
Report to: Finance, Resources and Corporate Committee

Date: 08 June 2022

Subject: **Capital Spending and Project Approvals**

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1 Purpose of this report

- 1.1 To report on proposals for the progression of, and funding for, a number of West Yorkshire Combined Authority supported projects that have been considered at stages 1, 2 and 3 of the Combined Authority's assurance process.
- 1.2 The Finance, Resources and Corporate Committee has delegated decision making authority approved by the Combined Authority on 24 June 2021. Where the Finance, Resources and Corporate Committee is asked to make an approval decision this will be highlighted in the summary table and made clear in the recommendations.
- 1.3 The recommendations can be found in Section 13 of this report.

2 Impact of COVID-19

- 2.1 With the impact of COVID-19 on the region and its economy, it is more important than ever to assess the changes to the landscapes of our towns and cities and the impact on current and future planned schemes, particularly, but not exclusively, those relating to transport.
- 2.2 We will continue to stress test the schemes as part of scheme appraisal, given external factors such as the effects of COVID-19, supply chain issues, material costs and supply, which can impact on our schemes, costs, benefits and demand.

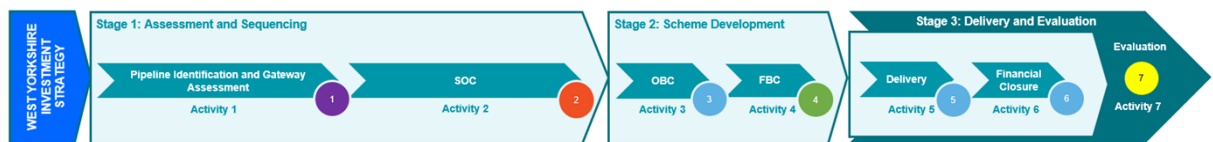
3 Tackling the Climate Emergency Implications

- 3.1 The Combined Authority has taken action to ensure all decisions we make include Climate Emergency considerations. The Combined Authority:
 - Has strengthened how clean growth and climate change impacts are considered as part of all schemes that come through the Combined Authority's Assurance Framework.

- Requires LEP and the Combined Authority reports to include clean growth / tackling the Climate Emergency implications, including qualitative impact assessments.
- 3.2 To fully strengthen decision making across the whole of the Combined Authority's Assurance Framework a robust, quantifiable methodology and tool for assessing all new schemes predicted carbon emissions/wider clean growth impacts is being developed.
- 3.3 Work to complete the toolkit methodology is now complete and the toolkit and its guidance are being implemented into the Assurance Framework. The draft assessments of a selection of existing capital schemes progressing through the assurance process are being discussed with relevant scheme sponsors ahead of the publication of this part of the project by July 2022. This phased approach to the publication of the key components of the Carbon Impact Assessment project recognises the delays due to difficulties encountered carrying out carbon impact assessments on an initial subset of schemes. This has allowed the consultants to take these challenges into account in making improvements to the methodology. The work also involves the development of training and support material to ensure carbon assessment is properly embedded in the assurance process.
- 3.4 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 schemes through the Combined Authority's assurance process in line with the Combined Authority's Assurance Framework. These schemes have a funding value of £13,509,315 when fully approved, of which £13,284,315 will be funded by the Combined Authority. A total expenditure recommendation to the value of £590,970 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.
- 4.2 The assurance process is a three-stage approach with the requirement that all projects subject to minor exceptions as detailed in the Assurance Framework, will as a minimum, need to formally pass decision point 2 (strategic outline case) and 4 (full business case), with the requirement to meet the intervening activities deemed on a project-by-project basis.
- 4.3 For more detail 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**.



Stage 1: Assessment and Sequencing

- 4.4 Programmes / schemes will start to be developed through an ongoing dialogue with the Region's businesses, third sector and public organisations, in line with the West Yorkshire Investment Strategy (WYIS). Schemes will access funding through either a commissioning process or through open calls. Programmes / schemes will be assessed through a Strategic Assessment (an early-stage gateway check and challenge review) to determine if they are eligible to proceed (Decision Point 1).
- 4.5 If approved the scheme will progress to strategic outline case (SOC), where schemes will be expected to demonstrate a strategic fit in terms of project outcomes and set out their proposed approach to establishing value for money (VfM). At this stage, a long list of options will be considered with a shortlist being presented in the SOC. Consultation at this stage will be limited, but will be a key to the next activity, outline business case (OBC) in Stage 2. At this stage, funding may be sought to enable work to progress on the OBC. Schemes will also be required to submit an Appraisal Specification Report (ASR). It is at the end of this stage where the Combined Authority approve the indicative funding, approval pathway and route and tolerance levels (Decision Point 2).

Stage 2: Scheme Development

- 4.6 If approved the scheme will progress to outline business case (OBC) unless the approval pathway set at decision point 2 does not require this. The OBC should revisit the options identified within the SOC to identify the option which optimises public value, confirm the affordability of the scheme, and put in place the arrangements to ensure successful delivery. The OBC should be prepared in accordance with the Green Book five-case model and should include a draft Monitoring and Evaluation Plan and a Benefit Realisation Plan. The economic case must be developed in consistency with the agreed ASR. Guidance will be provided to scheme promoters around the level of detail to be submitted at this stage with regards to proportionality of the business case. The scheme will be presented for approval by the decision-maker (Decision Point 3) as set out in the approval pathway and route approved at Decision Point 2.
- 4.7 If approved the scheme will progress to full business case (FBC) which will confirm the contractual arrangements for the preferred option. Affordability of the scheme is reiterated, and the scheme puts in place the final arrangements for delivery and monitoring and evaluation of the scheme. A Monitoring and Evaluation Plan and a Benefit Realisation Plan are mandatory products at this stage. The FBC should also be prepared in accordance with the five-case model and any conditions set at OBC should be resolved. The economic case

must be developed in consistency with the agreed ASR. The scheme will be presented for approval by the decision-maker (decision point 4) as set out in the approval pathway and route approved at decision point 2.

- 4.8 The FBC approval will be granted with a condition that the scheme remains within set conditions. Where this condition has been met Approval to Proceed into Delivery (Activity 5) will be granted by the Managing Director (or by an officer under sub-delegated authority from the Managing Director). If the condition(s) is not met, the project will be required to re-submit the FBC.

Stage 3: Delivery and Evaluation

- 4.9 Once a scheme gains FBC approval and the conditions set have been met, the scheme can progress into Activity 5 (Delivery).
- 4.10 Upon scheme completion, a Delivery Closure Report is required that details how the scheme has performed. This includes whether delivery has remained within the timeframes specified within the business case, has achieved the objectives of the scheme and associated outputs, documents what has been delivered and highlights the overall costs. The Delivery Closure Report will be presented for approval by the decision-maker (Decision Point 5) as set out in the approval pathway and route approved at Decision Point 2.
- 4.11 Following completion of Activity 6, the scheme will be required to submit a Financial Closure Report (Activity 6). The Financial Closure Report confirms the final costs for the scheme, ensuring all payments have been completed. The Financial Closure Report will be presented for approval by the decision-maker (Decision Point 6) as set out in the approval pathway and route approved at Decision Point 2.
- 4.12 The purpose of the Delivery and Financial Closure Reports is to assess the success of the scheme, identify best practice for future schemes, resolve all open issues and to capture feedback and lessons learnt to inform the development and delivery of future schemes.
- 4.13 Activity 7 (Evaluation) will be managed by the Combined Authority's Research & Intelligence team. This is a reporting point as opposed to the previous decision points in the process and will be undertaken when the scheme is completed for an evaluation of the benefits, outcomes and economic impact compared to the overall objectives set out in the SOC. Insights and learning intelligence from evaluation will also be fed back into policy and strategy in order to inform the design and development of future schemes. Interim evaluations may also be undertaken as required as set out in the Monitoring and Evaluation Plan.

Value for Money - Benefit Cost Ratios

- 4.14 The Benefit to Cost Ratio (BCR) for some of the schemes in this report potentially represent low value for money, when assessed using the Department for Transport's Transport Appraisal Guidance TAG on the appraisal of transport schemes.

- 4.15 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.
- 4.16 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. This is in line with HM Treasury guidance where appraisal should take account of all five cases (strategic, commercial, economic, financial and management) and the economic case be balanced with these.
- 4.17 Her Majesty's Treasury (HMT) have now completed the review of the Green Book. The Green Book is guidance issued by HMT on how to appraise policies, programmes, and projects. This review has endorsed the Combined Authority's approach by clarifying that overall Value for Money judgement should not depend solely on the BCR but be informed by a balanced consideration of all relevant evidence, that is, appraisal should take account of all five cases (strategic, commercial, economic, financial and management) and the economic case be balanced with these.
- 4.18 In particular, HMT have clarified further that in assessing value for money, a stronger emphasis can now be placed on the strategic case and how the strategic objectives and priorities of the Combined Authority will be met through the delivery of a project. This might for example include, but not limited to, a greater focus on regional impacts to help deliver Levelling Up, ensuring transformational projects are given due consideration, supporting the climate change and good growth agenda (the Combined Authority aims to achieve net-zero by 2038), supporting an increase in active mode and public transport use, supporting / accelerating housing development and allowing a greater emphasis on the requirement to carry out equalities analysis as required by the Public Sector Equalities Duty. The specific approach will be determined on a programme-by-programme basis as funding and investment streams come forward.

Scheme Summaries

<p>Inclusivity Champion</p> <p>West Yorkshire</p>	<p><u>Scheme description</u></p> <p>This project will fulfil the Mayor's election pledge to appoint an Inclusivity Champion, who will work to ensure the region's recovery benefits us all. The scheme will be developed in two phases. Phase one will identify and appoint the person with the necessary skills and experience to fulfil the role of Inclusivity Champion. This person will shape an ambitious work programme, including the commissioning of specific pieces of research activities and the preparation and delivery of action-based plans.</p> <p>The scheme will return to Committee for approval for phase two, which will cover the implementation of the inclusivity plan.</p> <p>This scheme will be funded by Gainshare and a partnership contribution from the West Yorkshire Health and Care Partnership.</p> <p><u>Impact</u></p> <p>The Inclusivity Champion's work will primarily benefit the communities that currently experience inequality and barriers to opportunities. Key areas of impact are improvements in wellbeing, connectivity and accessibility, transferable and relevant skills and good work.</p> <p>In addition equality, diversity and inclusion will be embedded in the Combined Authority's work and processes to continue to grow an inclusive economy.</p> <p><u>Decision sought</u></p> <p>Approval for Phase 1 to proceed through decision point 2 to 4 (business justification case) and work commence on activity 5 (delivery).</p> <p>Total value of the scheme - £625,000</p> <p>Total value of Combined Authority funding - £400,000</p> <p>Funding recommendation sought - £175,000</p> <p>A decision by the Finance, Resources and Corporate Committee using the delegated authority from the Combined Authority is sought as part of this report</p>
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**TCF A638 Dewsbury
Cleckheaton
Sustainable Travel
Corridor**

Kirklees

Scheme description

The scheme will provide infrastructure improvements on the A638 corridor between Oakenshaw and Dewsbury via Cleckheaton, Littletown and Heckmondwike and the parallel section of the Spen Valley Greenway and Spen Ringway.

The scheme will deliver improved journeys for bus users, pedestrians and cyclists between Heckmondwike and Cleckheaton town centres, with some additional minor improvements between Dewsbury and Heckmondwike and to the north of Cleckheaton. The scheme will support walking, cycling and bus travel and will encourage a reduction in private car travel to reduce carbon emissions and improve local air quality.

This scheme will be funded by the Transforming Cities Fund (TCF) and the Active Travel Fund (ATF).

Impact

The scheme will deliver:

- A new 0.7km bus lane on the southbound approach of M62 Chain Bar roundabout
- A new 2.1km cycle lane between Cleckheaton and Heckmondwike town centres
- New signalised pedestrian crossings at key road junctions including Batley Road junction and Wakefield Road junction
- Widening and resurfacing of the Spen Valley Greenway and Spen Ringway
- New and improved lighting along the Spen Valley Greenway
- Landscape improvements at key locations along the corridor
- Wayfinding improvements

The preferred option for the scheme forecasts a Benefit Cost Ratio (BCR) of 0.72:1, which indicates 'poor' value for money. However, the scheme will support local strategic priorities, including the development of 15 sites along or adjacent to the corridor that account for 1,035 new homes, four employment sites and nine priority employment areas.

A significant proportion of user benefits from bus, cycle and pedestrian enhancements will benefit the most deprived and disadvantaged communities. It is anticipated that children and people with reduced mobility will benefit, particularly with regards to safety improvements and improved accessibility to local amenities.

Decision sought

Approval to proceed through decision point 3 (outline business case) and work commences on activity 4 (full business case).

Total value of the scheme - £12,884,315

Total value of Combined Authority funding - £12,884,315

Funding recommendation sought - £415,970

A decision by the Finance, Resources and Corporate Committee using the delegated authority from the Combined Authority is sought as part of this report

5 Information

5.1 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.

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

Projects in Stage 1: Assessment and Sequencing

5.3 There are no schemes to review at this stage.

Projects in Stage 2: Development

Project Title	Inclusivity Champion
Stage	1 and 2
Decision Point	2 to 4 (business justification case)

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:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Background

5.4 This project will be funded by the Combined Authority's Gainshare funding as part of the devolution agreement to support regional objectives. The fund is allocated in accordance with the West Yorkshire Investment Strategy (WYIS) investment priority areas. These are underpinned by three cross cutting themes; tackling inequalities; inclusive growth; and tackling the climate emergency.

- 5.5 The project has also received a funding contribution from the West Yorkshire Health and Care Partnership (WYHCP). WYHCP works to bring together the local NHS, councils, and communities to improve joint working with the aim to further improve health and care for the 2.4 million people living across the areas of West Yorkshire and Craven. Collaboration with WYHCP is centred around shared ambitions to tackle the wider determinants of inequalities, and close alignment with the Combined Authority's Plan, in particular 'we will strengthen local economic growth by reducing health inequalities and improving skills, increasing productivity and the earning power of people and our region as a whole.'
- 5.6 The Mayor was elected in May 2021 with a manifesto pledge to appoint an inclusivity champion to ensure the region's post COVID-19 recovery benefited everyone. The Combined Authority's Corporate Plan for 2021/22 also reflects this ambition to continue to transform the economy to 'enable inclusive growth' to ensure as many people as possible contribute to, and benefit from our economic growth in our communities and towns.
- 5.7 Inclusive Growth is defined as enabling as many people as possible to contribute to, and benefit from, economic growth. It embeds the key perspectives of individuals that face barriers to securing good work, including those with protected characteristics, but also, of our communities, facing deprivation, inequality, and exclusion, as defined by either specific places, or groups through their shared interests, or collective identities.
- 5.8 West Yorkshire underperforms against the national average in respect of many inclusive growth indicators measured against the Combined Authority's Inclusive Growth Framework. There is considerable inequality between population groups and areas within the region. There is a risk that the pandemic could undermine progress and worsen existing disadvantage and inequalities, as well as recent problems caused by the ongoing cost-of-living crises. These are reported in the State of the Region Report, as for example in West Yorkshire:
- Too many working age people are not in work, we are below the national employment rate, and this gap is greater for ethnic minorities and people with disabilities.
 - Life expectancy is lower than the England average.
 - Too many people are working in poor quality jobs that do not meet the Office for National Statistics (ONS) definition of Good Work.
 - Too many people are not paid enough to make ends meet, 20% are paid less than the Real Living Wage rate, and some household incomes are way below the national average.
 - Too many people are suffering from poor mental health, we have a higher proportion of people suffering from depression and anxiety when compared to the national average.
- 5.9 The Combined Authority has committed to work towards inclusivity, embedding equality, diversity, and inclusion, and growing an inclusive

economy across everything it does. The Combined Authority does not currently have the necessary skills and expertise to achieve real progress.

- 5.10 The scheme will be developed in two phases. Phase 1 will identify and appoint a person with the necessary skills and experience to the role of Inclusivity Champion. This person will shape an ambitious work programme, including the commissioning of specific pieces of research activities and the preparation and delivery of action-based plans. The scheme will return to Committee for approval for phase two, which will cover the implementation of the inclusivity plan.
- 5.11 At the July 2021 meeting of the Combined Authority £400,000 was indicatively approved from Gainshare funding.
- 5.12 A summary of the scheme's business case is included in **Appendix 2**.

Tackling the Climate Emergency Implications

- 5.13 There are no direct implications for the Climate Emergency from the scheme to appoint an Inclusivity Champion.

Outputs, Benefits and Inclusive Growth Implications

- 5.14 The project outputs and benefits for phase 1 include:
- Procurement of a search and selection process to appoint an Inclusivity Champion. Review of the region's current arrangements and capacity to develop a work programme and inclusivity action-based plans for the West Yorkshire region.
 - Identification of necessary support roles for the implementation of the action-based plans in phase 2.

Equality and Diversity Implications

- 5.15 This project implements a Mayoral pledge to appoint an Inclusivity Champion. It will improve equality and diversity within West Yorkshire by bringing relevant knowledge and expertise into the Combined Authority. Once appointed the Inclusivity Champion will create a work programme and action-based plans that will be work towards real positive change.

Risks

- 5.16 The scheme risks include:
- The search and selection process fails to identify suitable candidates with the right knowledge or abilities to fill the Inclusivity Champion role. This is mitigated by using the lessons learnt by other regions to appoint similar champion style roles and appointing via an open process of tendering or direct appointment. This is a rigorous, open and well established process that enables more flexible approaches of appointment.

- Insufficient consensus amongst partners and stakeholders on the scope of the project and role and priorities of the Inclusivity Champion. This is being mitigated by early consensus building and consistent cross-partner representation in the development of the Inclusivity Champion role, search and selection process and governance structures.
- Insufficient time within the tenure of the elected Mayor to deliver the anticipated step change in inclusion, which the role and funding are aligned to. Mitigated by ensuring that the project has the capacity and expertise to deliver an achievable work plan, and by the embedding of the knowledge, skills and values into internal structures to ensure continuation of inclusive growth in the planning and implementation of future Combined Authority programmes.

Costs

- 5.17 At the July 2021 meeting of the Combined Authority £400,000 was indicatively approved from Gainshare funding.
- 5.18 The scheme costs for Phase 1 and 2 are £625,000. Of this, £400,000 will be funded by the Combined Authority's Single Gainshare Fund and £225,000 will be funded by the West Yorkshire Health and Care Partnership.
- 5.19 Approval of Phase 1 funding of £175,000 is sought.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
2 to 4 (business justification) Phase 1	Recommendation: Combined Authority's Programme Appraisal Team Decision: Finance, Resources and Corporate Committee	08/06/2022
2 to 4 (business justification) Phase 2	Recommendation: Combined Authority's Programme Appraisal Team Decision: Finance, Resources and Corporate Committee	31/01/2023
5 (delivery) Phase 1 and 2	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	31/03/2024

Other Key Timescales

- 5.20 The Inclusivity Champion scheme is about bringing in expertise and providing leadership in this area for a term that coincides with the remainder of the Mayor's term of office and so will end on 31 March 2024. At that point the forward plan and pipeline of deliverable interventions should be in place as an

output from this project and the consultation and research it has enabled through the inclusivity knowledge gained.

Assurance Tolerances

Assurance tolerances
Combined Authority costs remain within those outlined in this report.
Delivery (DP5) timescales remain within those outlined in this report.

Appraisal Summary

- 5.21 The Business Justification and the external research that form a context to it put a compelling case for the need to act on inclusivity and set up the role and it also supports the Mayoral pledge. The project sits at the heart of the strategy and policies of the Combined Authority and has a strong correlation to what the funding partner WYHCP is trying to achieve as economic inclusion is one of its 10 ambitions. Despite the project having a small budget – which is why it has come forward as a Business Justification – it has a reach and political profile which punches well beyond the weight of its finances. Many of the project's benefits will be non-financial and the risks of it going wrong and disappointing people if it is not set up right at the outset with a well-defined scope and clear objectives are considerable which is why the scheme has been phased.
- 5.22 The project will start a step change on inclusivity in the City Region by raising its profile both internally and through our many stakeholders and partners.
- 5.23 The strategic case demonstrates fit with Combined Authority strategy and policy and the justification also goes wider than this as national themes on inclusion and the current political focus on Levelling Up is very relevant, as is the activity of other City Regions on this agenda.
- 5.24 Overall, there is a risk the project may overpromise and underdeliver because the strategic ambition set for it is broad. Creating a Benefits Realisation Plan once the Inclusivity Champion (permanent or interim) has been appointed, the necessary supporting capacity put in place, a work programme agreed and agreeing how this project will be evaluated for success will assist in firming up the scope, focus and financial/non-financial objectives and benefits. This will allow prioritisation of activities and the effective engagement and communication with stakeholders going forward, particularly Local Authority Partners and the Inclusivity Leads on the six thematic committees of the Combined Authority.

Recommendations

- 5.25 The Finance Resources and Corporate Committee approves that:

- (i) The Inclusivity Champion scheme (Phase 1) proceeds through decision point 2 to 4 (business justification) and work commences on activity 5 (delivery).
- (ii) An indicative approval to the Combined Authority's contribution of £400,000 is given. The total scheme value is £625,000.
- (iii) Approval to the Combined Authority's contribution of £175,000.
- (iv) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

Project Title	TCF A638 Dewsbury Cleckheaton Sustainable Travel Corridor
Stage	2 (development)
Decision Point	3 (outline business case)

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:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Background

- 5.26 This scheme 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.
- 5.27 The TCF programme is organised into three themes which focus on improving public transport and cycling corridors, improving accessibility to key locations, and improving transport hubs and interchange facilities.
- 5.28 The TCF Dewsbury Cleckheaton Sustainable Travel Corridor scheme focuses on the A638 corridor which extends approximately 8.4 kilometres between Oakenshaw in the north, through Cleckheaton, Littleton and Heckmondwike to Dewsbury in the south at the junction with Dewsbury Ring Road.
- 5.29 The A638 comprises a key route for the district, as it provides a strategic east-west link between Dewsbury and Bradford, as well as facilitating onward connectivity across the wider region via the M62 Chain Bar interchange.
- 5.30 It is a popular commuting route linking residential areas with employment, light industry sites and several town centres along the route. Dewsbury Hospital, Heckmondwike Grammar School and Kirklees College are key destinations along the corridor that generate a high volume of car and walking trips. Cleckheaton Bus Station and Heckmondwike Bus Hub are also located on the A638 within the extent of the proposed scheme.

- 5.31 The A638 corridor also runs parallel to a section of the Spen Valley Greenway (SVG), a popular walking and cycling path that forms part of the National Cycle Network Route (NCN) 66 and the Spen Ringway (SR), an off-road walking and cycling route along the disused railway line from Ravensthorpe to Leeds.
- 5.32 High traffic volumes on the A638 Dewsbury – Cleckheaton corridor, due to increased reliance on car travel and lack of viable travel alternatives, cause congestion issues contributing to poor local air quality and increased transport-related carbon emissions. Although many bus services travel along or across the A638, there are only two small sections of bus lanes and limited bus priority along the route. Long queues and significant delays are experienced by bus users during peak periods on the southbound approach to Chain Bar roundabout.
- 5.33 Current on-road cycling provision is limited to advisory cycle lanes of approximately one kilometre in length to the south of Cleckheaton. These are parallel to on-street parking and not segregated from the highway causing safety concerns. Existing footway provision and pedestrian infrastructure along the corridor are also below standards with very narrow pavements and a lack of safe crossing facilities at several key junctions.
- 5.34 The scheme proposes several interventions along the A638 route as well as the parallel off-road routes of Spen Valley Greenway and Spen Ringway, focusing on providing better connected, enhanced cycling infrastructure and pedestrian facilities, as well as introducing bus priority measures to encourage higher uptake of cycling and walking for local communities, improve current bus journey times and enhance safety for pedestrians, cyclists and bus users.
- 5.35 The core package of improvements includes the following interventions:
- 0.7km bus lane on the southbound approach of M62 Chain Bar roundabout.
 - 2.1km cycle lane between Cleckheaton and Heckmondwike town centres.
 - Four new pedestrian refuges (crossing islands) between Chain Bar Road and John William Street.
 - New zebra crossings on Market Street and Northgate.
 - Six new signalised pedestrian crossings.
 - Six new or upgraded signal-controlled junctions.
 - 0.2km of footway widening outside Heckmondwike Grammar School.
 - Pedestrianisation and public space enhancements of Northgate near to Market Street.
 - Upgrade of six bus stops to smart bus stops, between Chain Bar roundabout and Leeds Road.

- Conversion of several existing disused green spaces to pocket parks (small green spaces open to the general public) including some limited tree planting.
 - 8.5km of widening and resurfacing of the Spen Valley Greenway.
 - 13 access improvements between the Spen Valley Greenway and A638 and seven access improvements between Spen Ringway and A638, including wayfinding and signage improvements.
 - New and improved lighting along the Spen Valley Greenway.
- 5.36 The scheme will support improve accessibility as 15 development sites that account for 1,035 new homes, four employment sites and nine priority employment areas are developed, as identified by Kirklees' Local Plan.
- 5.37 The full business case (FBC) for the scheme is to be phased. The first phase will include the off-highway works on the Spen Valley Greenway and Spen Ringway. The second phase will cover the on-highway works on the A638.
- 5.38 The scheme aligns with the four priorities of the Strategic Economic Framework (SEF), primarily contributing to deliver 21st century transport infrastructure by encouraging walking, cycling and bus travel through the provision of safer, enhanced and better-connected cycling and walking routes as well as improved bus priority and infrastructure.
- 5.39 The scheme also aligns with the following Strategic Economic Framework priorities:
- Boosting productivity: This scheme improves connectivity which provides people with better access to jobs and opportunities.
 - Enabling Inclusive Growth: This scheme will deliver safety improvements and accessibility to local amenities, benefiting local residents, including vulnerable groups such as children and people with reduced mobility.
- 5.40 A summary of the scheme's business case and location map is included in **Appendix 3**.

Tackling the Climate Emergency Implications

- 5.41 By upgrading cycle infrastructure along the A638 and cycleways along the Spen Valley Greenway and Spen Ringway routes, alongside improving pedestrian facilities and enhancing bus priority throughout the corridor, the scheme is expected to encourage a higher uptake of cycling, walking and bus use within the area.
- 5.42 The scheme has the potential to lead to a slight reduction in carbon emissions due to forecast reductions in car usage because of people walking, cycling or using the bus instead. This reduction would be balanced against the potential carbon impact of building the scheme. The carbon impact will be further quantified and reported on at the full business case stage.

- 5.43 The scheme forms part of a wider planned investment into local transport infrastructure funded by the TCF programme, including the redevelopment of Dewsbury Bus Station and Heckmondwike Bus Hub and the Dewsbury Town Centre Walking and Cycling improvement project. Together, these schemes will encourage a greater change in how people travel, moving away from car travel to walking, cycling and travel by bus.
- 5.44 Environmental Impact Assessments have not been undertaken at this stage to fully capture and quantify carbon, air quality and noise impacts. This will be reported at full business case stage.

Outputs, Benefits and Inclusive Growth Implications

- 5.45 The scheme outputs and benefits include:
- An increase in bus usage on routes using the A638 by improving bus journey times along the corridor and making bus travel more attractive.
 - Reduced journey time variability along the A638 bus route ensuring that an increased percentage of buses run on time (arriving not more than 1 minute earlier or 5 minutes later than the scheduled time) making buses a more reliable transport alternative.
 - An increase in the number of trips undertaken on foot and increased user satisfaction of the pedestrian infrastructure along the A638 corridor and the Spen Valley Greenway/ Spen Ringway, through provision of improved pedestrian facilities and safety enhancements.
 - An increase in the number of trips undertaken by cycle and increased user satisfaction of the cycling infrastructure along the A638 corridor and the Spen Valley Greenway/ Spen Ringway, through provision of improved cycling facilities and safety enhancements.
 - A reduction in Nitrogen Dioxide (NO₂) levels in the scheme area to be under the UK air quality objectives thresholds of 40µg/m³ through reducing vehicle kms travelled by car on the local network and encouraging a switch to bus, walking and cycling.
- 5.46 The preferred option for the scheme forecasts a Benefit Cost Ratio (BCR) of 0.72:1, which indicates 'poor' value for money. Of the three options assessed in the outline business case, all three are estimated to offer 'poor' value for money with BCR's of between 0.51:1 and 0.72:1. This is in part due to the introduction of signalised junctions expected to lead to some delays to vehicle journeys. If these disbenefits are excluded then the value for money for the scheme is forecast to be 'low'.
- 5.47 A Social and Distributional Impact Assessment which has been undertaken which shows that a significant proportion of user benefits from bus, cycle and pedestrian enhancements will benefit the most deprived/disadvantaged population segments.

Equality and Diversity Implications

- 5.48 It is anticipated that vulnerable groups residing in the local area (including children and people with reduced mobility) will benefit significantly from the scheme, due to safety improvements and improved accessibility to local amenities including schools, hospitals, parks and community centres, all within walking distance of the A638 corridor.
- 5.49 The scheme also promotes inclusive growth by playing a key role in connecting the deprived communities residing around the corridor and most crucially, those Not in Employment, Education or Training (NEETs) to opportunities in Cleckheaton, Heckmondwike and Dewsbury as well as to key employment centres across the wider Leeds City Region, by providing better connectivity to Cleckheaton and Heckmondwike Bus Stations.

Risks

- 5.50 The scheme risks include:
- Risk of difficulties in securing required materials and significant cost escalation occurring due to inflation impact on costs of materials and/or limited availability because of Brexit and COVID-19. This will be partially mitigated through undertaking robust costing including contingency and benchmarking costs, whilst also ensuring continuous review of scheme costs.
 - Risk of programme slippage and cost increases if delays are encountered in appointing a construction contractor due to increased demand and limited availability within the construction market. This will be partially mitigated through early engagement with suppliers.
 - Risk of significant disruption to travelling public occurring during the construction period with adverse temporary impacts on noise, vibration and air pollution causing further public objections and increases to traffic management costs. This will be mitigated through early constructor involvement, development of construction management plans and network management with other local schemes that have similar construction timescales.

Costs

- 5.51 The total scheme cost is £12,884,315. Of the total scheme costs, £12,354,253 are to be funded through the Transforming Cities Fund (TCF).
- 5.52 The remaining costs of £530,062 are to be funded from the £1,983,983 allocation awarded to Kirklees Council in November 2020 from tranche two of the Department for Transport's Emergency Active Travel Fund (EATF). This amount will be utilised to fund access links improvements to the Spenn Valley Greenway and Spenn Ringway routes.
- 5.53 The cost of the preferred package option at strategic outline case (SOC) stage was £16,000,000. The package was split into two schemes to progress

separately at outline business case (OBC) stage, the TCF A638 Dewsbury Cleckheaton Sustainable Travel Corridor and TCF Heckmondwike Bus Hub. The TCF A638 Dewsbury Cleckheaton Sustainable Travel Corridor received an indicative allocation from the Combined Authority of £13,000,000.

- 5.54 The TCF programme review undertaken in June 2021 approved a reallocation of £1,000,000 of indicative funding from this corridor scheme towards the Heckmondwike Bus Hub, reducing the total indicative approval for this corridor scheme to £12,000,000.
- 5.55 A further TCF programme review undertaken in January 2022 requested an increase of £354,253 in indicative funding for this TCF A638 Dewsbury - Cleckheaton Sustainable Travel Corridor scheme to account for Combined Authority programme overhead costs. This was approved by the Place, Regeneration and Housing Committee on the 7 February 2022. Further, £1,983,983 was awarded to Kirklees Council by the Combined Authority from the Active Travel Fund in November 2020. Of this amount, £530,062 has been allocated by to this scheme. This increases the total indicative approval for this scheme to £12,884,315.
- 5.56 Total scheme development costs are estimated at £1,367,470 and development costs of £951,500 have been approved to date. Kirklees Council now requests approval of £415,970 (£340,970 development costs and £75,000 monitoring and evaluation costs) from the TCF programme to enable completion of full business case activities.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
3 (outline business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Finance, Resources and Corporate Committee	08/06/2022
4 (full business case) Phase 1	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	25/11/2022
4 (full business case) Phase 2	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	19/05/2023
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	30/06/2024

Other Key Timescales

Public Consultation

- Consultation on OBC preferred option: mid-February to mid-March 2022

Environmental Impact Assessment

- Environmental Impact Assessment July 2022

Procurement

- Early Contractor Involvement – Preliminary Design: June - August 2022
- Early Contractor Involvement – Detailed Design: August - October 2022
- Preliminary & Detailed Design Development: January – August 2022
- Early Works – Construction Contract Award: December 2022
- Main Works - Construction Contract Award: May 2023

Construction Activities:

- Commencement of Early Construction Works: December 2022
- Enabling Works: February - May 2023
- Commencement of Main Construction Works: June 2023
- End of Main Construction Works: June 2024

Assurance Tolerances

Assurance tolerances	
Cost	Costs to remain within 5% of those outlined in this report.
Timescales	Timescales for Decision Point 5 to remain within 3 months of the dates in this report.

Appraisal Summary

- 5.57 The scheme's scope is in alignment with the key TCF objectives and priorities of sustainable infrastructure provision, clean and inclusive growth. The rationale for change is well supported by social, economic and transport issues and challenges faced by local communities.
- 5.58 There remain elements of the OBC that require further development, with design, cost and programme certainty being low, therefore conditions are recommended to resolve outstanding areas prior to FBC development.
- 5.59 Cost escalation or design changes following OBC are considered likely subject to public/stakeholder feedback, confirmation of regulatory/statutory requirements by planning stakeholders and findings of Environmental Impact Assessment screening and on-site surveys.

- 5.60 The preliminary design stage commenced in March 2022, on-site surveys including ground/site investigations and utilities have not commenced and budget cost estimates for statutory works have not yet been obtained.
- 5.61 The preferred procurement strategies/routes for both the early and the main scheme construction works have not been determined. No market engagement has been undertaken with suppliers to date. Further work is needed to consider the procurement of the works, recognising that different approaches may be required for the on and off highway elements of the scheme.
- 5.62 The OBC would benefit from providing additional strategic narrative to further support the rationale for introducing the on-road cycle route based on current and future travel patterns observed within its area of impact.
- 5.63 Current designs for the A638 cycle measures perform poorly against current national cycling design guidance (LTN1/20). This is because the assessment has been applied to the full corridor, which has minimal cycling provisions along sections north of Cleckheaton and south of Heckmondwike. A review of scheme performance against national cycling design guidance (LTN1/20) will be undertaken at FBC in relation only to the section of the corridor between Cleckheaton bus station and the A638/A62 junction. It is anticipated that performance will be improved for this section in isolation.
- 5.64 It is not anticipated by the promoter that planning or any other regulatory consents are likely to be required for the scheme. This is an assumption and needs to be confirmed by findings of baseline assessments/surveys alongside engagement with the Local Planning Authority and relevant planning stakeholders.

Recommendations

- 5.65 The Finance, Resource and Corporate Committee approve that:
- (i) The TCF A638 Dewsbury Cleckheaton Sustainable Travel Corridor scheme proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case), subject to the conditions set by PAT.
 - (ii) An indicative approval to the Combined Authority's contribution of £12,884,315 is given, subject to the conditions set by PAT. The total scheme value is £12,884,315.
 - (iii) Approval to additional development costs of £415,970 taking the total scheme approval to £1,367,470.
 - (iv) The Combined Authority enters into an addendum to the existing Funding Agreement with Kirklees Metropolitan Borough Council for expenditure of up to £1,367,470.

- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

Conditions

- 5.66 That Kirklees Metropolitan Borough Council provides a report to the Combined Authority's Programme Appraisal Team by 31st August 2022 to include the conditions outlined in the PAT Appraisal Report.

Projects in Stage 3: Delivery and Evaluation

- 5.67 There are no schemes to review at this stage.

6 Tackling the Climate Emergency Implications

- 6.1 The Climate Emergency implications have been considered on all projects included in this report as part of their business case development.

7 Inclusive Growth Implications

- 7.1 The inclusive growth implications have been considered on all projects included in this report as part of their business case development.

8 Equality and Diversity Implications

- 8.1 Equality Impact Assessments (EQIA) have been undertaken on all projects included in this report as part of their business case development.

9 Financial Implications

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

10 Legal implications

- 10.1 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.
- 10.2 The Combined Authority is required to give 28 days' notice of a key decision. It has not been possible to provide the statutory 28 days' notice for the Inclusivity Champion key decision due to technical difficulties with the software used to publish key decisions. However, in accordance with the Combined Authority's Access to Information Annex to Procedure Standing Orders (part 1 section 7C – General Exception), the Chair of the Overview and Scrutiny Committee has been notified, notification has been published on the Authority's website and 5 clear days has elapsed following the day of publication of the notice. Accordingly, as set out in the rules of General Exception, the Combined Authority may still make the decision.

11 Staffing implications

- 11.1 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.

12 External consultees

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

13 Recommendations (Summary)

- 13.1 The Finance Resources and Corporate Committee approves that:

- (i) The Inclusivity Champion scheme (Phase 1) proceeds through decision point 2 to 4 (business justification) and work commences on activity 5 (delivery).
- (ii) An indicative approval to the Combined Authority's contribution of £400,000 is given. The total scheme value is £625,000.
- (iii) Approval to the Combined Authority's contribution of £175,000.
- (iv) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

- 13.2 The Finance, Resource and Corporate Committee approves that:

- (i) The TCF A638 Dewsbury Cleckheaton Sustainable Travel Corridor scheme proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case), subject to the conditions set by PAT.
- (ii) An indicative approval to the Combined Authority's contribution of £12,884,315 is given, subject to the conditions set by PAT. The total scheme value is £12,884,315.
- (iii) Approval to additional development costs of £415,970 taking the total scheme approval to £1,367,470.
- (iv) The Combined Authority enters into an addendum to the existing Funding Agreement with Kirklees Metropolitan Borough Council for expenditure of up to £1,367,470.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

14 Background Documents

14.1 None as part of this report.

15 Appendices

Appendix 1 – Background to the Combined Authority's Assurance Framework

Appendix 2 – Inclusivity Champion – Business Case Summary

Appendix 3 - TCF A638 Dewsbury Cleckheaton Sustainable Travel Corridor – Business Case Summary