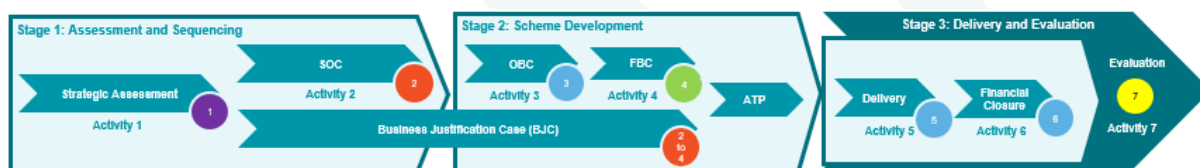


Report to:	Combined Authority
Date:	1 February 2024
Subject:	Project Approvals - Investment Priority 5 – Delivering Sustainable, Integrated, Inclusive and Affordable Transport
Director:	Melanie Corcoran, Director of Transport Policy & Delivery
Author:	Craig Taylor, Head of Strategic Portfolio Office

1 Purpose of this report

- 1.1 To report on proposals for the progression of, and funding for projects under Investment Priority 5 – Delivering Sustainable, Integrated, Inclusive and Affordable Transport, within the West Yorkshire Investment Strategy (WYIS), that have been considered at stages 1, 2 and 3 of the Combined Authority's assurance process.



- 1.2 The recommendations can be found in Section 12 of this report.

2 Report

- 2.1 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. Further details on the schemes summarised below can be found as part of this report.

3 Investment Priority 5 (IP5) - Delivering Sustainable, Integrated, Inclusive and Affordable Transport

- 3.1 The West Yorkshire Investment Strategy (WYIS) sets out the Investment Priorities for the period 1 April 2021 to 31 March 2024 across six areas. In each, a number of priority project / programme areas have been identified that are the focus for intervention.
- 3.2 Investment Priority 5 will deliver a range of programmes and schemes which focus on:
- Creating an affordable, simple, integrated, and accessible system for people to travel anywhere by public transport.
 - Increasing passenger numbers on bus, rail, and future transport networks.

- Improving air quality and reduction in car dominance.
- Ensuring that people are enabled to make sustainable travel choices from housing and employment sites.
- Transforming access for communities where households have prolonged experiences of poverty, to employment opportunities and skills centres.
- Enhancements in ticketing and travel information.
- Buses being an effective and affordable mode of transport.
- Enhancing customer satisfaction with public transport

Scheme summaries

<p>West Yorkshire Plus Transport Fund (Kirklees) Review</p> <p>Kirklees</p>	<p><u>Scheme description</u></p> <p>This report details the process and outcomes of a review of the Kirklees schemes which are to be funded by the West Yorkshire Plus Transport Fund (WY+TF) and sets out recommendations for revised scheme allocations.</p> <p><u>Decision sought</u></p> <p>Approval to the change request to revise the current Combined Authority funding for the Kirklees projects in the WY+TF, detailed in this report.</p> <p>A decision by the Combined Authority is sought as part of this report</p>
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3.3 Since the Combined Authority’s meeting on 07 December 2023, no decision points or change requests have been assessed in line with the Combined Authority’s assurance process and approved through the agreed delegation to the Transport Committee.

4 Information

4.1 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.

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

Project Title	West Yorkshire Plus Transport Fund (Kirklees) Review
Stage	Various

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

- 4.3 This report details the process and outcomes of a review of the Kirklees schemes which are to be funded by the West Yorkshire Plus Transport Fund (WY+TF) and sets out recommendations for revised scheme allocations.
- 4.4 Kirklees Council is seeking to release funds indicatively allocated to the A62 Cooper Bridge scheme. In parallel it is seeking additional funds for five other Kirklees WY+TF schemes that have existing or forecast funding gaps.
- 4.5 Many of the Kirklees WY+TF schemes have taken significantly longer to develop and have had incremental but significant cost increases over the development and delivery phases. This has been due to many different factors, such as lengthy land negotiations, staff resource constraints, procuring consultant support, scope changes due to legislative planning policy and design guidance changes, the impacts of the Covid-19 pandemic, and significant inflation over the past 18 months.
- 4.6 Kirklees Council finds itself, as is the case nationally, in a difficult financial climate to balance its overall budget and meet increased demands for services. The consequence of this is that Kirklees Council can no longer provide all the previously agreed match funding to schemes or provide additional capital to close increased funding gaps.
- 4.7 To date, additional funding requirements for schemes have sought to be met by both Kirklees and the Combined Authority to varying degrees. For Kirklees, increasing levels of Council borrowing have been approved at different stages to fund shortfalls, with these funding commitments forming part of business case approvals. Kirklees capital has been expended in the development stages of some schemes, for example on Folly Hall (part of Huddersfield Southern Corridors) to achieve an early win, whereas other capital was planned for future delivery stages.

- 4.8 Due to the Council's financial position, as of August 2023, future capital of £6,547,750 can no longer be committed and has been removed from schemes by Kirklees Council, thus creating a wider funding gap. This means that the Kirklees Council contribution to the WY+TF schemes is reduced from £13,067,803 to £6,520,053.
- 4.9 A number of schemes, some of which were to be paused and pipelined following the 2021 Inflation Review, have also expended more funding than has been previously approved. This review also seeks to resolve this issue on the relevant schemes.

Kirklees WY+TF Funding Gap Position

- 4.10 It is estimated that an additional £21,587,261 is required to support projects, excluding the A62 to Cooper Bridge scheme. The A62 to Cooper Bridge scheme currently has £75,100,000 indicative funding allocated but due to increased inflation forecasts of circa £19,000,000, this project is also forecast to be undeliverable within the current budget envelope.

Table 1 - Projects and funding gaps (excluding A62 to Cooper Bridge)

Project	Assurance stage status	Forecast Cost	Forecast Funding Gap
M2D2L (Mirfield to Dewsbury to Leeds)	To pause when OBC submitted	£1,345,000	£10,000
A629 Halifax Road Phase 5 Ainley Top	FBC to be resubmitted Feb 2024	£13,876,870	£3,255,523
Huddersfield Southern Corridors, excluding Queensgate	Revised FBC submitted 01 Oct 23	£13,617,159	£1,771,895
North Kirklees Orbital Route	Stopped at SOC	£283,409,	£35,409
Holmfirth Town Centre Action Plan	Revised FBC submitted 01 Dec 23	£14,606,494	£9,196,605
A62 Smart Corridor	5 months into post construction period	£21,000,000	£7,065,496
CityConnect Ph3 - Huddersfield town centre	Paused at OBC	£646,901	£102,333

Project	Assurance stage status	Forecast Cost	Forecast Funding Gap
A629 Fenay Lane - Wakefield Road Sustainable Transport Corridor	To pause at OBC submission	£1,450,000	£150,000
Total Funding Gap			£21,587,261

Explanation of Funding Gaps by Scheme

M2D2L

- 4.11 M2D2L is a cross boundary active travel scheme between Kirklees and Leeds between Mirfield and Leeds via Dewsbury. The scheme has been reconsidered and currently only elements of the scheme in Leeds will be delivered, with the elements in Kirklees to be paused and pipelined.
- 4.12 The OBC is close to completion, however, there have been cost increases above the anticipated forecast cost for the OBC and delays to the delivery of the OBC.

A629 Halifax Road Phase 5 Ainley Top

- 4.13 This project forms part of a wider £120,000,000 package of schemes along the A629 corridor between Halifax and Huddersfield and is designed to speed up public transport and car journeys along the route, unlock key development sites and deliver improved facilities for cycling and walking.
- 4.14 Phase 5 of the scheme will see measures to reduce congestion and speed up journey times for all A629 users between Huddersfield ring road and Ainley Top roundabout. The A629 Phase 5 scheme received full planning consent in November 2023.
- 4.15 Due to local concerns raised about tree removals around the Blacker Road junction Kirklees Council have removed this element of the scheme. This has led to additional development time and costs required for the scheme.
- 4.16 The FBC will be resubmitted in February 2024.

Huddersfield Southern Corridors

- 4.17 This project is one of several across the district within the Corridor Improvement Programme. This scheme aims to reduce congestion, reduce travel times, improve air quality, and enhance public realm on the southern routes to Huddersfield.
- 4.18 Government guidance on standards for new cycle infrastructure (LTN 1/20) was issued by Government on 20 July 2020 and a resolution was made by Chief Highway Officers, around November 2020, that all schemes should be LTN 1/20 compliant. The approved full business case (FBC) did not include

any cycling provision and so it was necessary to redesign the scheme to include cycling provision to LTN 1/20 standards.

- 4.19 Due to rising cost factors as previously discussed, the Queensgate element was removed as part of the WY+TF inflation review. The project now requires delivery of two remaining elements, which are Longroyd and Lockwood.
- 4.20 The redesign has delayed land acquisition and planning determination, incurred significant cost and required a revised FBC to be developed, all of which has added costs and 34 months to scheme development timescales.
- 4.21 The revised FBC was submitted in October 2023 and increased funding is now requested to commence delivery.

North Kirklees Orbital Route

- 4.22 This project formed part of a package of longer-term transformational projects with funding only allocated to develop a strategic outline case for a new link road within North Kirklees and was paused at that point.
- 4.23 The original indicative funding allocation for this project was £288,000 but only £248,000 has previously been approved. It is now requested that the balance is approved.

Holmfirth Town Centre Action Plan

- 4.24 This project is one of several across the district within the Corridor Improvement Programme. This scheme will reduce congestion and improve accessibility to Holmfirth by improving journey times along and through Holmfirth Town Centre, support the aspirations of the Holmfirth Blueprint to encourage tourism and increase Holmfirth's visitor appeal by improving pedestrian facilities.
- 4.25 Procurement for delivery was conducted on a two-stage basis under early contractor engagement principles. Stage 1 was to assist Kirklees in discharging all the pre-commencement planning conditions; review the design and to prepare a number of reports. Stage 1 was extended to include Advance Preliminary Works within the River Holme, such as bat mitigation works and pointing/clearance work on the river walls.
- 4.26 During the development of Stage 2 construction pricing, the final tender price returned exceeded the previous estimates and Kirklees are unable to progress the award of the Stage 2 contract without further funding.
- 4.27 The revised FBC was submitted in December 2023 and increased funding is now requested to commence delivery.

A62 Smart Corridor

- 4.28 This project is one of several across the district within the Corridor Improvement Programme.

- 4.29 The scheme had a prolonged procurement phase as it was retendered due to the high tender costs returned, to ensure best value for money. By the time the contract was awarded the economy was experiencing significant inflation. The contractor advised the Council that it could no longer deliver the project for the contracted sum and subsequently a revised price was agreed and therefore further funding is required.
- 4.30 In collaboration with a third party, a joint undertaking was agreed to facilitate some service media works. This was to avoid these works being undertaken post A62 Smart Corridor completion. These works were undertaken using the contractor that was appointed to deliver the A62 Smart Corridor. However, funding from the third party has not been forthcoming. Negotiations are ongoing.
- 4.31 Furthermore, once construction works commenced there were unforeseen works, resulting in cost increases, including significant delay costs.
- 4.32 Construction works commenced in April 2022 and is substantially complete and is open to users, however there are some final works still taking place.

City Connect Phase 3 Huddersfield Town Centre

- 4.33 This project would see transformation of a key town centre road, cutting across and through the town centre into an active travel route providing links to employment and education establishments, to the town centre and to other parts of the wider active travel network. The project was paused at outline business case (OBC).
- 4.34 Kirklees Council accelerated the delivery of this project, at risk, ahead of FBC approval, and it progressed with some works being completed before the scheme was paused as part of the previous inflation review. At the time of the previous inflation review, Kirklees Council had applied £467,000 of match funding, with the remaining gap anticipated to also come from the Council. Due to the Council's current financial status, it is now requested that the funding gap for this scheme is resolved by reallocating funding from the A62 to Cooper Bridge scheme.

A629 Fenay Lane – Wakefield Road Sustainable Travel Corridor

- 4.35 The A629 Wakefield Road corridor stretches for approximately three kilometres from Shorehead Roundabout, southeast of Huddersfield town centre to the A629/ A642 Waterloo junction in Waterloo.
- 4.36 The project will create an improved pedestrian environment, provide a continuous high standard dedicated cycle facility, provide bus stop upgrades, improve safety on the highway for all users and provide improved air quality outcomes.
- 4.37 The development of this complex corridor scheme has required extensive traffic modelling and highway design. A scheme design has been provided by external consultants and Kirklees are now checking and redesigning the

scheme due to the route complexities and requirement to provide for abnormal load vehicles. This has led to cost increases in the development of the OBC.

- 4.38 The project will be paused after OBC submission.

A62 to Cooper Bridge

- 4.39 The Cooper Bridge junction is where the A62, one of the main transport routes into and out of Huddersfield and on to Leeds, and the A644 link to the M62 meet, making it one of the most important gateways into the town. It is in a challenging area with a number of constraints.
- 4.40 This scheme involves highway improvements, road widening and junction upgrades to relieve the severe congestion that develops in the Cooper Bridge area, particularly during the morning and evening peak. It would also provide the additional capacity that would make regionally significant housing development and employment growth possible as well as improving air quality.
- 4.41 It is now proposed that the scheme is reduced in scope with the potential for a phased development and delivery. It is proposed that the impact of the reduced indicative budget and the change in scope and delivery is set out in a project change request to the Combined Authority with a revised OBC which will identify bus journey time improvements.

Requests for Increased Approvals

- 4.42 Table 2 below sets out the proposed changes in the current Combined Authority approved funding from the WY+TF.
- 4.43 A revised indicative approval is not requested for the A62 to Cooper Bridge scheme at this time. This will be established via a change request to provide details of how the scheme is proposed to be progressed with reduced funding, detailing the change to project scope, costs and delivery, in order to determine a new indicative Combined Authority funding allocation. A revised outline business case will then be developed and submitted to the Combined Authority.

Table 2 - Proposed changes to Approvals

Project & Assurance Stage	Current Kirklees Match	Revised Kirklees Match	Current WY+TF Approval	Revised WY+TF Approval	Funding WY+TF Change
M2D2L (Mirfield to Dewsbury to Leeds) (OBC)	£0	£0	£1,335,000	£1,345,000	£10,000
A629 Halifax Road Phase 5 (FBC)	£941,000	£0	£10,546,347	£13,801,870	£3,255,523
Huddersfield Southern Corridors (excl. Q'gate) (FBC)	£3,250,000	£1,529,499	£10,315,765	£12,087,660	£1,771,895
North Kirklees Orbital Route (Pipelined at OBC)	£0	£0	£248,000	£283,409	£35,409
Holmfirth Town Centre Action Plan (FBC)	£2,300,000	£236,068	£5,173,821	£14,370,426	£9,196,605
A62 Smart Corridor (In delivery)	£6,110,033	£4,389,918	£8,350,000	£15,415,496	£7,065,496
CityConnect Ph3 - Huddersfield town centre (Paused at OBC)	£466,770	£364,568	£180,000	£282,333	£102,333
A629 Fenay Lane (To pause at OBC submission)	£0	£0	£600,000	£750,000	£150,000
	£13,067,803	£6,520,053			

Lessons Learnt and Proposed Changes to Project Management

- 4.44 Kirklees Council is moving to a more sustainable staffing model by ensuring delivery staff make-up has a more balanced level of substantive staff. This will reduce staff turnover which will give stability and consistency in how projects are developed.
- 4.45 Kirklees Council have established a new site management structure with the Council's Highway Service for projects moving into the delivery phase. The previous model, used on the A62 Smart Corridor, was insufficient in respect of numbers of staff required to deliver the construction phase. Whilst this was rectified within a few months of commencing, this presented problems in keeping pace with contractual matters. This learning has been transferred to those projects going forward into delivery.
- 4.46 In order to account for inflation appropriately, Kirklees are now reviewing scheme cost estimates to ensure they remain up to date. Value engineering exercises are also taking place where required to control costs.
- 4.47 Kirklees are now applying appropriate cost indices updates on a quarterly basis which allows an inflation forecast to also be undertaken on a quarterly basis. These indices are now applied consistently across all Kirklees WY+TF projects.
- 4.48 Managing the scope of the project and slippages in getting necessary consents or approvals is critical in ensuring the project estimates remain valid. This has resulted in Council expenditure exceeding the available budget to its next milestone and is being expended at risk. To better control spend against approvals, the Council have developed better reporting tools for project managers and for performance monitoring.

Recommendations

- 4.49 The Combined Authority, approves that:
- (i) The change request to revise the current Combined Authority funding for the Kirklees projects in the WY+TF, detailed in the table below is approved:

Project & Assurance Stage	Current Approval	Revised Approval	Funding Change
M2D2L (Mirfield to Dewsbury to Leeds) (OBC)	£1,335,000	£1,345,000**	£10,000
A629 Halifax Road Phase 5 (FBC)	£10,546,347	£13,801,870*	£3,255,523
Huddersfield Southern Corridors (excl. Q'gate) (FBC)	£10,315,765	£12,087,660*	£1,771,895

Project & Assurance Stage	Current Approval	Revised Approval	Funding Change
North Kirklees Orbital Route (Pipelined at OBC)	£248,000	£283,409**	£35,409
Holmfirth Town Centre Action Plan (FBC)	£5,173,821	£14,370,426*	£9,196,605
A62 Smart Corridor (In delivery)	£8,350,000	£15,415,496**	£7,065,496
CityConnect Ph3 - Huddersfield town centre (Paused at OBC)	£180,000	£282,333**	£102,333
A629 Fenay Lane (To pause at OBC submission)	£600,000	£750,000**	£150,000

* = Revised Indicative approval

** = Revised Full Approval

- (ii) The A62 to Cooper Bridge scheme submits a change request to provide details of how the scheme is proposed to be progressed with reduced funding, detailing the change to project scope, costs and delivery, in order to determine a new indicative Combined Authority funding allocation. A revised outline business case will then be developed and submitted to the Combined Authority.
- (iii) The Kirklees Council contribution to the WY+TF schemes is reduced by £6,547,750 from £13,067,803 to £6,520,053.
- (iv) The Combined Authority enters into addendums to the existing funding agreements with Kirklees Council for expenditure up to the revised full approval amounts detailed for the individual schemes in the above table.
- (v) The individual scheme cost tolerances are re-baselined against the updated costs included in this report.
- (vi) No further approvals for the funding changes requested will be required through the Assurance Framework and that projects continue on their approval pathways and routes to the next decision point.

5 Tackling the Climate Emergency implications

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

6 Inclusive Growth implications

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

7 Equality and Diversity implications

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

8 Financial implications

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

9 Legal implications

9.1 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 Staffing implications

10.1 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.

11 External consultees

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

12 Recommendations (Summary)

Kirklees Transport Fund Review

12.1 The Combined Authority, approves that:

- (i) The change request to revise the current Combined Authority funding for the Kirklees projects in the WY+TF, detailed in the table below is approved:

Project & Assurance Stage	Current Approval	Revised Approval	Funding Change
M2D2L (Mirfield to Dewsbury to Leeds) (OBC)	£1,335,000	£1,345,000**	£10,000
A629 Halifax Road Phase 5 (FBC)	£10,546,347	£13,801,870*	£3,255,523
Huddersfield Southern Corridors (excl. Q'gate) (FBC)	£10,315,765	£12,087,660*	£1,771,895
North Kirklees Orbital Route (Pipelined at OBC)	£248,000	£283,409**	£35,409

Project & Assurance Stage	Current Approval	Revised Approval	Funding Change
Holmfirth Town Centre Action Plan (FBC)	£5,173,821	£14,370,426*	£9,196,605
A62 Smart Corridor (In delivery)	£8,350,000	£15,415,496**	£7,065,496
CityConnect Ph3 - Huddersfield town centre (Paused at OBC)	£180,000	£282,333**	£102,333
A629 Fenay Lane (To pause at OBC submission)	£600,000	£750,000**	£150,000

* = Revised Indicative approval

** = Revised Full Approval

- (ii) The A62 to Cooper Bridge scheme submits a change request to provide details of how the scheme is proposed to be progressed with reduced funding, detailing the change to project scope, costs and delivery, in order to determine a new indicative Combined Authority funding allocation. A revised outline business case will then be developed and submitted to the Combined Authority.
- (iii) The Kirklees Council contribution to the WY+TF schemes is reduced by £6,547,750 from £13,067,803 to £6,520,053.
- (iv) The Combined Authority enters into addendums to the existing funding agreements with Kirklees Council for expenditure up to the revised full approval amounts detailed for the individual schemes in the above table.
- (v) The individual scheme cost tolerances are re-baselined against the updated costs included in this report.
- (vi) No further approvals for the funding changes requested will be required through the Assurance Framework and that projects continue on their approval pathways and routes to the next decision point.

13 Background Documents

13.1 None as part of this report.

14 Appendices

14.1 None as part of this report.