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Report to: West Yorkshire Combined Authority

Date: 3 August 2017

Subject: Capital Spending and Project Approvals

1. Purpose

1.1. This report seeks approval for the progression of schemes through WYCA's Assurance process in line with WYCA's Assurance Framework. Further detail on the schemes summarised below can be found as part of this report.

West Yorkshire Plus Transport Fund Transformational Schemes - Wakefield South Featherstone Link Road	Total value of feasibility works and the funding approval sought as part of this report – £0.284m	Funding of a pre-feasibility study to identify and evaluate options for a link road intended to by-pass around Ackworth, Featherstone and Pontefract.
West Yorkshire Plus Transport Fund Transformational Schemes - York Outer Ring Road Dualling	Total value of feasibility works and the funding approval sought as part of this report - £0.295m	Funding of a pre-feasibility study to identify and evaluate options for upgrading the A1237 between the A64 at Askham Bar and A64 at Hopgrove to a dual carriageway.
West Yorkshire Plus Transport Fund Transformational Schemes - North Kirklees Orbital Route	Total value of feasibility works and the funding approval sought as part of this report – £0.248m	Funding of a pre-feasibility study to identify and evaluate options for a proposed 16.5km carriageway with an alignment proposed to follow the existing orientation of the A644 and A638 respectively and incorporate a new 9km section.
WYCA's Portfolio Information Management System	Total value of the scheme – £0.200m	Delivery of an ICT system which will enhance and strengthen WYCA's approach to project, programme and portfolio management.
Pot Hole Action Fund	Total value of scheme and the funding approval sought as part of this report - £2.231m	Approval of funding to complement the West Yorkshire Local Authorities' planned maintenance works to enable the permanent fixing of potholes (not short term filling) or prevent them from forming in the first place on the carriageway.

1.2. These schemes will have a total combined value of £3.312m when fully approved, and expenditure approval to the value of £3.112m is sought as part of this report.

1.3. WYCA’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
- WYCA’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

This report provides the information required to enable WYCA to approve each of the above elements.

2. Information

2.1. This report puts forward proposals for the progression of, and funding for, a number of schemes for approval by WYCA, following consideration by the Investment Committee. WYCA will recall that a three stage approach has been introduced as part of an enhancement to current project management arrangements, 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 Points 2 (case paper approval) and 5 (final cost approval), highlighted in green below, with the requirement to meet the intervening activities deemed on a project by project basis.



2.2. The Programme Appraisal Team (PAT) appraises all schemes at the Decision Points. The PAT consists of an independent panel of officers representing policy, legal, financial, assurance and delivery supplemented with external experts. The scheme promoters from the District Councils or Partner Delivery organisations attend the meeting to introduce the scheme and answer questions from the panel. The Terms of Reference for the PAT are contained within the recently updated Assurance Framework.

2.3. The four schemes that are set out in the following report have been considered by West Yorkshire and York’s Investment Committee and have been recommended for approval. These are summarised as:

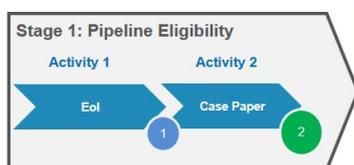
West Yorkshire Plus Transport Fund Transformational Schemes - Wakefield South Featherstone Link Road	Decision Point 2 (Case Paper)
West Yorkshire Plus Transport Fund Transformational Schemes - York Outer Ring Road Dualling	Decision Point 2 (Case Paper)
West Yorkshire Plus Transport Fund Transformational	Decision Point 2 (Case

Schemes - North Kirklees Orbital Route	Paper)
WYCA's Portfolio Information Management System	Decision Point 3 (Outline Business Case)

- 2.4. The Pot Hole Action Fund DfT funding allocation has proceeded directly to WYCA ahead of consideration by the Investment Committee due to the nature of the funding stream.
- 2.5. In accordance with the recently updated Assurance Framework, an overview of all scheme business cases was published on the WYCA website as part of the Investment Committee papers for 16 June 2017, under Agenda Item 6 – Capital Spend and Project Approvals. These business case summaries can also be found under the 'Decisions' section of the West Yorkshire Combined Authority Website, under the relevant entry for each of the WYCA decisions contained within this report.

Projects in Stage 1: Pipeline Eligibility

- 2.6. 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 pipeline. At this stage funding may be sought to enable this work to progress.



2.7. West Yorkshire Plus Transport Fund Transformational Schemes (Activity 2 Case Paper)

- 2.7.1. Under the WY+TF, there is a £12.5m allocation for the development and scoping of potentially transformational. Transformational change will allow for the economic growth aspirations identified in the Strategic Economic plan to be realised and this available funding will fund early pre-feasibility development of projects to be considered from a strategic case perspective.
- 2.7.2. Following a discussion with Investment Committee members at a workshop in January 2017, project officers have been considering what projects could be brought forward and districts are keen to draw down from this available funding stream and undertake development work on future transformational projects.
- 2.7.3. To ensure the consideration of projects meets with strategic aspirations, work to further develop the approach and criteria of a 'transformational project' is being

undertaken by our Transport Policy and Strategy team. In parallel, and to allow for development work of projects to commence the following three schemes are seeking funding approval to enable their Strategic Cases to be developed. These transformational schemes are not included as named schemes in the West Yorkshire Plus Transport Fund and it has been made clear to Promoters that whilst funding has been made available to fund development of their strategic cases, there is no guarantee of any future WY+TF funding to fund future delivery of the schemes.

2.8. Wakefield South Featherstone Link Road (Activity 2 Case Paper)

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12a, Local Government Act 1972, Part 1	N/A

Background

2.8.1. Wakefield City Council have submitted an application for the South Featherstone Link Road to be considered for preliminary funding. The criteria the project meets are:

- funding request is for scoping and feasibility;
- delivery of the scheme would be post 2021;
- this is feasibility for a new project not already on the West Yorkshire Plus Transport Fund list;
- the scheme would unlock land for housing and employment use; and
- this would be a new road and would significantly affect driver behaviour.

2.8.2. The scheme itself is intended to be a by-pass around Ackworth, Featherstone and Pontefract. The funding required is to enable a technical feasibility exercise to consider a range of scenarios. This will include evaluation of transport, environmental and economic indicators. The outcome of this project is expected to be a report detailing a short list of options and high level cost estimates. The key objectives of the project are to carry out a number of technical and feasibility checks and to provide a report with a number of options, with high level costs and Programmes for delivery.

- To assess and report the transport impacts of the full range of link road options and implementation scenarios.
- To assess and report the high level environmental impacts associated with the full range of link road options.
- To investigate the impact of the road alignments on land ownerships and potential land valuations
- To quantify the housing, employment and development opportunities associated with the link road alignment.

- To produce an initial cost estimate of the highway alignments and bridge construction.
- To understand the views and issues of Network Rail and the Environment Agency.

Costs

- 2.8.3. Up to £284k for feasibility and scoping works. Total scheme costs to be confirmed following this work.

Timescales

- 2.8.4. This is anticipated to be a 24 month feasibility and scoping project to culminate in a high level options report.

Project Responsibilities

Senior Responsible Officer: Neil Rodgers, Wakefield Council
 Project Manager: Paul Stevenson, Wakefield Council
 WYCA case officer: Lisa Childs, WYCA

Recommendations

- 2.8.5. That following a recommendation from the Investment Committee, WYCA approves funding of £284k for the Wakefield South Featherstone Link Road scheme to progress through Decision Point 2 and develop a Strategic Case for the Transformational Project. In addition, that WYCA enter into a Funding Agreement with Wakefield Council for expenditure of up to £284K from the West Yorkshire Plus Transport Fund.

2.9. York Outer Ring Road Dualling (Activity 2 Case Paper)

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12a, Local Government Act 1972, Part 1	N/A

Background

- 2.9.1. Improvements to the A1237 York Outer Ring Road (YORR) is one of the schemes programmed to be implemented as part of the West Yorkshire Plus Transport Fund programme before 2021. This focuses on improvements to seven of the thirteen roundabouts on a stretch from A1237/B1224 to A1237/Monks Cross/North Lane, and has Decision Point 3 (OBC) approval. It is acknowledged that whilst the scheme will deliver significant benefits, in order for more transformational change to be delivered, the route should be improved to dual carriageway standard. Funding is

identified for pre-feasibility work on transformational schemes as part of the original WY+TF schedule, with a total of £12.5m available. City of York Council has submitted a request for funding approval at Decision Point 2, in order to progress further modelling and pre-feasibility work to strengthen the strategic case for dualling of all or part of the carriageway.

- 2.9.2. The A1237 between the A64 at Askham Bar and A64 at Hopgrove forms the north west corner of the York Outer Ring Road and carries 35,000 vehicles daily. Numbers have increased significantly over the past 10 years (10% since 2012). Despite the road being subject to the 60mph national speed limit, the current average end to end journey time is over 30 minutes (for 10 miles), meaning average speeds are actually less than 20mph. Queue lengths extend across roundabouts, particularly the A19 and A59 intersections, causing significant additional delay on radial routes also.
- 2.9.3. Dualling of the YORR is considered crucial to enabling the successful implementation of York's Local Plan and future housing and employment growth aspirations of both the Leeds City Region and York. By undertaking this pre-feasibility work, City of York Council can develop a robust strategic case, which can be presented to DfT and other funding bodies to secure funding to develop the business case, and potential subsequent delivery.
- 2.9.4. Looking at the strategic case for the upgrade to dual carriageway standard now compliments the upgrade of roundabouts on the A1237 corridor through the WY+TF before 2021, and also enables that scheme to be future proofed. This pre-feasibility work also compliments the proposed RIS (Regional Investment Strategy) 2 Hopgrove A64 interchange upgrade scheme by Highways England.
- 2.9.5. The pre-feasibility work to develop the strategic case for dualling of the A1237 York Outer Ring Road has clear alignment with the LCR SEP, particularly priority 4 – Infrastructure for Growth (Transport and Services) – places will be connected by high quality transport and wider infrastructure that serves the needs of businesses and people. Movement between towns and cities will be easy and fast. Furthermore dualling of the A1237 has a clear strategic fit with the York, North Yorkshire & East Riding Economic Plan – 'A well connected economy' is a key priority identified, with objectives including fast reliable journeys between key centre; transport that underpins growth; and access to UK and international markets.

Costs

- 2.9.6. A funding approval of £295k from the WY+TF is now sought, in order to complete the required evidence base, modelling and assessment, which is necessary to develop the strategic case for upgrading the A1237 YORR to dual carriageway standard.

Timescales

- 2.9.7. This pre-feasibility work is due to be completed in mid 2018/19.

Project Responsibilities

Senior Responsible Officer: Neil Ferris, City of York Council
Project Manager: Tony Clarke, City of York Council
WYCA case officer: Rachel Jones, WYCA

Recommendations

- 2.9.8. That following a recommendation from the Investment Committee, WYCA approves funding of £295k for the York Outer Ring Road Dualling scheme to progress through Decision Point 2 and develop a Strategic Case for the Transformational Project. In addition, that WYCA enter into a Funding Agreement with York Council for expenditure of up to £295K from the West Yorkshire Plus Transport Fund.
- 2.10. **North Kirklees Orbital Route (Transformational Scheme) – Case Paper (Activity 2)**

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12a, Local Government Act 1972, Part 1	N/A

Background

- 2.10.1. The North Kirklees Orbital Route (NKOR) is being considered for pre-feasibility funding under the Transformational Projects Criteria where funds are sought for strategic scoping, master planning and concept design as well as assess the contribution the scheme would make to the West Yorkshire/Leeds City Region economic growth.
- 2.10.2. The NKOR is a proposed 16.5km carriageway with the alignment proposed to follow the existing orientation of the A644 and A638 respectively and incorporate a new 9km section. The scheme will open up potential housing and employment development sites to promote new investment and employment opportunities in North Kirklees, delivering growth in an identified SEP spatial priority area and support wider City Region growth. Alleviating congestion on the A644/A638 strategic corridor will reduce transport barriers to development and the new road will open up potential development sites.
- 2.10.3. The scheme has a number of other key objectives including, providing an alternative route for traffic south of Dewsbury, thus improving Dewsbury town centre circulation by mitigating the severance of the existing A638 ring road. Reduce traffic through the Air Quality Management Area on the A644 by diverting through

traffic away from urban area and improving network resilience by providing alternative routing between Dewsbury, neighbouring towns and the strategic road network (via J25 of the M62 and J40 of the M1).

- 2.10.4. Kirklees Council have submitted an Expression of Interest and a Case Paper has been prepared. Both documents were presented to the PAT on 22 February 2017 recommending the pre-feasibility funding be approved.
- 2.10.5. Works under the Transformational Projects route would be to establish and understand the strategic case for a project. Promoting Authorities are clear that allocation of feasibility funding may not lead to projects being funded through the WY+TF. We would expect the feasibility undertaken to provide sufficient detail for a submission to other sources of funding.

Costs

- 2.10.6. A funding approval of £248k is now sought from the WY+TF to cover a forecast spend to undertake pre-feasibility design route options, review of evidence and identification of problems along the A644/A638 corridors, desk top analysis and other works streams to clarify the scale of scope of the proposed scheme.
- 2.10.7. These works will be undertaken under Pipeline Eligibility only, it is not proposed the scheme progresses beyond Activity 2.

Timescales

- 2.10.8. The project will undertake work streams identified during 17/18.

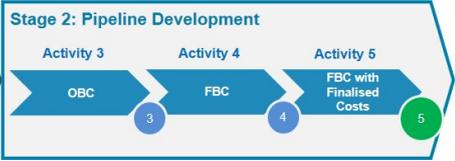
Project Responsibilities

Senior Responsible Officer:	Richard Hadfield, Kirklees Council
Project Manager:	Keith Bloomfield, Kirklees Council
WYCA Case Officer:	Jessica McNeill, WYCA

Recommendation

- 2.10.9. That following a recommendation from the Investment Committee, WYCA approves funding of £248k for the North Kirklees Orbital Route scheme to progress through Decision Point 2 to develop a Strategic Case for the Transformational Project. In addition, that WYCA enter into a Funding Agreement with Kirklees Council for expenditure of up to £248K from the West Yorkshire Plus Transport Fund.

3. Projects in Stage 2: Pipeline Development



3.1. WYCA’s Portfolio Information Management System (Activity 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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12a, Local Government Act 1972, Part 1	N/A

Background

- 3.1.1. The project includes the implementation of a new IT Portfolio Information Management System (PIMS) using Microsoft’s Project Online/SharePoint Online software. The PIMS is a key system for the Portfolio Management Office (PMO) and will support and strengthen the Leeds City Region Assurance Framework as well as underpinning the enhanced project, programme and portfolio approach.
- 3.1.2. PIMS will provide functions such as folders to store and view documentation, a central repository for project information, a centralised way to view project summaries, standardised templates and dashboard, all accessible by Districts and partners.
- 3.1.3. Microsoft Project with SharePoint Online provides an out of the box solution that can be easily set up and will provide the organisation with the required functionality, negating the need for a bespoke system with its associated development and support costs. The solution will integrate with WYCA’s existing Microsoft products including SharePoint/Office 365 installations.

Costs

- 3.1.4. The total capital expenditure sought for the recommended option, including contingency is £150,000. There will be an on-going annual cost for licensing charges. Based on Microsoft’s current licencing arrangements, this is likely be in the region of £50,000 per annum (this cost has been based on 100 Premium licences). It is recommended that the licence costs be capitalised and funded as an overhead cost from the Portfolio Management Office costs (in turn funded from various capital funding streams and projects that WYCA are responsible for) from 2018/19 onwards.

Timescales

- 3.1.5. The full Business Case (which follows tendering and receiving costs from suppliers) will be completed in September 2017 with development and implementation expected to be complete by the December 2017. Following a period of soft launch it is expected that the first Phase will be live early 2018. Further development is likely to follow the initial go live and this work will be managed separately with new approvals as required.

Tolerances

- 3.1.6. In order for the scheme to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or WYCA for further consideration:

- That costs remain within the £150K total project value
- That the key milestones for final approval of the Business Case (in September 2017), Development and implementation (by December 2017) with a full launch (in early 2018) are delivered with a maximum of 3 months of the target dates.

Recommendations

- 3.1.7. That following a recommendation from Investment Committee, WYCA approves:

- That the Portfolio Information Management System (PIMS) proceeds through Decision Point 3 onto Stage 2 Activity 5 (Full Business Case with Finalised Costs).
- That an indicative approval to the total project value of £150k capital for the development of the system and £50k per annum on-going licence fee (the on-going licence fee will be required from 2018/19 onwards), to be funded as an overhead cost from the overall Portfolio Management Office costs, is given. Ultimate approval to spend will be granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with finalised costs).
- That the future approvals at Decision Point 5 are made through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This approval route will be subject to the scheme remaining within the tolerances outlined above.

4. Projects in Stage 3 – Delivery & Evaluation



4.1 There are no schemes in Stage 3 – Programme Committed that require consideration by WYCA at this meeting.

5. Schemes proceeding directly to WYCA

5.1. The following scheme has proceeded directly to WYCA ahead of consideration by the Investment Committee due to the nature of the funding stream.

5.2. Pothole Action Fund

Is this a key decision?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12a, Local Government Act 1972, Part 1	N/A

5.2.1. Procedure Standing Orders - Access to Information

It has not been possible to provide the statutory 28 days' notice of the following key decision being considered for the reasons stated in paragraph 5.2.2 below. However, this item will be taken under the rules of General Exception (Procedure Standing Orders – Access to Information) and the Chair of the Overview & Scrutiny Committee has been notified accordingly and a decision notice published.

5.2.2. It was not considered that the Pothole Action Fund qualified as a scheme which required assurance as part of WYCA's Assurance Process, due to the DfT's pre-determined allocation and requirement of WYCA to passport the funding directly to the District Councils. However, in order to allocate funds to the District Councils, an expenditure approval from WYCA is required. Consequently, it has been identified that this expenditure approval qualifies as a Key Decision. However, due to time pressures involved in approving the fund, it has not been possible to provide the required 28 days' notice of the decision on the WYCA website.

5.2.3. In March 2017, the DfT confirmed allocations to West Yorkshire District Councils of the Pothole Action Fund for 2017/18. Previously pothole funding was paid directly to Districts but following a change to DfT arrangements, the total funding of £2.231m will now be paid to West Yorkshire Combined Authority to be distributed to the Districts to the formulae / allocations specified by the DfT.

Recommendation

5.2.4. WYCA is asked to approve £2.231m funding for the Pot Hole Action Fund, which will be funded from the DfT's allocation to WYCA.

6. Financial Implications

6.1. The following schemes will be funded from the WY+TF:

- West Yorkshire Plus Transport Fund Transformational Schemes - Wakefield South Featherstone Link Road
- West Yorkshire Plus Transport Fund Transformational Schemes - York Outer Ring Road Dualling
- West Yorkshire Plus Transport Fund Transformational Schemes - North Kirklees Orbital Route

6.2. WYCA's Portfolio Information Management System will be funded as an overhead cost from the overall Portfolio Management Office costs.

6.3. The Pothole Action Fund, will be funded from DfT's allocation to WYCA.

7. Legal Implications

7.1. The payment of any funding received through the Local Growth Deal or WY+TF to any partner will be subject to a funding agreement being in place between the WYCA and the partner in question.

8. Staffing Implications

8.1. None arising from this report.

9. Recommendations

West Yorkshire Plus Transport Fund Transformational Schemes - Wakefield South Featherstone Link Road

9.1. That following a recommendation from the Investment Committee, WYCA approves funding of £284k for the Wakefield South Featherstone Link Road scheme to progress through Decision Point 2 and develop a Strategic Case for the Transformational Project. In addition, that WYCA enter into a Funding Agreement with Wakefield Council for expenditure of up to £284K from the West Yorkshire Plus Transport Fund.

West Yorkshire Plus Transport Fund Transformational Schemes - York Outer Ring Road Dualling

9.2. That following a recommendation from the Investment Committee, WYCA approves funding of £295k for the York Outer Ring Road Dualling scheme to progress through Decision Point 2 and develop a Strategic Case for the Transformational Project. In addition, that WYCA enter into a Funding Agreement with York Council for expenditure of up to £295K from the West Yorkshire Plus Transport Fund.

West Yorkshire Plus Transport Fund Transformational Schemes - North Kirklees
Orbital Route

- 9.3. That following a recommendation from the Investment Committee, WYCA approves funding of £248k for the North Kirklees Orbital Route scheme to progress through Decision Point 2 to develop a Strategic Case for the Transformational Project. In addition, that WYCA enter into a Funding Agreement with Kirklees Council for expenditure of up to £248K from the West Yorkshire Plus Transport Fund.

WYCA's Portfolio Information Management System

- 9.4. That following a recommendation from Investment Committee, WYCA approves:
- (i) That the Portfolio Information Management System (PIMS) proceeds through Decision Point 3 onto Stage 2 Activity 5 (Full Business Case with Finalised Costs).
 - (ii) That an indicative approval to the total project value of £150k capital for the development of the system and £50k per annum on-going licence fee (the on-going licence fee will be required from 18/19 onwards), to be funded as an overhead cost from the overall Portfolio Management Office costs, is given. Ultimate approval to spend will be granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with finalised costs).
 - (iii) That the future approvals at Decision Point 5 are made through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This approval route will be subject to the scheme remaining within the tolerances outlined above.

Pot Hole Action Fund

- 9.5. That WYCA approves the £2.231m for the Pot Hole Action Fund, which will be funded from the DfT's allocation to WYCA.

10. Background Documents

- 10.1. None.