

**Name of meeting:** Cabinet

**Date:** 1 September 2020

**Title of report:** Kirklees Transforming Cities Fund Programme

**Purpose of report:** To inform the Cabinet of the current status of the Transforming Cities Fund Programme for Kirklees District and to make a decision to enter the projects within the programme onto the Kirklees Capital Plan.

<b>Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?</b>	<b>Yes</b> - Concerns a programme of £72m. - Affects multiple electoral wards.
<b>Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)</u>?</b>	<b>Key Decision – Yes</b> <b>Private Report/Private Appendix – No</b>
<b>The Decision - Is it eligible for call in by Scrutiny?</b>	<b>Yes</b>
<b>Date signed off by <u>Strategic Director</u> &amp; name</b>	<b>Karl Battersby - 20 August 2020</b>
<b>Is it also signed off by the Service Director for Finance?</b>	<b>Eamonn Croston - 20 August 2020</b>
<b>Is it also signed off by the Service Director for Legal Governance and Commissioning?</b>	<b>Julie Muscroft - 20 August 2020</b>
<b>Cabinet member <a href="#">portfolio</a></b>	Cllr Peter McBride – Regeneration Cllr Naheed Mather – Greener Kirklees Cllr Rob Walker – Culture and Environment

**Electoral wards affected:**

The following wards are directly affected by the TCF projects:-

Newsome, Cleckheaton, Liversedge and Gomersal, Heckmondwike, Batley West, Batley East, Dewsbury East.





**Public or private:** Public.

**Has GDPR been considered?**

GDPR is applicable to the TCF Programme and has been considered within the development of the business cases and related stakeholder engagement plans.

1. Summary

1.1 The Transforming Cities Fund (TCF) is a national sustainable transport fund administered by the Department for Transport (DfT) for delivery of transport projects in the period 2020/21 to 2022/23. Kirklees Council has worked with West Yorkshire Combined Authority (WYCA) and other partners to develop a TCF Bid for Leeds City Region, which was submitted to government in November 2019. The Leeds City Region Vision and Objectives for the TCF Programme are shown below.

Leeds City Region TCF Vision	
"Connecting people to economic and education opportunities through affordable, sustainable transport, boosting productivity and helping to create cleaner, healthier and happier communities for the future"	
Objective	Description
<p><b>Enabling inclusive growth</b></p> 	To enable as many people as possible to contribute to and benefit from economic growth, and contribute to improved health and wellbeing of our residents.
<p><b>Boosting productivity</b></p> 	Working with our businesses and universities to close the productivity gap, create thousands of jobs and add substantially to our economy.
<p><b>Supporting clean growth</b></p> 	Achieving our target for a net zero carbon economy by 2038 through lowering carbon emissions and taking advantage of new innovations to create jobs and growth.
<p><b>Delivering 21<sup>st</sup> century transport</b></p> 	Creating a transport system which addresses the challenges we face around capacity, connectivity, sustainability and air quality.

1.2 The TCF Bid expressed all component projects in three funding scenarios – Low, Core and High. The government announced TCF funding allocations in its March 2020 statement. The Leeds City Region TCF Bid was awarded £317m. The assumption following this award was that promoting districts will deliver the set of projects expressed in the Bid Low scenario. However, since the government announcement, that West Yorkshire Combined Authority Committee has made a decision to support the progression of the TCF High Scenario through the provision of West Yorkshire Devolution ‘gainshare’ funding. This is subject to both WYCA and promoting district councils seeking to explore other funding sources to part-meet this gap. This additional funding would also allow some projects or phases to be delivered on a timeline that extends beyond the Government’s 2022/23 deadline for TCF expenditure. Project business cases for delivery of all investment scenarios will be developed. WYCA will be reviewing the composition of the programme in terms of its projects and delivery phases in relation to the conditions of its funding streams.

1.3 The eight projects in the Kirklees TCF programme are shown in the table below, together with their indicative budgets in both the Low and High Bid scenarios. Through its Town Centres Board, the Council also allocated £6m of local match-funding from the Town Centres Action Fund to the TCF projects in Huddersfield and Dewsbury town centres.

Project	Low Scenario (M)	High Scenario (M)
Dewsbury Town Centre Walking & Cycling Transformations	£4.0	£8.0
Dewsbury Bus Station	£8.0	£8.0

Heckmondwike Bus Hub	£3.5	£4.0
Dewsbury–Cleckheaton Sustainable Travel Corridor	£7.5	£12.0
Huddersfield Major Walking & Cycling Routes	£8.0	£11.5
Huddersfield Bus Station Improvements	£7.0	£9.0
Huddersfield Rail Station Access	£1.5	£7.5
Dewsbury–Batley–Tingley Sustainable Travel Corridor	£0.0	£6.0
<b>Transforming Cities Fund project budgets total</b>	<b>£39.5</b>	<b>£66.0</b>
Kirklees Council match-funding (Town Centres Action Fund)	£6.0	£6.0
<b>Total current Kirklees TCF programme budget</b>	<b>£45.5</b>	<b>£72.0</b>

1.4 The funding for the Kirklees TCF High scenario programme is therefore the sum of the £66m TCF budget with Devolution top-up, plus the £6m local match funds, totalling **£72m**.

1.5 The decisions sought from Cabinet in this report are as follows:-

- Note the TCF projects and their current budgets;
- Agree that these projects are entered into the Kirklees Capital Plan;
- Delegate to the Strategic Director Economy and Infrastructure the authority to negotiate and agree the terms of any agreement with WYCA that is for the purpose of providing funding for the development of business cases for TCF projects, the carrying out of public consultation and the development and working up of designs for TCF projects;
- Delegate to the Service Director – Legal Governance & Commissioning the authority to enter any funding agreement with the West Yorkshire Combined Authority that is referred to above.

## 2. Information required to take a decision

2.1 The assurance of the government's funding award of £317m to WYCA for the Leeds City Region TCF Bid is contained in the government's March 2020 Statement. The TCF allocations to Kirklees TCF projects (totalling £39.5m and £66m in the Low and High Scenarios, respectively) are established in the Leeds City Region TCF Bid. A new Kirklees TCF Programme Board, with representation from WYCA, has recently been established to guide the delivery of the Kirklees TCF Programme and provide the governance and reporting interface between WYCA's TCF Board structures and the Council.

2.2 Acceptance of the specified Kirklees TCF projects onto the Kirklees Capital Plan does not necessarily require or imply that Kirklees Council will undertake the full range of project development and delivery activities solely using its in-house services. The balance between the use of in-house and external resources and contractors will be determined for each project within its Outline Business Case, informed by WYCA's overarching TCF Procurement Strategy. It is also likely that the majority of delivery and spend on the three Bus Station projects in the District will be commissioned by WYCA, although these projects also have significant highways/ access components that would sit with the Council.

2.3 The programme has strong relationship and some project dependencies with the Kirklees Town Centres Programme, as well as the Huddersfield and Dewsbury Blueprints. A detailed delivery plan will be developed by the Kirklees TCF and Town Centres Boards that will harmonise and guide the delivery of the two programmes.

2.4 Through its TCF Board, WYCA has established the specific terms on which projects should be developed and funded throughout their development stages. WYCA has agreed to

release development grants to District authorities for both Outline Business Case and Full Business Case stages. This project development grants will be recharged to the TCF project budgets. Grant Funding Agreements, which will allow funds to be drawn down, will be established and executed between WYCA and the council. The exact amount of grant for each business case stage is still to be determined and will be commensurate with development stage cost estimates already supplied to WYCA.

- 2.5 There will be significant internal resource implications to the council for the development, management and delivery of the Transforming Cities Fund programme. The council is looking to recruit 3-4 new programme/project management posts and WYCA will be providing project management resources to the three bus station projects. There will also be a significant draw on and need for upscaling of council resources for legal, finance, procurement, property, highway design, communications and business support staff to support programme activity, although the balance of need for these resources between the council, WYCA and consultancy partners is still to be determined. A detailed resource plan will be established against the programme delivery plan.

### **3. Implications for the Council**

- **Working with People**

Communications to the public on the submission of the Leeds City Region TCF Bid and the government's subsequent funding announcement have been made by WYCA and Kirklees Council. Full public consultation exercises on scheme options for each project will be undertaken in Winter 2020 and Spring 2021 as part of the 'Outline Business Case' development stage.

- **Working with Partners**

The TCF Programme and the TCF projects within Kirklees are being co-developed and appraised by WYCA. WYCA has also procured a consultancy development partner to assist with the development of projects and project business cases for number of partnering districts, including Kirklees. The council will also work closely with its own specialist consultancies, train and bus operators, road user representative groups, equality access groups, business forums and delivery contractors.

- **Place Based Working**

Development of all TCF projects will involve recruiting the services and/or knowledge of local user representative and community groups. Members of the public and ward councillors will be consulted on their views on the development of scheme options and designs to achieve the best mix of interventions to deliver the Programme objectives and address local needs. Drop-in events for members of the public will form part of the engagement process.

- **Climate Change and Air Quality**

The reduction of carbon emissions is a key objective and driver for the development of TCF schemes. The delivery and promotion of sustainable transport modes that help to reduce adverse transport-derived impacts on communities and public health is also a determinant in development of the schemes. All the TCF projects have recently been reviewed to consider where further carbon mitigation measures can be integrated into scheme scope and designs.

- **Improving outcomes for children**

The TCF Programme does not specifically focus on improving outcomes for children, however, the majority of interventions being considered will improve the safety of and provisions for vulnerable road users, which include children.

- **Other (e.g. Legal/Financial or Human Resources)**

- The council has the power to enter into funding agreements with the West Yorkshire Combined Authority. The council also has sufficient statutory powers to carry out each of the TCF projects. The principal powers for each TCF project will be discussed in the report that will be brought forward for the particular TCF project.
- The recommendations in this report include a decision to accept forthcoming TCF grant funding from WYCA for development of the TCF projects. The specific amounts for these grants is to be determined.
- The ongoing development and delivery of the TCF projects requires a number of programme and project management staff, together with design and support service staff. The Major Projects Service is undergoing a process to quantify and provide the necessary staff resources. The specific quantum of Kirklees Council staff is to be determined and will depend on the scale and nature of 'development partner' support provided through WYCA.

- **Do you need an Integrated Impact Assessment (IIA)?**

An Integrated Impact Assessment is not required at this stage. IIAs will be undertaken for each project during the next stage of development – the Outline Business Case.

#### **4. Consultees and their opinions**

- 4.1 Communications via press release to the public on the submission of the Leeds City Region TCF Bid and the government's subsequent funding announcement have been made by WYCA and Kirklees Council. Full public consultation exercises on scheme options for each project will be undertaken in Winter 2020 and Spring 2021 as part of the 'Outline Business Case' development stage.
- 4.2 The relevant Kirklees Portfolio Holders have been consulted on emerging TCF schemes and programme establishment and are supportive of the programme. The relevant ward members have been briefed on the prospective schemes that affect their wards, and will be further engaged by officers prior to developing public consultation plans. Kirklees WYCA Transport Committee members have also been briefed on the programme ahead of the Bid.
- 4.3 The Kirklees Capital Governance Board has considered and approved a report that recommends that the matters set out in this report are taken to Cabinet for decision.

#### **5. Next steps and timelines**

- 5.1 The Transforming Cities Fund projects detailed in this report are currently proceeding through review at the West Yorkshire Combined Authority (WYCA) as part of package-level 'Strategic Outline Cases'. Once these Strategic Outline Cases have been approved by WYCA, each of the eight projects will be developed through a project-specific Outline Business Case. This stage will include public consultation exercises on each scheme between October 2020 and March 2021.
- 5.2 The following indicative milestones have been identified:
  - Complete Strategic Outline Cases – July 2020;
  - Approval of Strategic Outlines Cases – Sept 2020;
  - Complete public consultation – March 2021;
  - Complete project Outline Business Cases – April 2021;
  - Complete project Full Business Cases – August 2021;
  - Commence phased construction period – October 2021;
  - Complete construction of phases relating to TCF spend – March 2023;
  - Complete construction of full programme (High) – estimated Sept 2025.

## **6. Officer recommendations and reasons**

### **6.1 Cabinet is recommended to:**

6.1.1 Note the TCF projects and their current budgets;

6.1.2 Agree that these projects are entered into the Kirklees Capital Plan;

6.1.3 Delegate to the Strategic Director Economy and Infrastructure the authority to negotiate and agree the terms of any agreement with WYCA that is for the purpose of providing funding for the development of business cases for TCF projects, the carrying out of public consultation and the development and working up of designs for TCF projects;

6.1.4 Delegate to the Service Director – Legal Governance & Commissioning the authority to enter any funding agreement with the West Yorkshire Combined Authority that is referred to in 6.1.3

6.2 These recommendations are made on the basis that they allow the required planning steps to proceed to ensure that the TCF projects are delivered in accordance with time and cost conditions stipulated in the government's award of TCF to WYCA.

## **7. Cabinet Portfolio Holder's recommendations**

7.1 The three responsible Cabinet Portfolio Holders have been briefed and consulted on the Programme and on the officer recommendations for decisions as set out above. The Portfolio Holders recommend that the officer recommendations are accepted by Cabinet.

## **8. Contact officer**

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## **9. Background Papers and History of Decisions**

9.1 Leeds City Region Transforming Cities Fund Bid, Executive Summary (link below).

<https://www.westyorks-ca.gov.uk/media/3373/tcf-exec-summary-final.pdf>

9.2 West Yorkshire Combined Authority Committee 27<sup>th</sup> July 2020, Item 12 (link below).

<https://westyorkshire.moderngov.co.uk/ieListDocuments.aspx?CId=133&MId=963>

## **10. Service Director responsible**

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