

Report to: Transport Committee

Date: 14 December 2022

Subject: **Inflation: Transport Programmes**

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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" 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

1. Purpose of this Report

1.1 To provide an update on the inflation review and subsequent approvals by the Combined Authority at their meeting on 08 December 2022. The approval allows for:

- The identified savings for West Yorkshire Transport Fund (WYTF), Transforming Cities Fund (TCF) and City Region Sustainable Transport Settlement (CRSTS) to be implemented and for projects to be added to a pipeline for alternative funding.
- The additional funding requests on projects in WYTF, TCF and CRSTS, as set out in this report.
- The WYTF and TCF projects to be re-baselined based on the milestone information included in the report and revised funding allocations.

1.2 Members of the Transport Committee are asked to note the rebase lining of schemes within the WYTF and TCF programmes.

2. Introduction

2.1 The Finance, Resources and Corporate Committee (FRCC) requested a review of inflation costs in relation to existing major transport infrastructure programmes. This work was undertaken jointly by the Combined Authority and

district partners and recommendations were made to the Combined Authority to reduce the spending against each programme. The inflation review focused on identifying schemes that could continue in development but where alternative funding would be needed to implement the scheme(s). On this basis a number of schemes were identified to go on to the transport pipeline to reduce overprogramming and create headroom in existing transport programmes to meet additional funding requests due to inflation.

2.2 On 8 December 2022, the Combined Authority considered that:

- The projects listed in **Appendix 1** should be pipelined and the Revised Full Funding required to reach the pause decision point be approved.
- The projects listed in **Appendix 2** should obtain additional funding to enable them to continue into delivery.
- The revised milestones in **Appendix 3 and Appendix 4** should be approved at Combined Authority.

3. Analysis and Assessment

3.1 Working collaboratively the Combined Authority and district partners have identified projects which can be pipelined based on the following criteria:

- Financial viability.
- Deliverability (and delivery being within agreed timescales).
- Strategic fit and suitability against sustainable travel options. West Yorkshire's current strategic priorities give a focus to more sustainable travel options.

3.2 Collectively savings of approx £266 million have been identified to be released from existing programmes (see table below). This will ease the immediate pressure on budgets and to allow this funding to both mitigate current inflationary issues and be set aside to deliver key transport priorities on projects currently in development. By continuing to develop schemes we can include 'shovel ready' schemes on the transport pipeline which will be ready to apply for any future funding opportunities as and when funding becomes available. Available funding will be prioritised for those schemes that demonstrate significant local transport outputs, benefits and deliver against our priorities such as the BSIP.

3.3 Engagement with Partner Council officers, portfolio holders and leaders has been crucial in shaping the recommendations being put forward in this report.

4. Financial Summary

	TF	TCF	CRSTS	Additional TF	Additional TCF	Additional CRSTS	District / CA total
TOTALS	£ 231,196,923	£ 96,774,005	£ 14,000,000	-£ 31,617,323	-£ 40,858,557	-£ 3,000,000	£266,495,048
Total Savings	£ 341,970,928						
Total Additional Ask	-£ 75,475,880						
OVERALL	£ 266,495,048						
Headroom	£ 80,196,923	£84,742,607					

- 4.1 The savings identified reduce over-programming and allows for some inflation headroom in both the TCF and TF programmes and within TCF this also allows us to identify key elements of the corridor schemes in the programme that can be delivered to meet TCF and BSIP priorities.
- 4.2 The detail of the individual projects to be pipelined, and their next decision point is found in **Appendix 1**.

5. Tackling the Climate Emergency Implications

- 5.1 Through the scoring criteria, analysis has been done on the sustainability of projects. As a result of this analysis, projects have been assessed against their ability to meet sustainable travel aims. Those projects which had a RAG rating of red or amber against financial viability, deliverability or sustainable travel were considered for the pause and pipeline option. Therefore, those projects which meet sustainable travel objectives, and are affordable and deliverable remained in their current transport programme.

6. Inclusive Growth Implications

- 6.1 Through the scoring criteria, work has been undertaken to prioritise projects that have sustainable travel elements to them to ensure that public infrastructure projects continue to progress. This will mean access to employment, skills and training will continue.

7. Equality and Diversity Implications

- 7.1 All projects are required to develop Equality Impact Assessments as part of their development and delivery stages. These are submitted for review as part of the project appraisal process and inform recommendations and decisions on projects progression.

8. Financial Implications

- 8.1 The changes to the project allocations will reduce the pressure on the capital programme. The Combined Authority will continue to review the economic climate and take advice on how future inflation trends could impact on its programme of works.

9. Legal Implications

- 9.1 There may be legal implications if grant funding agreements have already been issued and where these projects are paused and pipelined. This may result in deeds of variations needing to be executed.

10. Staffing Implications

- 10.1 There are potentially some staffing implications as some projects will be pipelined. However, projects are being taken to the next decision point in most

cases in order to get them into a viable position to take forward once alternative funding has been identified.

- 10.2 Within the Combined Authority we operate a flexible pool of resources that can work across transport programmes. These resources are deployed to new funding streams as they arise. An exercise is also being undertaken to move projects to the most appropriate programme team where there is dual funding, rather than the project being managed by two separate teams.

11. External Consultees

- 11.1 No external consultations have been undertaken.

12. Recommendations

- 12.1. The Transport Committee are asked to note the following changes to schemes within the WYTF and TCF programmes:
- (i) The projects to be pipelined and the Revised Full Funding required to reach the pause decision point, as set out in this report. (Appendix 1).
 - (ii) The new project indicative / full allocations, as set out in this report (Appendix 2).
 - (iii) The additional funding requests on projects in WYTF, TCF and CRSTS, as set out in this report.
 - (iv) The re-baselined milestone information included in the report (Appendix 3 and 4).

13. Background Documents

- 13.1 There are no background documents referenced in this report.

14. Appendices

Appendix 1 – List of pipeline projects, including projects with alternative funding sources, new indicative allocations and next decision point information.

Appendix 2 – List of additional funding requests, including new indicative allocations.

Appendix 3 – Transport Fund revised milestone data

Appendix 4 – TCF revised milestone data