employment in south east Bradford and clear apportionment of the benefits between and number of major schemes in the areas is required to be set out.
- 5.47 The project will deliver against Strategic Priority 4, Infrastructure for Growth and is forecast to lead to a net additional GVA of £16 million and 158 jobs. The economic assessment shows that the preferred scheme is predicted to provide very high value for money.
- 5.48 A number of conditions were set by appraisal which need to be worked through ahead of full business case. In particular the next stage of development work will progress the complex land requirements and careful work ahead of the next decision point is required in relation to the proposed South East Bradford Link Road (SEBLR) which is understood would be complementary to this scheme in the long term.

Recommendations

- 5.49 The Investment Committee recommends to the Combined Authority that:
- (i) The Tong Street A650 Highway scheme proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case).

- (ii) An indicative approval to the Combined Authority's contribution of up to £20 million to be funded through 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 (full business case with finalised costs). The total project cost is estimated to be up to £24.49 million.
- (iii) Additional development costs of £2.53 million are approved in order to progress the scheme to decision point 4 (full business case), taking the total scheme approval to £2.715 million.
- (iv) The Combined Authority enter into an addendum to the existing funding agreement with Bradford Council for expenditure of up to £2.715 million from the West Yorkshire plus Transport Fund.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 4 and 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



- 5.50 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.
- 4.53 There are no schemes requiring consideration at this assurance stage.

6 Financial implications

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

7 Legal implications

- 7.1 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.

8 Staffing implications

- 8.1 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.

9 External consultees

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

10 Recommendations

TCF: Dewsbury–Batley–Tingley Sustainable Travel Corridor

- 10.1 The Investment Committee recommends to the Combined Authority that:
- (i) The Dewsbury–Batley–Tingley Sustainable Travel Corridor package project proceeds through decision point 2 (strategic outline case) and work commences on activity 3 (outline business case)
 - (ii) That an indicative approval to the total project value of £6 million is granted from the Transforming Cities Fund, with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
 - (iii) 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 package remaining within the tolerances outlined in this report.

City Connect Phase 3 Canals

- 10.2 That the Investment Committee recommend to the Combined Authority the following:

- (i) That the CityConnect Phase 3 canals project proceeds through decision point 3 (outline business case) and work commences on activity 5 (full business case with final costs).
- (ii) That an indicative approval to the total project value of £1.363 million is granted from the West Yorkshire plus Transport Fund, with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) 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.

Tong Street A650 Highway

10.3 The Investment Committee recommends to the Combined Authority that:

- (i) The Tong Street A650 Highway scheme proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case).
- (ii) An indicative approval to the Combined Authority's contribution of up to £20 million to be funded through 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 (full business case with finalised costs). The total project cost is estimated to be up to £24.49 million.
- (iii) Additional development costs of £2.53 million are approved in order to progress the scheme to decision point 4 (full business case), taking the total scheme approval to £2.715 million.
- (iv) The Combined Authority enter into an addendum to the existing funding agreement with Bradford Council for expenditure of up to £2.715 million from the West Yorkshire plus Transport Fund.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 4 and 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.

11 Background documents

11.1 None as part of this report.

12 Appendices

Appendix 1 – Background to Assurance Framework

Appendix 2 – TCF: Dewsbury–Batley–Tingley Sustainable-Travel Corridor

Appendix 3 – City Connect Phase 3 Canals

Appendix 4 – Tong Street A650 Highway