



## WMCA Board

**Date:** Friday 24 May 2019

**Time:** 11.00 am **Public meeting** Yes

**Venue:** Council Chamber, Birmingham City Council, Council House, Victoria Square, Birmingham, B1 1BB

### Membership

#### Constituent Members

Andy Street (Chair)  
Councillor Bob Sleigh (Vice-Chair)

Councillor Adrian Andrew  
Councillor Peter Bilson  
Councillor Mike Bird  
Councillor Ian Brookfield  
Councillor Ian Courts  
Councillor George Duggins  
Councillor Patrick Harley  
Councillor Brigid Jones  
Councillor Abdul Khan  
Councillor Syeda Khatun  
Councillor Paul Moore  
Councillor Ian Ward  
Councillor Qadar Zada

#### Appointing Authority

Mayor of the West Midlands Combined Authority  
Solihull Metropolitan Borough Council

Walsall Metropolitan Borough Council  
City of Wolverhampton Council  
Walsall Metropolitan Borough Council  
City of Wolverhampton Council  
Solihull Metropolitan Borough Council  
Coventry City Council  
Dudley Metropolitan Borough Council  
Birmingham City Council  
Coventry City Council  
Sandwell Metropolitan Borough Council  
Sandwell Metropolitan Borough Council  
Birmingham City Council  
Dudley Metropolitan Borough Council

#### Non-Constituent Members

Councillor George Adamson  
Jonathan Browning

Councillor Shaun Davies  
Councillor Matthew Dormer  
Councillor David Humphreys  
Councillor Julie Jackson  
Councillor Tony Jefferson  
Councillor Peter Nutting  
Tim Pile

Councillor Izzi Seccombe  
Councillor Michael Stokes  
Stewart Towe

Cannock Chase District Council  
Coventry & Warwickshire Local Enterprise  
Partnership  
Telford & Wrekin Council  
Redditch Borough Council  
North Warwickshire Borough Council  
Nuneaton & Bedworth Borough Council  
Stratford-on-Avon District Council  
Shropshire Council  
Greater Birmingham & Solihull Local Enterprise  
Partnership  
Warwickshire County Council  
Rugby Borough Council  
Black Country Local Enterprise Partnership

**Observers Awaiting Membership**

Councillor Jonathan Lester  
Graham Wynn

Herefordshire Council  
The Marches Local Enterprise Partnership

**Co-Opted Member**

Lee Barron

Midlands Trades Union Congress

**Observer Members**

Councillor John Edwards  
David Jamieson

West Midlands Fire & Rescue Authority  
West Midlands Police & Crime Commissioner

Quorum for this meeting shall be at least one member from five separate Constituent councils

If you have any queries about this meeting, please contact:

<b>Contact</b>	Dan Essex, Governance Services Manager
<b>Telephone</b>	0121 214 7505
<b>Email</b>	<a href="mailto:dan.essex@wmca.org.uk">dan.essex@wmca.org.uk</a>

# AGENDA

No.	Item	Presenting	Pages
<b>Items of Public Business</b>			
1.	Apologies for Absence	Chair	None
2.	Declarations of Interest Members are reminded of the need to declare any disclosable pecuniary interests they have in an item being discussed during the course of the meeting. In addition, the receipt of any gift or hospitality should be declared where the value of it was thought to have exceeded £25 (gifts) or £40 (hospitality).	Chair	None
3.	Chair's Remarks (if any)	Chair	None
4.	Minutes - 22 March 2019	Chair	1 - 14
5.	Forward Plan	Chair	15 - 20
<b>Governance</b>			
6.	Appointment of Combined Authority Returning Officer	Tim Martin	21 - 24
<b>Finance &amp; Investments</b>			
7.	Financial Monitoring Report 2018/19	Councillor Bob Sleigh	25 - 46
<b>Economic Growth</b>			
8.	National Centre for Construction and Development Excellence	Councillor Ian Ward	47 - 54
<b>Cohesion &amp; Integration and Public Service Reform</b>			
9.	Inclusive Growth: Update and Next Steps	Henry Kippin	55 - 118
<b>Productivity &amp; Skills</b>			
10.	Devolution of the Adult Education Budget 2019/20	Councillor George Duggins	119 - 124
<b>Transport</b>			
11.	Regional Transport Coordination Centre – Full Business Case Approval	Laura Shoaf	125 - 238

12.	West Midlands Bus Byelaws Update	Laura Shoaf	239 - 252
<b>Minutes</b>			
13.	Strategic Economic Delivery Board - 6 March 2019	Jonathan Browning	253 - 256
14.	Investment Board - 18 March 2019	Councillor Bob Sleigh	257 - 262
15.	Transport Delivery Committee - 18 March 2019	Councillor Kath Hartley	263 - 268
16.	Wellbeing Board - 5 April 2019	Councillor Izzi Seccombe	269 - 274
17.	Housing & Land Delivery Board - 10 April 2019	Councillor Mike Bird	275 - 280
18.	Overview & Scrutiny Committee - 12 April 2019	Councillor Peter Hughes	281 - 286
19.	Investment Board - 15 April 2019	Councillor Bob Sleigh	287 - 292
20.	Audit, Risk & Assurance Committee - 15 April 2019	David Lane	293 - 298
<b>Date of Next Meeting</b>			
21.	Friday 28 June 2019 at 11.00am	Chair	None



**West Midlands  
Combined Authority**

## **WMCA Board**

**Friday 22 March 2019 at 11.00 am**

### **Minutes**

#### **Constituent Members**

Andy Street (Chair)	Mayor of the West Midlands Combined Authority
Councillor Bob Sleight (Vice-Chair)	Solihull Metropolitan Borough Council
Councillor Mike Bird	Walsall Metropolitan Borough Council
Councillor Ian Courts	Solihull Metropolitan Borough Council
Councillor George Duggins	Coventry City Council
Councillor Brigid Jones	Birmingham City Council
Councillor Abdul Khan	Coventry City Council
Councillor Roger Lawrence	City of Wolverhampton Council
Councillor Marco Longhi	Walsall Metropolitan Borough Council
Councillor Paul Moore	Sandwell Metropolitan Borough Council
Councillor John Reynolds	City of Wolverhampton Council
Councillor Steve Trow	Sandwell Metropolitan Borough Council
Councillor Ian Ward	Birmingham City Council
Councillor Qadar Zada	Dudley Metropolitan Borough Council

#### **Non-Constituent Members**

Councillor Mark Cargill	Stratford-on-Avon District Council
Councillor Matthew Dormer	Redditch Borough Council
Councillor David Humphreys	North Warwickshire Borough Council
Councillor Julie Jackson	Nuneaton & Bedworth Borough Council
Ninder Johal	Black Country Local Enterprise Partnership
Councillor Alex Phillips	Shropshire Council
Councillor Izzi Seccombe	Warwickshire County Council
Councillor Michael Stokes	Rugby Borough Council

#### **Co-Opted Member**

Lee Barron	Midlands Trades Union Congress
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#### **Observer Members**

Councillor John Edwards	West Midlands Fire & Rescue Authority
David Jamieson	West Midlands Police & Crime Commissioner

#### **In Attendance**

Councillor Mike Chalk	Overview & Scrutiny Committee
Councillor Kath Hartley	Transport Delivery Committee
Councillor Peter Hughes	Overview & Scrutiny Committee

**Item Title**  
**No.****112. Apologies for Absence**

Apologies for absence were received from Councillor George Adamson (Cannock Chase), Councillor Adrian Andrew (Walsall), Councillor Peter Bilson (Wolverhampton), Jonathan Browning (Coventry & Warwickshire LEP), Councillor Tony Jefferson (Stratford-on-Avon), Councillor Peter Nutting (Shropshire), Tim Pile (Greater Birmingham & Solihull LEP) and Stewart Towe (Black Country LEP).

**113. Chair's Remarks**

- (a) **Councillor Steve Trow, Sandwell Metropolitan Borough Council**  
The Chair welcomed Councillor Steve Trow to his first meeting, following his recent appointment as Leader of Sandwell Metropolitan Borough Council. The Chair also thanked Councillor Steve Eling, who had recently stood down as a member of the WMCA Board, for all his work as a member of the board and as the Portfolio Lead for Cohesion & Integration and Public Service Reform.
- (b) **Jerry Hutchinson, North Warwickshire Borough Council**  
The Chair noted that this was the last meeting that Jerry Hutchinson would be attending before he retired as Chief Executive of North Warwickshire Borough Council. He thanked him for the support he had given to the combined authority and his advocacy on behalf of non-constituent authorities.
- (c) **Councillor Roger Lawrence, City of Wolverhampton Council**  
The Chair noted that this was the last meeting Councillor Roger Lawrence would attend before he stepped down as Leader of the City of Wolverhampton Council in May. He paid tribute to the work he had undertaken in establishing the WMCA, and subsequently as the Portfolio Lead for Transport in delivering significant infrastructure and passenger improvements across bus, rail and Metro. In recognition of this work, the Mayor announced that West Midlands Metro would rename a tram 'Roger Lawrence'.

Councillor Roger Lawrence thanked the board for their support during the last three years, indicating that he felt the time was now right for him to pursue other interests. He paid tribute to officers at Transport for West Midlands, West Midlands Combined Authority, City of Wolverhampton Council and Black Country Local Enterprise Partnership for the professional advice and guidance they had given to him throughout his time as a councillor.

**114. Minutes - 8 February 2019**

The minutes of the meeting held on 8 February 2019 were agreed as a correct record.

**115. Forward Plan**

The forward plan of items of business to be reported to future meetings was noted.

**116. Governance of the West Midlands Fire & Rescue Service - Approval of Statutory Order and Proposed Constitutional Detail**

The board considered a report from Henry Kippin, Director of Public Service Reform, Tim Martin, Head of Governance, and Karen Gowreesunker, Clerk to the West Midlands Fire & Rescue Authority, presenting the final draft West Midlands Combined Authority (Fire and Rescue Functions) Order 2019 for approval prior to it being laid before Parliament, along with the indicative timeline and next steps.

The report set out the proposed constitutional amendments that had recently been proposed to cover the operation of a Mayor's fire function so as to provide assurances as to the functions that must be delegated to the Chief Fire Officer by a Mayor, which were not able to be provided for in the draft Order. Phil Loach, Chief Fire Officer, confirmed that the proposed constitutional assurances met the requirements requested by the West Midlands Fire Service, in line with policy intent and underpinning the evidence base for the transfer.

Councillor Steve Trow requested that the report be referred back to constituent authorities for further approval, which would provide confirmation that they were happy with the changes made. The Mayor indicated that resolution (3) could be amended to reflect these concerns. Councillor Peter Hughes reiterated an expectation that Overview & Scrutiny Committee would have responsibility for the scrutiny of the fire service function. Tim Martin confirmed that this was the case, and added that there was an expectation that membership of the Mayoral Fire Committee would command an allowance payable by the WMCA.

Resolved:

- (1) The final draft West Midlands Combined Authority (Fire and Rescue Functions) Order 2019 received from the Home Office on 9 January 2019 be noted.
- (2) The WMCA's consent to the laying of the Order in Parliament be confirmed.
- (3) The WMCA's acceptance of the proposals set out in the report to provide additional constitutional provisions and to deliver a Chief Fire Officer framework of accountabilities in order to provide the necessary assurances required following receipt of the final statutory Order be confirmed, subject to the approval of constituent councils (where so required).

- (4) The Chief Executive and Monitoring Officer of the WMCA be given delegated authority to approve the draft Order received from Government, in agreement with the Chief Fire Officer and Chair of the West Midlands Fire & Rescue Authority, should there be any further non-material changes before the Order was laid.
- (5) A commitment to reviewing governance arrangements within the next Mayoral term be confirmed.

**117. Proposal for the Transfer of West Midlands Police & Crime Commissioner Functions to the Mayor of the Combined Authority**

The board considered a report from Henry Kippin, Director of Public Service Reform, that provided an update on the outcome of the two-stage public consultation on both the principle and the Scheme of the proposed transfer of powers and responsibilities of the West Midlands Police & Crime Commissioner to the Mayor.

The WMCA had been consulting across the region on the process to transfer the powers and responsibilities of the Police & Crime Commissioner to the Mayor in May 2020, and the report provided the outcome of this consultation, conducted in two stages. The board was now required to approve the submission of the governance review, Scheme and consultation analysis to the Home Secretary to enable the preparation of the formal Order for the transfer of the powers and responsibilities to commence.

David Jamieson noted that West Midlands Police was currently under significant pressure in a number of operational areas and considered that seeking to implement governance changes at this stage would be a distraction to senior officers. He expressed concerns regarding the manner in which the two-stage public consultation was undertaken, and the weight that should be given to its conclusions. Henry Kippin confirmed that that the consultation process was undertaken to the satisfaction of the WMCA in accordance with best practice. BECG, the independent agency appointed to design and analyse the consultation, had confirmed that it had been carried out in accordance with the National Market Research Institute's Code of Conduct and the Local Government Association's guidance. Although the number of responses received was a small percentage of the region's population, the level of response was at least commensurate with previous governance consultations undertaken by the WMCA.

Councillor Mike Bird noted the strong levels of support throughout the consultation for transferring the Police & Crime Commission role with that of the Mayor, and cautioned against the WMCA Board appearing to ignore this aspect of the report. Councillor Bob Sleight expressed his disappointment that the board was currently unable to find a consensus on a way forward, noting the successes that had been able to be achieved when the region spoke with a unified voice. Councillor Roger Lawrence indicated that, whilst he accepted that it was not possible to combine the Police & Crime Commissioner and mayoral roles in time for the 2020 mayoral election, he hoped it would be achieved by 2024.

Resolved:

The recommendations contained within the report be not approved.

[In accordance with paragraph 18.11 of the Constitution, the voting on the resolution was as follows:

*For* the report's recommendations (5): Andy Street, Councillor Mike Bird, Councillor Ian Courts, Councillor Marco Longhi and Councillor Bob Sleigh.

*Against* the report's recommendations (9): Councillor George Duggins, Councillor Brigid Jones, Councillor Abdul Khan, Councillor Roger Lawrence, Councillor Paul Moore, Councillor John Reynolds, Councillor Steve Trow, Councillor Ian Ward and Councillor Qadar Zada.]

**118. Financial Monitoring Report 2018/19**

The board considered a report from Linda Horne, Interim Director of Finance, providing an update on the WMCA's finances as at the end of January 2019.

The overall consolidated revenue position of the WMCA to date showed a £1.099m favourable variance from budget, largely owing to revised delivery schedules for various work streams within the Productivity & Skills and Health & Wellbeing portfolios. There was also a favourable variance within the Transport delivery budget. Following the final forecast for the year, the full year position showed a favourable variance of £321,000 for the year.

Resolved:

The financial position as at the end of January 2019 be noted.

**119. WMCA Commercial Fund Extension**

The board considered a report from Linda Horne, Interim Director of Finance, on proposals to increase the existing investment funds that operated on a commercial basis.

In June 2016, the WMCA approved the establishment of a £70m Collective Investment Fund with the purpose of seeking out economic regeneration opportunities to bring forward schemes which required financing that was typically not considered a priority investment by mainstream lenders. As a result of the success of this fund to date, it was proposed to increase its size to £140m and focus the additional £70m on the residential sector. The need for this was evidenced by existing fund managers indicating a strong pipeline of potential residential schemes already being developed.

Resolved:

- (1) The implementation of a new £70m investment fund targeted towards the residential sector be approved.
- (2) A £70m extension of the existing £70m Commercial Investment Fund (total £140m) targeted towards the commercial sector be approved.

- (3) The characteristics of each fund be approved.
- (4) It be agreed that the funds were to be operated by West Midlands Development Capital, subject to the WMCA and West Midlands Development Capital coming to an agreement on fee levels.
- (5) Authority be delegated to the Head of Governance and the Director of Housing & Regeneration to agree the fee payable to West Midlands Development Capital for fund management services, following the extension to the commercial funds.

**120. West Midlands 5G - Structure and Governance Update**

The board considered a report from Henry Kippin, Director of Public Service Reform, providing an update on the early progress of the 5G project where the West Midlands had successfully bid for regional test-bed status as part of the Government's Urban Connected Communities programme.

The interim project team had been working alongside the Department for Digital, Media, Culture & Sport as part of the project's mobilisation and setup phase which sought to prepare long-term funding, contracting and project planning. It was working on the development of necessary business cases and to build the regional and commercial relationships that would be necessary for success.

The Chair expressed his thanks to officers who had progressed the project to the stage it was now at.

Resolved:

- (1) The update on early progress and delivery plans of the WM5G project be noted.
- (2) The governance structure for the WM5G project be confirmed and approved, and permission be granted for a joint venture to be established and the delivery entity to commence operations.
- (3) The principles against which the governance, assurance, financial delegations and procurement of WM5G Ltd would be developed be confirmed and approved.
- (4) It be confirmed that the WMCA representative on the joint venture would have delegated authority to act on behalf of the WMCA on any matters relating to the functions of the joint venture.
- (3) The Head of Governance be authorised to enter into all necessary agreements to give effect to the proposals set out in the report, as negotiated by the same and/or the Director of Public Service Reform as Project Senior Responsible Officer.

## **121. Midland Metro Wednesbury to Brierley Hill Extension**

The board considered a report from Phil Hewitt, Director of West Midlands Metro, providing an update on progress in delivering the Wednesbury to Brierley Hill Metro extension, the result of the final business case assessment, and seeking the approval of funding to cover the increased outturn costs in order to achieve the opening of the extension by the end of 2023.

The Wednesbury to Brierley Hill extension would connect with Midland Metro line 1 at Wednesbury and run to Brierley Hill via Dudley town centre and Waterfront/Merry Hill. The scheme would provide up to 17 new stops and would integrate with the new Dudley Interchange for local bus services and at Dudley Port railway station.

Councillor Qadar Zada expressed his support for this project, particularly given the impact he considered it would have to the economic opportunities that residents within Dudley would be able to take advantage of with the improvements in connectivity. Councillor Steve Trow also welcomed the extension and the benefits it would bring to Sandwell.

Resolved:

- (1) The progress being made on delivering the Wednesbury to Brierley Hill Metro extension be noted.
- (2) The benefits that the scheme would deliver to the Black Country and surrounding areas be noted.
- (3) The increase in the estimated outturn cost for the project to £449.5m, which delivered a benefit:cost ratio of 2.03:1 calculated in accordance with WebTAG be noted.
- (4) Dudley and Sandwell Metropolitan Borough Councils' commitment to provide land, works and support services to the project which served to avoid costs of between £12m and £15m be noted.
- (5) The commitment of £207m of Transforming Cities funding made by the WMCA in December 2017 be noted.
- (6) The commitment of funding be approved, in particular:
  - confirming the commitment of £103m Investment Programme funding
  - confirming approval for Prudential Borrowing up to £157.1m.
- (7) Authority be delegated to the Managing Director of Transport for West Midlands, the Director of West Midlands Metro and the WMCA's s.151 officer in respect of the powers set out in section 10 of the report.

## **122. Park & Ride Policies and Principles - Towards a Strategy**

The board considered a report from Mike Waters, Director of Policy, Strategy & Innovation of Transport for West Midlands, seeking approval for a set of Park & Ride aims, policies and principles which would guide further work on a development framework and implementation plan.

Park & Ride had generally been perceived as successful in the West Midlands where demand had been shown to outstrip capacity. Whilst a fully developed rail and rapid transit network would ultimately provide a more comprehensive coverage for the region, a more targeted Park & Ride service would consequently be required to help residents access these services as part of an integrated transport system. The report set out a number of principles against which Park & Ride facilities should be judged, including a site-by-site review of charging and space booking infrastructure, and a means for prioritising new Park & Ride locations.

Councillor Ian Courts supported the principle that introducing car parking fees at individual Park & Ride sites should be looked at on a site-by-site basis, and that in respect of those sites located within Solihull borough, he saw value in Solihull Metropolitan Borough Council's Stronger Communities & Neighbourhood Services Scrutiny Board being involved in this review process. Councillor Mike Bird noted that there was likely to be an increasing demand for Park & Ride sites to support high volume bus routes and bus rapid transit routes.

Resolved:

- (1) The aims that detailed the positive impact Park & Ride would have within the West Midlands wider Integrated Transport Strategy be agreed.
- (2) The policies to govern the future development, funding and management of Park & Ride be agreed.
- (3) The principles for taking forward a site-by-site review of potential schemes to implement charging and space booking infrastructure for Park & Ride be agreed.
- (4) The principles for the development of any currently uncommitted future Park & Ride proposals be agreed.
- (5) The progression of a development framework and funded implementation plan for future Park & Ride by Transport for West Midlands in partnership with the local authorities be approved.
- (6) It be noted that the proposed approach followed the direction of the decisions taken at the WMCA Board on 8 February 2019 in respect of developing options for potentially introducing parking charges at existing Park & Ride sites.

### **123. Transforming Cities Fund 2**

The board considered a report from Sandeep Shingadia, Director of Development Delivery at Transport for West Midlands, setting out the approach for a programme of proposed transport investments to utilise the balance of Transforming Cities Funding round 2.

The Transforming Cities Fund was announced in 2017 and provided the WMCA with £250m of capital funding. In the 2018 Autumn Statement, the Government announced the extension of this fund to 2022/23, with an additional £71.5m for the region. This was to be invested in new local transport infrastructure to boost productivity by improving public and sustainable transport connectivity. An assessment of objectives, challenges and criteria had led to the development of a proposed balanced programme of strategic region-wide transport interventions.

Resolved:

- (1) The balanced programme and indicative allocations of Transforming Cities Fund 2 resources be approved.
- (2) The approach for developing and managing the Transforming Cities Fund 2 allocations be approved.
- (3) The interrelationship between the resolutions (1) and (2) above and the funding challenge relating to the Investment Programme and existing HS2 Connectivity Package schemes be noted.

### **124. Future Mobility Zone Programme**

The board considered a report Mike Waters, Director of Policy, Strategy & Innovation at Transport for West Midlands, setting out the purpose and scope of the £20m Department of Transport award to the West Midlands for a Future Mobility Zone.

The Government announced in its 2018 Autumn Statement a £90m fund for 'Future Mobility Zones', of which £20m would be allocated to the West Midlands. The fund was intended to support enhanced transport services such as better travel information during and before journeys, demand responsive services, incentivised travel choices, and elements of self-driving vehicle technology. This would enable new mobility services to be deployed that worked seamlessly for travellers, creating a better connected region and enabled a positive change in the lives of people.

The Chair thanked all those who had been involved in the project for their work in progressing matters to this stage.

Resolved:

- (1) The scope of the proposed Future Mobility Zone programme, which would be confirmed in the final grant agreement to be entered into with the Department for Transport, be approved.

- (2) The delegation of authority to officers as set out in the report be approved.
- (3) The timescales and funding mechanism as a ring-fenced capital and revenue top-up to the Transforming Cities Fund be noted.
- (4) The proposed further bid for additional funding from the remaining national allocation of £70m for Future Mobility Zones, which if successful would build on foundations laid by the first round of funding, be noted.

**125. Women's Concessionary Travel Scheme Pass**

The board considered a report from Mike Waters, Director of Policy, Strategy & Innovation at Transport for West Midlands, on a proposed Women's Concessionary Travel Scheme pass that would provide free off-peak local bus and Metro travel for around 9,000 women born between 6 March 1954 - 5 November 1954.

The Pension Act 2011 resulted in some women being financially worse off as a consequence of having to wait longer for their pension income than was initially set in the Pensions Act 1995. This also meant that these women would have to wait longer than expected for benefits that were commensurate with reaching state pension age, such as the concessionary travel pass. The report set out a number of options for introducing a Women's Concessionary Travel Scheme that would provide a travel pass to enable access to key services and opportunities, helping to tackle social exclusion, social isolation, maintaining good health and enabling independence.

Councillor Brigid Jones welcomed the proposals contained within the report, which helped towards addressing the disadvantages being experienced by certain women due to reforms in state pension regulations. Brigid Green, Birmingham Women Against State Pension Inequality, thanked the board for considering this matter and highlighted the significant help it would provide for women who did not qualify for their state pension at the age they were expecting to. For those in lower paid employment, or without a regular income, transport costs were significant and could often prove to be a barrier to wider involvement within their communities.

Resolved:

- (1) Approval be granted (noting the required consultation with operators) to introduce a local travel concession commencing on 7 July 2019 for women in the West Midlands most affected by the Pensions Act 2011 which accelerated the increase in the state pension age from 2016.
- (2) The forecast costs for the selected scheme option, which was funded from within the overall Transport Delivery budget, be approved.

- (3) Agreement be sought on the recommended scheme option 1 from those presented in the report and it be agreed that eligibility would be based from the Pensions Act 1995 (applicable if the scheme was to be extended beyond its proposed 15 month period).

**126. Strategic Economic Delivery Board - 10 December 2018**

The board received the minutes of the Strategic Economic Delivery Board held on 10 December 2018.

Resolved:

The minutes of the meeting held on 10 December 2018 be noted.

**127. Transport Delivery Committee - 4 February 2019**

The board received the minutes of the Transport Delivery Committee held on 4 February 2019.

Resolved:

The minutes of the meeting held on 4 February 2019 be noted.

**128. Environment Board - 8 February 2019**

The board received the minutes of the Environment Board held on 8 February 2019.

Councillor Peter Hughes expressed his disappointment that that the meeting had not been quorate.

Resolved:

The minutes of the meeting held on 8 February 2019 be approved.

**129. Investment Board - 18 February 2019**

The board received the minutes of the Investment Board held on 18 February 2019.

Resolved:

The minutes of the meeting held on 18 February 2019 be noted.

**130. Housing & Land Delivery Board - 21 February 2019**

The board received the minutes of the Housing & Land Delivery Board held on 21 February 2019.

Resolved:

The minutes of the meeting held on 21 February 2019 be noted.

**131. Overview & Scrutiny Committee - 25 February 2019**

The board received the minutes of the Overview & Scrutiny Committee held on 25 February 2019.

Resolved:

The minutes of the meeting held on 25 February 2019 be approved.

**132. Investment Board - 11 March 2019**

The board received the minutes of the Investment Board held on 11 March 2019.

Resolved:

The minutes of the meeting held on 11 March 2019 be noted.

**133. Update on Arrangements for Exiting the European Union**

The Chair provided a verbal update on discussions that were being held on arrangements for the United Kingdom to leave the European Union. Work was being focused around economic matters, resilience and local authority co-ordination. A contingency planning group had been established to oversee the economic impacts and had shared its action plan with local authority chief executives, which included the pooling of some resources and a package of 'asks' to the Government if the UK was to leave the EU with no withdrawal agreement on 12 April 2019.

Councillor Brigid Jones reported that in respect of resilience planning, thematic groups covering trading standards, environmental health and workforce planning were meeting. Birmingham City Council intended to reconvene its Brexit Commission during the next week to continue this preparatory work.

Martin Reeves, Chief Executive of Coventry City Council, reported that the West Midlands Conurbation Local Resilience Forum had been meeting regularly to ensure business continuity across core functions throughout the region. Nick Page, Chief Executive of Solihull Metropolitan Borough Council, indicated that he was meeting three times a week with civil servants in London and was feeding back to chief executives colleagues the outcome of these meetings.

Resolved:

The update on the latest developments to prepare the region for the United Kingdom's upcoming withdrawal from the European Union be noted.

[NB. The Chair indicated that he was accepting this item as a matter of urgent business given the importance of ensuring the board was fully informed of the latest developments.]

**134. Friday 24 May 2019 at 11.00am**

The date of the next meeting was noted.

**135. Exclusion of the Public & Press**

Resolved:

In accordance with s100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item as it was likely to involve the disclosure of exempt information as specified in paragraphs 3 and 5 of the Act.

**136. Housing & Land Single Commissioning Framework: Update and Key Principles**

The board considered a report from Gareth Bradford, Director of Housing & Regeneration, and Linda Horne, Interim Director of Finance, on the development of a Single Commissioning Framework for new and existing devolved housing and land funds in the West Midlands.

The Housing & Land Delivery Board had recommended the development of a Single Commissioning Framework at its meeting on 25 October 2018, which would provide a single set of criteria and governance systems that would be applied to all applications for available devolved WMCA housing and land funding, along with a consistent process and timeline for decisions. The funds that the proposed framework would apply to were:

- the remaining unallocated Brownfield Land & Property Development Fund,
- the extended Commercial Investment Fund,
- the new Residential Investment Fund,
- the new Land Fund,
- the component of the infrastructure funding made available to the WMCA in respect of the Commonwealth Games athletes village and the wider regeneration at Perry Barr,
- the remaining Housing Deal funds for infrastructure.

Councillor David Humphreys welcomed the application of the framework to schemes within both constituent and non-constituent member areas.

Resolved:

- (1) It be noted that the report had been considered, and the broad contents endorsed for submission to the WMCA Board, by the Programme Board, the Housing & Land Delivery Board and Housing & Land Delivery Steering Group.
- (2) The key operational principles proposed in the report of the Housing and Land Single Commissioning Framework, as agreed by the Programme Board and the Housing & Land Delivery Board, be approved.

- (3) Authority be delegated to the Director of Housing & Regeneration, the Director of Finance and the Head of Governance, in consultation with the Portfolio Holder for Housing & Land, for the drafting and approval of the detailed Housing and Land Single Commissioning Framework, subject to it being consistent with the key operational principles, weighting and criteria proposed within the report.

The meeting ended at 1.10 pm.

## WEST MIDLANDS COMBINED AUTHORITY FORWARD PLAN: JUNE 2019 - MAY 2020

Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
<b>Appointment of Committees, Meeting Dates etc.</b>	To approve committee arrangements for 2019/20.	28 June 2019	Yes	n/a	Deborah Cadman	No	Governance
<b>WMCA Annual Plan 2019/20</b>	To approve the Annual Plan.	28 June 2019	Yes	n/a	Deborah Cadman	No	Governance
<b>WMCA Overview &amp; Scrutiny - Annual Report 2018/19</b>	To receive the report.	28 June 2019	No	n/a	Tim Martin	No	Governance
<b>5G Delivery Plan Update</b>	To consider an update on 5G matters.	28 June 2019	No	Cllr Ian Ward	Henry Kippin	No	Economic Growth
<b>Coventry City Centre First - Full Business Case</b>	To approve the allocation of devolution funding to this project.	28 June 2019	Yes	TBC	Ian Martin	No	Finance



Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
<b>Financial Monitoring 2019/20</b>	To review the latest budget monitoring position.	28 June 2019	No	TBC	Linda Horne	No	Finance
<b>State of the Region Report</b>	To consider the annual report	28 June 2019	Yes	TBC	Julia Goldsworthy	No	Policy
<b>Environment Plan and Carbon Targets</b>	To approve the plan.	28 June 2019	Yes	Cllr Qadar Zada	Simon Slater	No	Environment
<b>Low Emissions Strategy</b>	To approve the strategy.	28 June 2019	Yes	Cllr Qadar Zada	Simon Slater	No	Policy
<b>Vision for Bus Next Steps</b>	To agree the delivery plan for the Strategic Bus Vision.	28 June 2019	Yes	TBC	Laura Shoaf	No	Transport
<b>Childhood Obesity Strategy</b>	To agree a strategy to tackle childhood obesity.	28 June 2019	Yes	Cllr Izzi Seccombe	Sean Russell	No	Wellbeing

Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
<b>Homelessness Update</b>	To provide an update on the latest developments relating to homelessness.	28 June 2019	No	TBC	Henry Kippin	No	Policy
<b>Financial Monitoring 2019/20</b>	To review the latest budget monitoring position.	September 2019	No	TBC	Linda Horne	No	Finance
<b>Public Service Reform White Paper</b>	To consider a report on the latest Public Service Reform developments.	September 2019	No	TBC	Henry Kippin	No	Cohesion & Integration and Public Service Reform
<b>Commonwealth Games Transport Plan</b>	To approve the transport plan.	September 2019	Yes	TBC	Laura Shoaf	No	Transport
<b>Willenhall and Darlaston New Railway Stations</b>	To approve compulsory purchase orders for these new railway stations.	September 2019	Yes	TBC	Laura Shoaf	Yes	Transport



Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
<b>Moseley, Kings Heath and Hazelwell New Railway Stations</b>	To approve compulsory purchase orders for these new railway stations.	September 2019	Yes	TBC	Laura Shoaf	Yes	Transport
<b>Midland Metro Ltd Future Plan</b>	To consider a report on matters related to Midland Metro Ltd.	September 2019	Yes	TBC	Laura Shoaf	No	Transport
<b>Financial Monitoring 2019/20</b>	To review the latest budget monitoring position.	November 2019	No	TBC	Linda Horne	No	Finance
<b>Financial Monitoring 2019/20</b>	To review the latest budget monitoring position.	January 2020	No	TBC	Linda Horne	No	Finance
<b>Draft Budget 2020/21</b>	To consider draft proposals for the WMCA's 2020/21 budget.	January 2020	No	TBC	Linda Horne	No	Finance

Page 9



Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
<b>Financial Monitoring 2019/20</b>	To review the latest budget monitoring position.	February 2020	No	TBC	Linda Horne	No	Finance
<b>Final Budget 2020/21</b>	To agree with WMCA's 2020/21 budget.	February 2020	Yes	TBC	Linda Horne	No	Finance
<b>Financial Monitoring 2019/20</b>	To review the latest budget monitoring position.	March 2020	No	TBC	Linda Horne	No	Finance

Page 19

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## WMCA Board

<b>Date</b>	24 May 2019
<b>Report title</b>	Appointment of Combined Authority Returning Officer
<b>Accountable Chief Executive</b>	Deborah Cadman, West Midlands Combined Authority email: <a href="mailto:deborah.cadman@wmca.org.uk">deborah.cadman@wmca.org.uk</a> tel: (0121) 214 7552  Martin Reeves, Coventry City Council email: <a href="mailto:martin.reeves@coventry.gov.uk">martin.reeves@coventry.gov.uk</a> tel: (024) 7683 1100
<b>Accountable Employee</b>	Tim Martin, Head of Governance, Clerk and Monitoring Officer email: <a href="mailto:tim.martin@wmca.org.uk">tim.martin@wmca.org.uk</a> tel: (0121) 214 7435
<b>Report has been considered by</b>	Programme Board - 10 May 2019

**Recommendation(s) for action or decision:**

**The WMCA Board is recommended to:**

- (1) Appoint Martin Reeves, Chief Executive of Coventry City Council as the West Midlands Combined Authority Returning Officer.

## **1. Purpose**

- 1.1 The purpose of the report is to enable the West Midlands Combined Authority to appoint a Combined Authority Returning Officer in respect of the Combined Authority Mayoral election on 7 May 2020.

## **2. Background**

- 2.1 The Combined Authorities (Mayoral Elections) Order 2017 provides that each Combined Authority must appoint one of its officers or one of the officers of a constituent council to be the Combined Authority Returning Officer (CARO). If an officer of a constituent authority is chosen this will normally be the Returning Officer for that area.
- 2.2 The CARO will have overall responsibility for the election of the Mayor and may, for example, give to a Returning Officer of a constituent member authority, directions relating to the conduct of the election. In addition, the CARO will be responsible for accepting nominations and coordinating the regional result.
- 2.3 For the 2017 election a decision was taken to appoint the Returning Officer of Coventry City Council as the CARO. The WMCA does not maintain an elections team and is not responsible for any elections with the exception of the Mayoral election.
- 2.4 It is recommended therefore, that Martin Reeves, the Chief Executive of Coventry City Council is appointed as the West Midlands Combined Authority Returning Officer for the Mayoral Election 2020. The CARO will be supported by the electoral teams from Coventry City Council and Birmingham City Council.
- 2.5 Agreed protocols covering access to information and contact with all candidates in order to provide full transparency are being developed by the Combined Authority and will be jointly agreed by the Combined Authority Chief Executive and the CARO.

## **3. Wider WMCA Implications**

- 3.1 The Mayoral election covers the whole of the constituent area of the WMCA but does not include the electorate of the non-constituent authority areas.

## **4. Financial Implications**

- 4.1 The CARO will have responsibility for the conduct poll and any directions made by the CARO may have implications on the cost of delivering the election. The cost of the election and the appropriate publicity is borne by the Combined Authority.

## **5. Legal Implications**

- 5.1 The Combined Authority will be in breach of its statutory duty if a CARO is not appointed and it will not be possible for the election to be held.

## **6. Equalities Implications**

- 6.1 A full range of measures are employed to ensure that all electors are able to cast their vote without difficulty.

**7. Inclusive Growth Implications**

7.1 There are no specific inclusive growth implications arising from this report.

**8. Geographical Area of Report's Implications**

8.1 This is dealt with in paragraph 3.1 above.

**9. Other Implications**

None

**10. Schedule of Background Papers**

N/A

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## WMCA Board

<b>Date</b>	24 May 2019
<b>Report title</b>	Financial Monitoring Report 2018/19
<b>Portfolio Lead</b>	TBC
<b>Accountable Chief Executive</b>	Deborah Cadman, West Midlands Combined Authority email: <a href="mailto:deborah.cadman@wmca.org.uk">deborah.cadman@wmca.org.uk</a> tel: (0121) 214 7552
<b>Accountable Employee</b>	Linda Horne, Acting Director of Finance email: <a href="mailto:linda.horne@wmca.org.uk">linda.horne@wmca.org.uk</a> tel: (0121) 214 7508
<b>Report to be / has been considered by</b>	Senior Leadership Team - 25 April 2019 Programme Board - 10 May 2019

**Recommendation(s) for action or decision:**

**WMCA Board is recommended to:**

- (1) Note the financial outturn position as at the end of March 2019.

## 1.0 Purpose

- 1.1 To provide an update on West Midlands Combined Authority finances as at the end of March 2019, subject to external audit.

## 2.0 Background - Financial Monitoring

- 2.1 A summary of the final outturn for both revenue and capital spend against the approved budget and forecast are attached as appendices 1-5. A summary of the Investment Programme along with current commitments is included in appendices 6 and 7 and the balance sheet position is set out in appendix 8.
- 2.2 Also reported for noting is the Authority's 2018/19 Treasury Management outturn as set out in appendix 9.
- 2.3 Appendix 1 shows the overall consolidated revenue position for the West Midlands Combined Authority. The full year outturn at the end of March shows a (£0.011m) (£0.045m Feb19) minor adverse variance from budget. The final outturn was (£0.330m) higher than forecast, largely due to a requirement to set aside a bad debt provision in relation to I-Go and Ring and Ride going into administration. Further details are provided in sections 3 and 4 below.
- 2.4 It should be noted that the final outturn position set out in this report is subject to external audit which will commence in May 2019 with audit findings to be reported to Audit, Risk and Assurance Committee on 21st June when the Committee will also approve the final audited accounts.
- 2.5 The deficit for the year 2018/19 (£0.011m) will be met from the existing general fund balance. Further details are set out in paragraph 8.5.

**Table1: WMCA Final Outturn 2018/19 compared with Forecast Outturn**

£ million	January 2019 Forecast	Final Outturn
Transport Delivery	0.2	(0.06)
WMCA Operational Budget	0.1	0.05
Mayor's Office	0.0	0.00
Investment Programme	0.0	0.00
<b>Total</b>	<b>0.3</b>	<b>(0.01)</b>

## 3.0 Transport

- 3.1 Appendix 2 sets out the final outturn position on the Transport revenue budget as at the end of March 2019, showing an adverse variance of (£0.057m) from budget and from forecast of (£0.270m) due to variances across a number of budgets which are explained below.

- 3.2 The final outturn from budget reflects savings within travel concessions of £2.801m (£1.956m Feb19) due to lower bus patronage than budgeted and lower costs associated with the apprentice and trainee scheme due to reimbursement taking place on actuals rather than fixed amounts. As per the 2019/20 budget, these savings will be used to fund the income foregone as a result of the (12 month) departure charge and roadside information holiday commencing from 1st Oct 2018 within Bus Services of £1.448m along with service costs incurred as a result of I-Go and Ring and Ride going into administration of (£0.501m) within subsidised network and accessible transport.
- 3.3 Other favourable key variances from budget are within Passenger Information of £0.199m due to higher than expected ticketing commission received and lower costs associated with ticketing processing and information production.
- 3.4 These savings are partly offset by an adverse variance within capital financing of (£0.830m) due to a requirement to set aside a bad debt provision in relation to Ring and Ride West Midlands going into administration (£0.592m) and the finance charges related to the CAV mobility project (£0.217m) which has been fully funded in the current year to deliver the cash flat transport levy requirement in the 2019/20 budget.
- 3.5 Further details are set out in appendix 2.

#### **4.0 West Midlands Combined Authority Operational Budget**

- 4.1 Appendix 3 sets out the final outturn position on the West Midlands Combined Authority Operational budget as at the end of March 2019. There is a favourable outturn variance of £0.047m from budget and an adverse variance of (£0.059m) from the forecast outturn.
- 4.2 The favourable variance within Health and Wellbeing of £0.292m (£0.263m Feb 19), is largely due to posts which have not been filled within the Mental Health team and revised delivery schedules for providing intensive Mental Health support for those with complex needs or who are homeless and supporting people with Mental Health needs as they prepare to leave prison.
- 4.3 There are also favourable variances within the Employment Support Pilot which is now being delivered and spend has been re-profiled across the 3 year programme to accommodate the revised delivery timetable. There is also a favourable variance on Construction Skills due to the rescheduling of construction training activities that will now take place in the new financial year. After an initial delay HS2 skills delivery is now also underway. It should be noted that these programmes are all fully grant funded activities and this position is fully offset by lower drawdown of grant income received.
- 4.4 The Economic Growth Portfolio (£0.121m) reflects an adverse variance from budget due to additional costs within the Environment Portfolio including expenditure aimed at developing measures to address fuel poverty and ultra-low emission vehicles to address air quality in the region.

## **5.0 Mayor's Office**

- 5.1 The Mayoral office final outturn shows a minor favourable variation relating to the timing of mayoral initiatives which will now take place in the early part of the new financial year. There is no impact on the overall financial position, however, as the initiatives are fully funded by the approved use of reserves.

## **6.0 Transport Delivery Capital Programme**

- 6.1 Appendix 5 sets out the position on the Capital Programme as at the end of March 2019. Overall there is a favourable variance of £69.3m (£59.8m Feb19) against budget. This is primarily contained within the TfWM Investment Programme (£56.8m) and predominantly relates to Metro extension schemes. This will not adversely impact on the delivery timetable.
- 6.2 There is a favourable variance on the Wednesbury to Brierley Hill Metro Extension (£22.8m) which reflects the re-phasing of early start activities within the project to accommodate the refresh of statutory powers and finalisation of the business case. The Metro Birmingham Eastside scheme (£16.7m) was also below budget as a result of the impacts of the delay in confirmation of the Transport and Works Act Order on the programme and re-profiling in response to ongoing design options appraisal. The 3G Tram tendering will be later than planned, and as a consequence the negotiation and contract award anticipated in March 2019, will not now take place until September 2019.
- 6.3 There is a favourable variance on the Metro East Birmingham to Solihull Extension (£6.6m) due to the rescheduling of survey and modelling works, impacting on the submission of an application for a Transport and Works Act Order to early 2020. This scheme is on schedule to complete in 2026.
- 6.4 There is a favourable variance on Edgbaston Metro Extension Scheme (£6.0m) owing to a rescheduling of complimentary highway measures to combine works with Hagley Road Sprint scheme. Construction costs have been re-profiled following the decision to re-strengthen (rather than reconstruct) the Broad Street canal bridge as part of the Edgbaston Metro extension. The scheme remains on target to open in December 2021.
- 6.5 The Rail Investment Programme was £5.4m below budget, owing mainly to a deferral of land acquisition with respect to local enhancements on the Walsall to Wolverhampton Rail scheme, and Camp Hill local rail enhancements.
- 6.6 Other favourable variances include the SPRINT Network (£3.3m), primarily due to the Hagley Road Scheme (£2.8m), where utility work has not commenced owing to a delay in securing all of the Land Freehold and Leasehold Agreements, which were secured in their entirety in March 2019. The Wolverhampton City Centre Metro Extension scheme (£1.9m) is reflective of re-profiling of the project to align with the Wolverhampton Interchange Programme station reconstruction works, and the purchase of the NCP Car Park (£0.8m) which is in progress, but will not conclude until mid-2019. The scheme is on schedule to complete in late 2020.
- 6.7 Offsetting the favourable variances identified previously, there is an adverse variation on the Wolverhampton Interchange and Carpark project (£6.0m), representing the claim submitted by Wolverhampton City Council which is currently subject to confirmation that it satisfies conditions set by the DfT.

- 6.8 There is a favourable variance on the Other Major Schemes Programme of £6.4m (£3.1m Feb 19), primarily due to the Longbridge Connectivity Package (£3.4m). The pre-construction ground investigation works identified that piled foundations would be required, adding significant cost to the current budget. Planning consent was approved in December, necessitating additional drainage measures and visual requirements to complement the area are required as a result. As a consequence, a budget increase of £1.855m was approved in February 2019, enabling the procurement of the super structure to commence, fully funded by borrowing against future carpark revenues and the main construction phase of the decked car park has been deferred until May 2019.
- 6.9 The Minor Works programme shows a favourable variance of £5.5m (£4.0m Feb 19), spread across the wider programme. The main variations include Snow Hill 3<sup>rd</sup> Access (£2.2m), Clean Bus Technology Fund 2019-20 (£1.5m), Bradley Lane Park & Ride (£1.2m), and Transforming Bus Travel Platinum RTI Equipment (£0.4m).
- 6.10 The Administered Programme shows a favourable variance of £0.6m (£1.1m Feb 19). The main variance relates to the Key Route Network (£0.3m) owing to a re-profiling of Local Authority led Projects into Q1 19/20. Transport modelling strategy work allied to the Commonwealth Games has been re-phased to reflect the final funding confirmed available for 2018/19, with other activities re-phased into 2019/20.
- 6.11 The final out-turn costs were £4.5m below the Annual Forecast. The main variance was contained within the TfWM Other Major Schemes (£2.2m) due to release of a financial provision which will be used to meet the costs of metro life cycle and renewal costs as and when they are incurred. Within the TfWM Minor Works Programme, there was an under spend of £1.7m, primarily reflecting Clean Bus Technology Fund 2019-20 expenditure (£0.9m), where the final payment to an operator will be made in the new financial year and Bradley Lane Park & Ride (£0.7m), where the progression of construction works were impacted by the contractor going into administration in March 2019. A new contractor has been sourced, to complete the works in Q1 19/20, and discussions are ongoing with the administrator to understand the impact of any additional costs.
- 6.12 Further details are set out in appendix 5.

## **7.0 Investment Programme**

- 7.1 The financial results for the Investment Programme run one month behind the regular management accounts due to the requirement to consolidate outputs across the Metropolitan area. The February results are shown in Appendix 6.
- 7.2 The year to date cash spend to February 2019 is £110m behind the initial forecast (£115m January 2019). For the full year 2018/19 the programmes are forecast to be £132m behind initial forecasts. Both the year-to-date and full year variances are primarily due to the Metro programme (for the full year being £54m), the Coventry UKC+ programme (for the full year being £31m) and the Land Reclamation and Remediation programme (for the full year being £11m).

- 7.3 In respect of full project costs to completion, the financial summary has been adjusted to reflect the revised project budget for the Wednesbury to Brierley Hill Metro Extension, as approved by the WMCA Board on 22 March 2019. The financial summary continues to highlight increased spend on the East Birmingham to Solihull metro compared with the 2018/19 programme baseline.
- 7.4 The cost to completion against UK Central Interchange remains red status due to the funding gap of circa £205m against the Birmingham International Station redevelopment project.
- 7.5 Appendix 7 details the commitments made against the Investment Programme which totalled £634m to the end of March 2019 (£531m February 2019).
- 7.6 Based on the sequencing of further business cases through the Assurance Process, the West Midlands Combined Authority expects to fully exhaust the buying power of the Devolution Deal Grant during 2019/20, having made 'commitments to fund' over £750 million of Investment Programme schemes which will be delivered over the next circa 8 years. In order to continue making commitments to fund schemes after this point, sustainable, long term revenue sources of circa £175 million will need to be identified to allow all the scheduled business cases to pass through the assurance process in 2019/20. Post 2019/20 there remains an additional £1.2 billion to secure.
- 7.7 Work is being undertaken with Leaders to identify viable solutions which consist of both income generation and cost avoidance / reduction. Regular updates against these strategies will continue to be provided to Investment Board and West Midlands Combined Authority Board throughout 2019/20.
- 7.8 Ultimately, if the Combined Authority are unable to close the gap between Investment Programme commitments and available funding, it is likely schemes could encounter delays and / or the overall Investment Programme will need to be scaled back in consultation with Leaders.

## 8.0 Balance Sheet

- 8.1 Appendix 8 presents The West Midlands Combined Authority Balance Sheet which shows a healthy financial position at the end of March 2019. The main changes reflect Transport for West Midlands capital spend and work-in-progress mainly funded by grants in advance, resulting in the increase in long-term assets and decrease in long-term liabilities.
- 8.2 The increase in debtors is largely due to higher trade receivables and grant income in respect of Metro Birmingham Eastside extension scheme and Wolverhampton station and car park.

### 8.3 Table 2: WMCA Earmarked Reserves as at 31 March 2019

£ million	Investment Programme	Revenue Grants	General Earmarked Reserves	Total
1 April 2018 Opening Balance	64.938	2.529	14.889	82.356
Movements in the year	8.910	0.093	5.283	14.286
31 March 2019 Closing Balance	<b>73.848</b>	<b>2.622</b>	<b>20.172</b>	<b>96.642</b>

- 8.4 Expenditure plans exist for all of the <sup>Page 30</sup>above funds.

8.5 The final General Fund Balance reflects the deficit in year as follows:

**Table 3: WMCA General Fund Balance as at 31 March 2019**

£ million	Total
1 April 2018 Opening Balance	2.295
Deficit in the year	(0.011)
<b>31 March 2019 Closing Balance</b>	<b>2.284</b>

8.6 This remains below what would normally be expected to be held by an Authority of this size, however in light of the statutory underwrite by the 7 Metropolitan councils a lower level of general funds is considered acceptable.

## 9.0 Administered Funds

Funding Stream	2018/19 Latest Forecast Grant Award £'000	2018/19 Spend to date £'000	Purpose
Midlands Connect	9,230	8,296	Work is continuing on delivering the Midlands Engine 'Vision for Growth'.
Housing First Pilot	9,600	9,600	WMCA are the accountable body for this grant award that has now been paid to Birmingham City Council to develop work streams to help rough sleepers off the streets
One Public Estate	490	-	It was agreed by WMCA Board that WMCA would assume accountable body status for this grant award, that is delivering various projects that secure more from public sector assets through collective action. Sandwell MBC are in the process of transferring the funds to WMCA.
Highways Maintenance Block	13,112	13,112	Distributed to the 7 Mets. excluding Birmingham City Council which has separate PFI arrangements, to deliver programmed highways maintenance works in line with the conditions of the grant award
Integrated Transport Block	17,618	18,311	Supporting delivery of the 7 Mets. Capital Programmes & WMCA's Minor Works Capital Programme
<b>Total</b>	<b>50,050</b>	<b>49,319</b>	

## **10.0 Accountable Body – LPIF**

10.1 It should be noted that in relation to the Land Property and Investment Fund allocated to the Black Country LEP, a report to the Combined Authority Board in September 2017 contained details about the accountable body arrangements being undertaken by City of Wolverhampton Council (CWC). Subsequently, in January 2019, The Ministry of Housing, Communities and Local Government released its National Local Growth Assurance Framework. Included is the requirement that 'all LEPs must have a single Accountable Body in place by the 28 February 2020', which the Black Country LEP approved as Walsall Council on 22 October 2018. Approval to become the Black Country LEP's single accountable body was granted by Walsall MBC's Cabinet on 24 April 2019, which includes the accountable body status for the Land Property and Investment Fund and all subsequent funds awarded to the Black Country LEP. This approach was supported by CWC and arrangements are being put in place to ensure a smooth transition.

## **11.0 Financial Implications**

11.1 The Financial Implications are set out in the report.

## **12.0 Legal implications**

12.1 There are no legal implications.

## **13.0 Equalities implications**

13.1 There are no equalities implications.

## **14.0 Inclusive Growth Implications**

14.1 The WMCA budget includes implications of inclusive growth in the region.

## **15.0 Geographical Area of Report's Implications**

15.1 The report encompasses the West Midlands region.

## **16.0 Other Implications**

16.1 There are no other implications

## **17.0 Appendices**

- Appendix 1 – WMCA Consolidated Summary – March 2019
- Appendix 2 – WMCA Transport Revenue Summary - March 2019
- Appendix 3 – WMCA Operational Revenue Summary – March 2019
- Appendix 4 – WMCA Mayor Revenue Summary – March 2019
- Appendix 5 – WMCA Capital Transport Delivery Programme – March 2019
- Appendix 6 – WMCA Investment Programme Summary – February 2019

- Appendix 7 – WMCA Investment Programme Commitments – March 2019
- Appendix 8 – WMCA Balance Sheet – March 2019
- Appendix 9 – Treasury Management Strategy – March 2019

## Appendix 1

### WMCA Consolidated Summary – March 2019

	2018/19 Outturn			2018/19 Outturn		
	ACTUAL £'000	BUDGET £'000	VARIANCE £'000	ACTUAL £'000	FORECAST £'000	VARIANCE £'000
<b>INCOME</b>						
1 - Transport Levy	114,720	114,720	0	114,720	114,720	0
2 - Devolution Deal grant (IP)	36,500	36,500	0	36,500	36,500	0
3a Devolution Deal grants - Operational	2,884	5,558	(2,674)	2,884	3,438	(554)
3b Devolution Deal grants - Mayoral	558	558	0	558	558	0
4 - Adult Education Funding	197	200	(3)	197	318	(121)
5 - Business rates growth	4,764	4,500	264	4,764	4,500	264
6 - Grants from Constituent members	4,644	4,644	0	4,644	4,644	0
7 - Grants from Non Constituent members	425	425	0	425	425	0
8 - Investment Income	823	494	329	823	698	125
9 - Use of Reserves	1,246	1,767	(521)	1,246	1,572	(326)
<b>Total income</b>	<b>166,761</b>	<b>169,366</b>	<b>(2,605)</b>	<b>166,761</b>	<b>167,373</b>	<b>(612)</b>
<b>EXPENDITURE</b>						
Operating expenditure:						
10 - Transport delivery	115,779	115,721	(58)	115,779	115,508	(271)
11 - Operational budget	8,619	11,822	3,203	8,619	10,891	2,272
12 - Investment Programme	3,890	4,659	769	3,890	2,731	(1,159)
13 - Mayoral Office	781	823	42	781	823	42
14 - Financing Costs	37,703	36,341	(1,362)	37,703	37,100	(603)
<b>Total expenditure</b>	<b>166,772</b>	<b>169,366</b>	<b>2,594</b>	<b>166,772</b>	<b>167,053</b>	<b>281</b>
<b>Net</b>	<b>(11)</b>	<b>0</b>	<b>(11)</b>	<b>(11)</b>	<b>320</b>	<b>(331)</b>
<b>Made up as follows:</b>						
Transport Delivery	(58)	0	(58)	(58)	214	(272)
Operational Budget	47	0	47	47	106	(59)
Investment Programme	0	0	0	0	0	0
Mayoral Office	0	0	0	0	0	0
<b>Net</b>	<b>(11)</b>	<b>0</b>	<b>(11)</b>	<b>(11)</b>	<b>320</b>	<b>(331)</b>

The final outturn position shows an adverse variance of (£0.011m) (£0.680m favourable Feb 19). There is an adverse variance within transport (£0.058m) due to the approved costs of the 12 month departure charge holiday funded by savings in concessions due to lower patronage and the costs of I-Go and Ring and Ride. A favourable variance within the Operational Budget (£0.047m) primarily reflects lower than anticipated spend on the Health & Wellbeing Portfolio offset by additional costs within the Environment Portfolio including addressing fuel poverty and ultra-low emission vehicles to address air quality.

The £0.011m deficit for the year 2018/19 has been met from the general fund balance.

Within the Investment Programme (12) there is a favourable from budget £0.769m (£2.895m Feb 19) owing to planned borrowing not being necessary due to higher cash balances than anticipated, which also results in Investment Income (8) being higher than budget by £0.329m (£0.317m Feb 19).

The variance against Financing Costs (14) is as a result of the Investment Programme savings detailed above being transferred to the Investment Programme reserve to meet the costs of future Investment Programme borrowing. This approach is consistent with the financial principles of the original Investment Programme financial model and effectively results in a neutral effect across the Investment Programme income and expenditure account.

## Appendix 2

### Transport for West Midlands 2018-19 year to date revenue position – March 2019

	ACTUAL £000	BUDGET £000	VARIANCE £000		ACTUAL £000	FORECAST £000	VARIANCE £000	
								As at the end of 2018-19 there is a £0.057m adverse full year variance. This comprises of a £0.271m adverse forecast movement from the full year forecast of £0.213m favourable. The material full year variances of note against budget and forecast are detailed below.
<b>TRANSPORT FOR WEST MIDLANDS</b>								
<b>INCOME</b>								
Specific resources:								
Transport Levy	114,720	114,720	( )	0%	114,720	114,720	( )	0%
<b>TOTAL INCOME</b>	<b>114,720</b>	<b>114,720</b>	<b>( )</b>	<b>0%</b>	<b>114,720</b>	<b>114,720</b>	<b>( )</b>	<b>0%</b>
<b>EXPENDITURE</b>								
<b>Concessions</b>								
National Bus Concession	49,872	52,244	2,372	5%	49,872	50,170	298	1%
Metro / Rail	4,531	4,542	11	0%	4,531	4,542	12	0%
Child Concession	9,134	9,552	417	4%	9,134	9,453	319	3%
<b>Bus Services</b>	<b>63,537</b>	<b>66,338</b>	<b>2,801</b>		<b>63,537</b>	<b>64,165</b>	<b>628</b>	
Bus Stations / Infrastructure	5,334	3,510	(1,824)	52%	5,334	5,275	(60)	1%
Subsidised Network	8,639	8,498	(141)	2%	8,639	8,456	(183)	2%
Tendering / Monitoring	610	683	73	11%	610	674	64	10%
Accessible Transport	7,621	7,261	(360)	5%	7,621	7,259	(362)	5%
<b>Rail and Metro Services</b>	<b>22,204</b>	<b>19,952</b>	<b>(2,252)</b>		<b>22,204</b>	<b>21,663</b>	<b>(541)</b>	
Metro Services	1,519	1,560	42	3%	1,519	1,546	28	2%
Rail Services	2,203	2,253	50	2%	2,203	2,192	(11)	1%
<b>Integration</b>	<b>3,722</b>	<b>3,814</b>	<b>92</b>		<b>3,722</b>	<b>3,739</b>	<b>17</b>	
Safety and Security	677	614	(63)	10%	677	684	7	1%
Passenger Information	4,997	5,195	199	4%	4,997	4,938	(58)	1%
Sustainable Travel	185	253	68	27%	185	243	58	24%
<b>Network Resilience</b>	<b>5,858</b>	<b>6,063</b>	<b>204</b>		<b>5,858</b>	<b>5,866</b>	<b>7</b>	
Network Resilience	861	831	(30)	4%	861	912	51	6%
<b>Business Support Costs</b>	<b>3,323</b>	<b>3,285</b>	<b>(38)</b>	<b>1%</b>	<b>3,323</b>	<b>3,469</b>	<b>146</b>	<b>4%</b>
Business Support Costs	3,323	3,285	(38)	1%	3,323	3,469	146	4%
<b>Strategic Development</b>	<b>2,251</b>	<b>2,240</b>	<b>(11)</b>	<b>0%</b>	<b>2,251</b>	<b>2,278</b>	<b>27</b>	<b>1%</b>
Strategic Development	2,251	2,240	(11)	0%	2,251	2,278	27	1%
<b>Transport Democratic Services</b>	<b>264</b>	<b>271</b>	<b>7</b>	<b>3%</b>	<b>264</b>	<b>268</b>	<b>5</b>	<b>2%</b>
Transport Democratic Services	264	271	7	3%	264	268	5	2%
<b>Finance Charges</b>	<b>12,759</b>	<b>11,929</b>	<b>(830)</b>	<b>7%</b>	<b>12,759</b>	<b>12,148</b>	<b>(611)</b>	<b>5%</b>
Finance Charges	12,759	11,929	(830)	7%	12,759	12,148	(611)	5%
<b>TOTAL EXPENDITURE</b>	<b>114,779</b>	<b>114,721</b>	<b>(57)</b>	<b>0%</b>	<b>114,779</b>	<b>114,509</b>	<b>(270)</b>	<b>0%</b>
<b>NET</b>	<b>(58)</b>	<b>(1)</b>	<b>(57)</b>		<b>(58)</b>	<b>211</b>	<b>(270)</b>	

£2.372m favourable position against budget mainly due to lower Bus concessionary patronage than budgeted with this being used to fund the circa £1.5m income foregone as a result of the agreed 12 month Departure charge and Roadside Information holiday that commenced from 1 October 2018 and the service costs incurred as a result of I-Go and Ring and Ride going into administration. The £0.298m favourable position against forecast is the result of further Concessions reimbursement savings being released as a result of lower patronage.

£417k favourable variance against budget due to lower costs incurred in relation to the Apprentice/Trainee scheme as a result of the reimbursement costs being based on actual activity rather than a fixed amount (which was in place for the previous pilot year) and due to Apprentice/Trainee reimbursement now being part of the main Child Concessions scheme. The £319k favourable movement against forecast is due to the release of further reimbursement savings as a result of lower reimbursement costs being incurred on the Apprentice/Trainee scheme.

The majority of the adverse £1.824m full year variance against budget is due to circa £1.5m income foregone as a result of the agreed introduction of the 12 month Departure charge and Roadside Information holiday commencing from 1 October 2018. The income foregone from this has been funded from the favourable position on Concessions. Part of the adverse full year position is also due to some additional costs/activity in relation to Bus Policy Development options work.

Due to additional unbudgeted 2018-19 service costs incurred as a result of the bus operator I-Go going into administration

Due to additional 2018-19 service costs incurred as a result of Ring & Ride West Midlands Limited going into administration

Full year favourable position against budget of £199k due to higher ticketing commission received and lower ticketing related processing costs incurred as well as other lower expenditure such as marketing costs in relation to passenger information as a result of less hard copy marketing literature (e.g. maps, guides and leaflets) being produced.

Full year £38k adverse position against budget mainly due to lower recovery against the 16 Summer Lane building income target. The favourable variance against forecast is mainly due to some lower costs incurred than anticipated in relation to some minor ICT related items, when forecast assumptions were last updated in January.

The £830k adverse position against budget is largely due to £592k provision for bad debts made as a result of Ring and Ride West Midlands Limited going into administration, and also due to a £227k financing charge in relation to the CAV Mobility project which is being funded from the current financial year to minimise future cost pressures on the overall Transport Delivery budget. £592k of the adverse movement against forecast is again due to provision for bad debts being made as a consequence of Ring & Ride West Midlands Limited going into administration.

### Appendix 3

### West Midlands Combined Authority Operational Budget – March 2019

FINANCIAL SUMMARY AS AT MARCH 2019	2018/19 OUTTURN			2018/19 OUTTURN			The final outturn shows there is a favourable variance of £47k from budget and an adverse variance of (£59k) from forecast within the operational budget. Key variances are explained below.
	ACTUAL £000	BUDGET £000	VARIANCE £000	ACTUAL £000	FORECAST £000	VARIANCE £000	
Contribution - 7 Met Council's	4,644	4,644	0	4,644	4,644	0	
Non-Constituent Members	375	375	0	375	375	0	
Associate Members / Official Observers	50	50	0	50	50	0	
Investment Income	494	494	0	494	494	0	
<b>Total Income</b>	<b>5,563</b>	<b>5,563</b>	<b>0</b>	<b>5,563</b>	<b>5,563</b>	<b>0</b>	
<b>Economic Growth</b>							
Mayoral Capacity Funding	326	388	(62)	326	362	(36)	The favourable variance from budget within Culture and Tourism reflects a slow start to activity.
Miscellaneous Income	99	0	99	99	0	99	
Devo Office of Data Analytics	154	200	(46)	154	178	(24)	Funding for growth largely reflects an in year favourable variance due to a vacant senior policy advisor post, which has not been recruited to this financial year.
<b>Total Income</b>	<b>579</b>	<b>588</b>	<b>(9)</b>	<b>579</b>	<b>540</b>	<b>39</b>	
Culture and Tourism Commission	(28)	(60)	32	(28)	(30)	2	ODA has a minor favourable variance due to lower activity taking place than budgeted and forecasted.
Funding for Growth	(775)	(880)	105	(775)	(780)	5	
Office of Data Analytics	(154)	(201)	47	(154)	(178)	24	Industrial Strategy year to date and full year adverse variance is due to additional consultancy work being commissioned to support the local industrial strategy development. These costs are largely funded by contributions received from 3rd parties.
Black Country Economic Intelligence Unit	(227)	(240)	13	(227)	(243)	16	
Industrial Strategy	(467)	(308)	(159)	(467)	(397)	(70)	Environment is a new area which shows a year to date variance due to work being commissioned for air quality strategy and costs for an interim appointment of a resource to take the work of this portfolio forward.
Environment	(150)	0	(150)	(150)	(151)	1	
<b>Total Expenditure</b>	<b>(1,801)</b>	<b>(1,689)</b>	<b>(112)</b>	<b>(1,801)</b>	<b>(1,779)</b>	<b>(22)</b>	
<b>Economic Growth Net Total</b>	<b>(1,222)</b>	<b>(1,101)</b>	<b>(121)</b>	<b>(1,222)</b>	<b>(1,239)</b>	<b>17</b>	
<b>Public Services Reform</b>							
Revenue Contributions to / from Third Parties	43	100	(57)	43	40	3	Inclusive growth shows a favourable variance from budget reflecting posts not filled.
Mayoral Capacity Funding	116	100	16	116	80	36	
Use of Specific Reserves	114	70	44	114	264	(150)	Costs associated with the transition of the West Midlands fire service are unbudgeted but can be accommodated within the overall position. Then variance from forecast is due to the delay in the transition of West Midlands Fire Service.
<b>Total Income</b>	<b>273</b>	<b>270</b>	<b>3</b>	<b>273</b>	<b>384</b>	<b>(111)</b>	
Public Sector Reform	(556)	(560)	4	(556)	(559)	3	
Inclusive growth	(82)	(200)	118	(82)	(91)	9	
WM Fire Service Transition	(114)	0	(114)	(114)	(194)	80	
<b>Total Expenditure</b>	<b>(752)</b>	<b>(760)</b>	<b>8</b>	<b>(752)</b>	<b>(844)</b>	<b>92</b>	
<b>Public Service Reform Net Total</b>	<b>(479)</b>	<b>(490)</b>	<b>11</b>	<b>(479)</b>	<b>(460)</b>	<b>(19)</b>	
<b>Health &amp; Wellbeing</b>							
Miscellaneous Income	59	0	59	59	0	59	The favourable variance from budget largely reflects vacant posts within the Health and wellbeing team, as well as mental health activity which did not take place this financial year.
Revenue Contributions to / from Third Parties	26	0	26	26	33	(7)	
<b>Total Income</b>	<b>85</b>	<b>0</b>	<b>85</b>	<b>85</b>	<b>33</b>	<b>52</b>	
Mental Health Commission	(286)	(435)	149	(286)	(277)	(9)	The position against forecast shows a favourable variance due to receiving a contribution from the NHS to fund doctors supporting mental health work.
Well Being	(184)	(242)	58	(184)	(190)	6	
<b>Total Expenditure</b>	<b>(470)</b>	<b>(677)</b>	<b>207</b>	<b>(470)</b>	<b>(467)</b>	<b>(3)</b>	
<b>Health &amp; Wellbeing Net Total</b>	<b>(385)</b>	<b>(677)</b>	<b>292</b>	<b>(385)</b>	<b>(434)</b>	<b>49</b>	
<b>Housing &amp; Land</b>							
Miscellaneous Income	109	0	109	109	0	109	Housing and Land is largely in line with budget and the forecast position reflects additional spend this financial year.
Devolution Housing & Land	890	1,000	(110)	890	782	108	
<b>Total Income</b>	<b>999</b>	<b>1,000</b>	<b>(1)</b>	<b>999</b>	<b>782</b>	<b>217</b>	
Housing and Land Commission	(1,142)	(1,150)	8	(1,142)	(925)	(217)	
<b>Total Expenditure</b>	<b>(1,142)</b>	<b>(1,150)</b>	<b>8</b>	<b>(1,142)</b>	<b>(925)</b>	<b>(217)</b>	
<b>Housing &amp; Land Net Total</b>	<b>(143)</b>	<b>(150)</b>	<b>7</b>	<b>(143)</b>	<b>(143)</b>	<b>0</b>	
<b>Skills &amp; Productivity</b>							
Devolution Productivity & Skills	1,287	3,770	(2,483)	1,287	1,921	(634)	The favourable budget and forecast variance reflects revised delivery timetables in respect of the portfolios key objectives including the Employment Support Pilot scheme, HS2 and Construction skills where activity will take place later than anticipated. This is reflected in the lower grant draw down and does not reduce the total grant available which can be drawn down in future years.
Investment Programme Revenue funding contribution	87	0	87	87	71	16	
Adult Education Funding	197	200	(3)	197	318	(121)	There is an adverse variance with the adult education budget due to additional consultancy work taking place for AEB activity in line with additional grant being made available by DfE. Career learning pilot has an adverse variance against budget which is offset by grant income received.
<b>Total Income</b>	<b>1,571</b>	<b>3,970</b>	<b>(2,399)</b>	<b>1,571</b>	<b>2,310</b>	<b>(739)</b>	
Productivity and Skills Commission	(464)	(464)	0	(464)	(464)	0	
Employment Support Pilot Skills	(230)	(1,829)	1,599	(230)	(457)	227	
HS2 Skills	(87)	(175)	88	(87)	(71)	(16)	
Gatsby Skills	(9)	(100)	91	(9)	(61)	52	
Construction Skills	(563)	(1,666)	1,103	(563)	(996)	433	
Adult Education	(353)	(179)	(174)	(353)	(318)	(35)	
Careers	(3)	0	(3)	(3)	0	(3)	
Career Learning Pilot	(274)	0	(274)	(274)	(355)	81	
Digital Skills	(52)	0	(52)	(52)	(52)	0	
<b>Total Expenditure</b>	<b>(2,035)</b>	<b>(4,413)</b>	<b>2,378</b>	<b>(2,035)</b>	<b>(2,774)</b>	<b>739</b>	
<b>Skills &amp; Productivity Net Total</b>	<b>(464)</b>	<b>(443)</b>	<b>(21)</b>	<b>(464)</b>	<b>(464)</b>	<b>0</b>	
<b>Leadership</b>							
Revenue Contributions to / from Third Parties	41	0	41	41	41	0	The favourable variation reflects a contribution from the LGA in respect of Leadership improvements and capacity.
<b>Total Income</b>	<b>41</b>	<b>0</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>0</b>	
Leadership	(412)	(381)	(31)	(412)	(412)	0	
<b>Total Expenditure</b>	<b>(412)</b>	<b>(381)</b>	<b>(31)</b>	<b>(412)</b>	<b>(412)</b>	<b>0</b>	
<b>Leadership Net Total</b>	<b>(371)</b>	<b>(381)</b>	<b>10</b>	<b>(371)</b>	<b>(371)</b>	<b>0</b>	
<b>Corporate Support</b>							
Programme, Policy and Support	(2,099)	(1,914)	(185)	(2,099)	(2,007)	(92)	The adverse variance from budget and forecast largely relates to higher than anticipated maintenance costs offset by a favourable variance within communications due to reduced marketing and events taking place.
Communications	(353)	(407)	54	(353)	(338)	(15)	
<b>Total Expenditure</b>	<b>(2,452)</b>	<b>(2,321)</b>	<b>(131)</b>	<b>(2,452)</b>	<b>(2,345)</b>	<b>(107)</b>	
<b>Corporate Support Net Total</b>	<b>(2,452)</b>	<b>(2,321)</b>	<b>(131)</b>	<b>(2,452)</b>	<b>(2,345)</b>	<b>(107)</b>	
<b>5G</b>							
Investment Programme Revenue funding contribution	1,100	0	1,100	1,100	1,150	(50)	5G mobilisation costs are funded from the approved IP contribution and DCMS grant and are broadly in line with forecast.
Miscellaneous Revenue Grant Income	1,100	0	1,100	1,100	1,150	(50)	
<b>Total Income</b>	<b>2,200</b>	<b>0</b>	<b>2,200</b>	<b>2,200</b>	<b>2,300</b>	<b>(100)</b>	
5G Network	(2,200)	0	(2,200)	(2,200)	(2,300)	100	
<b>Total Expenditure</b>	<b>(2,200)</b>	<b>0</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,300)</b>	<b>100</b>	
<b>5G Net Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL NET EXPENDITURE</b>	<b>(5,516)</b>	<b>(5,563)</b>	<b>47</b>	<b>(5,516)</b>	<b>(5,456)</b>	<b>(60)</b>	
<b>NET RETURN</b>	<b>47</b>	<b>0</b>	<b>47</b>	<b>47</b>	<b>107</b>	<b>(60)</b>	
Devolution grants	(2,884)	(5,558)	2,674	(2,884)	(3,438)	554	
AEB Funding	(197)	(200)	3	(197)	(318)	121	
Use of reserves	(266)	(502)	236	(266)	(459)	193	
<b>NET RETURN PRESENTED IN CONSOLIDATED SUMMARY</b>	<b>(3,300)</b>	<b>(6,260)</b>	<b>2,960</b>	<b>(3,300)</b>	<b>(4,108)</b>	<b>808</b>	

## Appendix 4

### West Midlands Combined Authority Mayoral Budget – March 2019

	MARCH 2019 YEAR TO DATE				FULL YEAR 2018/19			
	ACTUAL £000	BUDGET £000	VARIANCE £000		ACTUAL £000	FORECAST £000	VARIANCE £000	
<b>MAYORAL OFFICE</b>								
Other Grants	558	558	0	0%	558	558	0	0%
Governance Income	0	0	0	0%	0	0	0	0%
Use of Reserves	223	265	(42)	16%	223	265	(42)	16%
<b>TOTAL INCOME</b>	<b>781</b>	<b>823</b>	<b>(42)</b>	<b>5%</b>	<b>781</b>	<b>823</b>	<b>(42)</b>	<b>5%</b>
Staff Costs	(664)	(692)	28	4%	(664)	(654)	(10)	2%
IT	(9)	(10)	1	10%	(9)	(10)	1	10%
Promotions, Information and Initiatives	(4)	0	(4)	0%	(4)	(2)	(2)	100%
External Advice	0	0	0	0%	0	(39)	39	100%
Travel & Subsistence	(16)	(40)	24	60%	(16)	(30)	14	47%
Other	(3)	(2)	(1)	50%	(3)	(3)	0	0%
Statutory Finance Charges	(6)	0	(6)	0%	(6)	(6)	0	0%
Indirect Recharges	(79)	(79)	0	0%	(79)	(79)	0	0%
<b>TOTAL EXPENDITURE</b>	<b>(781)</b>	<b>(823)</b>	<b>42</b>	<b>5%</b>	<b>(781)</b>	<b>(823)</b>	<b>42</b>	<b>5%</b>
<b>NET</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>

The Mayoral office final outturn shows a minor favourable variation relating to the timing of mayoral initiatives which will now take place in the early part of the new financial year. There is no impact on the overall financial position, however these are fully funded by approved use of reserves.

Appendix 5 West Midlands Combined Authority Transport Delivery Capital Programme – March 2019

Financial Summary Month Ending March	2018/19 OUTTURN			2018/19 OUTTURN			
	ACTUAL £000	BUDGET £000	VARIANCE £000	ACTUAL £000	FORECAST £000	VARIANCE £000	
<b>TFWM Directly Delivered Investment Programme Schemes</b>							
<u>HS2 Connectivity Programme:</u>							<b>Actual v Budget Variances</b>
Bilston Road Track Replacement Phase 2	(87)	(250)	163	(87)	(86)	(1)	At the end of March 2019, actual expenditure was £56.8m (Feb £51.4m) lower than the budget with the overall variances relating to cash flow reprofiling. An explanation of the main variances is as follows:  The SPRINT Network (£3.3m) underspend was primarily due to the Hagley Road Scheme (£2.8m), where Utility work has been delayed owing to securing Land Freehold and Leasehold Agreements.
Sprint Network	(1,953)	(5,227)	3,274	(1,953)	(2,043)	90	The Rail Investment Programme £5.4m (Feb £5.4m) underspend was primarily due to re-profiling of Land acquisition on the Walsall to Wolverhampton Local Enhancements (£2.0m) and design activities (£0.8m), and reprofiling of costs on the Camp Hill Local Enhancements (£1.3m), coupled with Stourbridge to Round Oak Line Canal Street Station (£1.0m) where feasibility studies have identified that a positive business case is unlikely.
Investment Programme Rail Programme	(3,830)	(9,184)	5,354	(3,830)	(3,771)	(59)	The favourable cashflow variance on the Metro Edgbaston Extension £6.0m (Feb £6.1m) is due to a rescheduling of complimentary highway measures and Land purchase to combine with Hagley Road Sprint scheme commencing in 2019, and Centenary Square £0.2m (Feb £1.2m) due to utility re-profiling.
Metro Centenary Square Extension	(17,248)	(17,422)	174	(17,248)	(17,528)	280	The favourable cashflow variance for the Wolverhampton City Centre £1.9m (Feb £2.4m) scheme accommodates changes within the programme plan to align with the Wolverhampton Interchange reconstruction works with a completion envisaged during the summer of 2019.
Metro Wolverhampton City Centre Extension	(11,709)	(13,593)	1,884	(11,709)	(11,538)	(171)	The Metro Birmingham Eastside Extension £16.7m (Feb £7.2m) variance is reflective of delays in the award of the Transport Works Act Order, submitted over 10 months ago, which have prevented utility diversion and land acquisition to commence in 18/19. In addition, the Final Business Case cannot be completed until this has been received. Furthermore delays to Catenary FreeTram On-board Energy Storage System (OESS) and 3G Tram negotiations (£7.6m) originally planned for Feb 19, have been rescheduled to Sept 19.
Metro Edgbaston Extension	(11,337)	(17,289)	5,952	(11,337)	(11,582)	245	The Metro East Birmingham to Solihull Metro Extension £6.6m (Feb £5.5m) variance is reflective of ongoing surveys and modelling works, requiring the reprofiling of the Transport Works Order request from December 2018 to 2020. Key milestones next year include Public Consultation (Sept19) & submission of Business Case (Jan 20).
WIP Station and Car Park works	(6,041)	0	(6,041)	(6,041)	(6,041)	0	The Metro Wednesbury to Brierley Hill Extension £22.8m (Feb £20.7m) reflects ongoing investigation work on retaining walls and structures and survey input data, impacting on preliminary design progression. The legal agreement with Network Rail has been progressed, with Land transfer expected towards the end of Q1 19/20, allowing construction works to progress in 2019. Detailed Design has been pushed back to later in 19/20.
<u>Other TFWM Investment Programme Schemes</u>							<b>Actual v Annual Forecast Variances</b>
Metro Birmingham Eastside Extension	(6,127)	(22,859)	16,732	(6,127)	(6,526)	399	The final March Out-turn was £0.7m below Forecast, with only minor variances to Forecast  The main variances are as follows:  The Metro Birmingham Eastside Extension (£0.4m) is due to the delay in acceptance of the 9th Tram, owing to minor installation issues which will be rectified in April 2019.
Metro East Birmingham to Solihull Extension	(6,638)	(13,273)	6,635	(6,638)	(6,586)	(52)	
Metro Wednesbury to Brierley Hill Extension	(11,688)	(34,510)	22,822	(11,688)	(11,679)	(9)	
Metro Network Projects	(150)	0	(150)	(150)	(172)	22	
<b>TOTAL TFWM INVESTMENT PROGRAMME</b>	<b>(76,808)</b>	<b>(133,607)</b>	<b>56,799</b>	<b>(76,808)</b>	<b>(77,552)</b>	<b>744</b>	<b>1%</b>
<b>TFWM Other Major Schemes</b>							
Regional Transport Coordination Centre (RTCC) development	(130)	(172)	42	(130)	(119)	(11)	<b>Actual v Budget Variances</b>
Bilston Road Track Replacement	30	0	30	30	0	30	At the end of March 2019, there was an underspend of £6.4m (Feb £3.3m), relating primarily to the Longbridge Connectivity Package (£3.4m). It was originally envisaged that construction of the Decked Car park at Longbridge would have commenced in September 2018, however further ground investigative confirmed that piled foundations were required, which have increased the cost. A Change control to increase the budget was approved in February 2019, facilitating mobilisation of Procurement of the super structure and Construction is envisaged to commence in Q1 19/20. The major movement in March of £2.2m relates to a year end accounting adjustment following a settlement agreement reached with National Express on handback of Midland Metro operations.
Birmingham City Centre Metro Extension	2,211	0	2,211	2,211	0	2,211	<b>Actual v Annual Forecast Variances</b>
Bromsgrove Station	4	0	4	4	4	0	The final March Out-turn was £2.2m below the Forecast, with the only significant variance relating to the release of a financial provision that will be used to meet metro life cycle and renewal costs as and when they are incurred. The CAV project out-turned slightly ahead of Forecast, owing to acceleration of Design workstreams, which are fully funded within the 2 year budget which concludes in March 2020.
Longbridge Connectivity Package	(135)	(3,557)	3,422	(135)	(134)	(1)	
Connected and Autonomous Vehicles	(426)	(1,100)	674	(426)	(353)	(73)	
<b>TOTAL TFWM OTHER MAJOR SCHEMES</b>	<b>1,554</b>	<b>(4,829)</b>	<b>6,383</b>	<b>1,554</b>	<b>(602)</b>	<b>2,156</b>	<b>365%</b>
<b>TFWM Minor Works Programme</b>							
TFWM Minor Works Programme	(9,530)	(15,015)	5,485	(9,530)	(11,183)	1,653	<b>Actual v Budget Variances</b>
							At the end of March 2019, there was an underspend of £5.5m (Feb £4.0m) against budget. The main variances relate to Snow Hill 3rd Access & Public Realm (£2.2m), Clean Bus Technology Fund (£1.5m), Bradley Lane Park & Ride (£1.2m), and TBT Platinum RTI Equipment (£0.4m), New Project Development (£0.4m), and Network Wide Bus Station Refurbishments (£0.1m). Offsetting this was Perry Barr Rail Station (£0.4m), where Design option selection has progressed in advance of the Grant draw down Agreement being finalised with Birmingham City Council.
							<b>Annual Forecast Variances</b>
							The final March Out-turn cost was £1.7m below Forecast, primarily reflective of the Clean Bus Technology Fund (£0.9m) and Bradley Lane Park & Ride (£0.7m). The former was due to an Operator delay in an order being placed with their preferred supplier, and the latter owing to a delay in completing phase 1 of the Construction costs following the contractor going into Administration in March 2019. A new Contractor has been established to complete this work in Q1 19/20, whilst the impact of any additional costs arising is being re-assessed.
<b>TOTAL TFWM MINOR WORKS PROGRAMME</b>	<b>(9,530)</b>	<b>(15,015)</b>	<b>5,485</b>	<b>(9,530)</b>	<b>(11,183)</b>	<b>1,653</b>	<b>18%</b>
<b>TFWM Administered Programme</b>							
TFWM Administered Programme	(2,491)	(3,109)	618	(2,491)	(2,486)	(5)	<b>Actual v Budget Variances</b>
							At the end of March 19, there was an underspend of £0.6m (Feb £1.1m) The main variance relates to the Key Route Network (£0.3m) owing to a reprofiling of Local Authority led Projects into Q1 19/20. In addition, transport Modelling Strategy for the Commonwealth Games (£0.3m) is under budget due to a rephrasing of activities to reflect the final funding available for 18/19, with other activities profiled into 2019/20.
							<b>Actual v Annual Forecast Variances</b>
							There are minor offsetting variances reflective of the Key Route Network reprofiling, offset by the acceleration of NPIF DfT grant backed funding specific to Birmingham Development Growth Point package works.
<b>TOTAL TFWM ADMINISTERED PROGRAMME</b>	<b>(2,491)</b>	<b>(3,109)</b>	<b>618</b>	<b>(2,491)</b>	<b>(2,486)</b>	<b>(5)</b>	<b>0%</b>
<b>GRAND TOTAL TFWM CAPITAL PROGRAMME</b>	<b>(87,275)</b>	<b>(156,560)</b>	<b>69,285</b>	<b>(87,275)</b>	<b>(91,823)</b>	<b>4,548</b>	<b>5%</b>

**Appendix 6**  
**WMCA Investment Programme Financial Summary period ending 28<sup>th</sup> February 2019**

	2018 / 2019 YEAR TO DATE			2018 / 2019 FULL YEAR			COST TO COMPLETION					
	ACTUAL	BUDGET	VARIANCE	BUDGET	FORECAST	VARIANCE	PRIOR PERIOD SPEND	2018/19 FORECAST	FUTURE YEARS FORECAST	TOTAL FORECAST OUTTURN	TOTAL BUDGET	VARIANCE
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
COVENTRY UKC PLUS	8,191	36,689	28,498	42,051	11,467	30,584	12,588	11,467	602,551	626,606	655,204	28,598
SPRINT PROGRAMME	1,433	4,739	3,306	5,227	2,040	3,187	2,435	2,040	292,974	297,449	279,330	(18,119)
RAIL PROGRAMME	3,479	8,372	4,892	8,852	3,601	5,251	248	3,601	181,877	185,727	425,100	239,373
METRO	74,134	117,417	43,283	135,632	81,961	53,671	111,749	81,961	1,397,755	1,591,466	1,478,919	(112,547)
UK CENTRAL INFRASTRUCTURE	5,025	14,224	9,199	16,494	7,158	9,336	2,173	7,158	1,377,424	1,386,755	1,386,543	(212)
UK CENTRAL HS2 INTERCHANGE	8,126	11,658	3,532	12,718	8,370	4,348	3,930	8,370	592,116	604,416	604,612	195
CURZON STREET STATION MASTERPLAN	1,300	3,893	2,593	4,406	3,111	1,295	-	3,111	550,737	553,848	556,300	2,452
NATIONAL COLLEGE FOR HIGH SPEED RAIL	122	78	(44)	78	122	(44)	25,431	122	-	25,553	25,509	(44)
HIGH SPEED SUPPLY CHAIN & BUSINESS SUPPORT	-	-	-	-	-	-	11,270	-	338,730	350,000	350,000	-
<b>HS2 GROWTH STRATEGY TOTAL</b>	<b>101,811</b>	<b>197,070</b>	<b>95,259</b>	<b>225,458</b>	<b>117,830</b>	<b>107,628</b>	<b>169,824</b>	<b>117,830</b>	<b>5,334,165</b>	<b>5,621,819</b>	<b>5,761,516</b>	<b>139,697</b>
COVENTRY CITY CENTRE REGENERATION	16,622	19,877	3,255	25,394	17,000	8,394	5,821	17,000	386,061	408,882	357,771	(51,111)
INNOVATION	1,460	-	(1,460)	5,000	1,697	3,303	25	1,697	193,278	195,000	50,000	(145,000)
LAND RECLAMATION AND REMEDIATION	3,966	21,248	17,282	20,000	8,664	11,336	84	8,664	191,252	199,999	200,000	-
COMMONWEALTH GAMES	-	-	-	-	-	-	-	-	25,000	25,000	25,000	-
EMPLOYMENT EDUCATION & SKILLS	59	-	(59)	2,000	308	1,692	-	308	19,692	20,000	20,000	(0)
COLLECTIVE INVESTMENT VEHICLE	19,275	15,000	(4,275)	20,000	20,367	(367)	18,764	20,367	960,869	1,000,000	1,000,000	0
DEVOLVED TRANSPORT INVESTMENT	-	-	-	-	-	-	-	-	1,299,000	1,299,000	1,299,000	-
EZ EXPANSION EXCLUDING CURZON	-	-	-	-	-	-	-	-	20,000	20,000	20,000	-
<b>OTHER INVESTMENT PROGRAMME SCHEMES</b>	<b>41,382</b>	<b>56,124</b>	<b>14,743</b>	<b>72,394</b>	<b>48,036</b>	<b>24,358</b>	<b>24,694</b>	<b>48,036</b>	<b>3,095,152</b>	<b>3,167,881</b>	<b>2,971,771</b>	<b>(196,111)</b>
<b>GRAND TOTAL</b>	<b>143,192</b>	<b>253,195</b>	<b>110,002</b>	<b>297,851</b>	<b>165,866</b>	<b>131,985</b>	<b>194,518</b>	<b>165,866</b>	<b>8,429,317</b>	<b>8,789,700</b>	<b>8,733,286</b>	<b>(56,414)</b>

The financial results for February 2019 are shown above.

In respect of full project costs to completion, the financial summary has been adjusted to reflect the revised project budget for the Wednesbury to Brierley Hill Metro Extension, as approved by the WMCA Board on 22 March 2019. The financial summary continues to highlight increased spend on the East Birmingham to Solihull Metro compared with the 2018/19 programme baseline. The cost to completion against UK Central Interchange remains red status due to the funding gap of circa £205m against the Birmingham International Station redevelopment project.

For 2018/19, the YTD spend to February is £110.0m behind budget. This includes the significant variances set out below:

- \* Metro programme underspend of £43.3m comprising- Edgbaston (£6.1m), Wolverhampton (£2.4m), Centenary Square (£1.2m), Birmingham Eastside (£7.2m), East Birmingham to Solihull (£5.5m) and Metro Wednesbury to Brierley Hill (£20.7m);
- \* Coventry UKC Plus programme is £28.5m behind budget including- Coventry City Centre First (£16.5m), VLR (£6.4m), and Coventry City Centre South (£5.5m);
- \* Rail programme - £4.9m;
- \* Sprint programme - £3.3m;
- \* UK Central Infrastructure - £9.2m;
- \* UK Central Interchange - £3.5m;
- \* Coventry City Centre regeneration - £3.3m; and
- \* Land reclamation and remediation - £17.3m.

The main reasons for the YTD underspends are covered in the full year commentary below.

The 2018/19 full year forecast underspend of £107.6m for the HS2 Growth Strategy relates primarily to the following projects:

- \* UKC Infrastructure (£9.3m) - delayed spend in respect of Phase 1 Local Network & Wider Connectivity Improvements and Maximising Opportunities From Infrastructure & Delivering Growth programmes;
- \* UKC HS2 Interchange (£4.3m) - delayed spend relating to the Birmingham International Station redevelopment project, FBC now scheduled for approval in 2020/21 and UGC's main focus is on the HS2 Hybrid Act changes;
- \* Brierley Hill Metro Extension (£22.8m) - the Network Rail corridor acquisition is rescheduled to Q1 2019/20, in tandem with the Target Cost, leading to a re-profiling of detailed design into Q2/Q3;
- \* East Birmingham to Solihull Metro Extension (£6.7m) - reflects a reduction owing to ongoing modelling & survey work, resulting in a rescheduling of the public consultation and the Transport & Works Order submission into Q1 2019/20;
- \* Birmingham Eastside Metro Extension (£16.3m) - rescheduling of spend into 2019/20 and 2020/21;
- \* Metro Edgbaston Extension (£5.7m) - primarily as a result of the ongoing complementary highway works;
- \* Coventry City Centre First (£17.8m) - partially due to revised plans regarding Ring Road improvements to deliver City of Culture;
- \* Coventry VLR (£7.0m) - delayed vehicle development spend and Dudley retaining wall spend;
- \* Coventry South (£5.6m) - A46 Link Road Phase 1 delays;
- \* Rail Programme (£5.3m) - due to refinement of timescales for delivery, corresponding phasing of expenditure and re-scope of projects, including the termination of the Canal Street Station on the Stourbridge to Round Oak line; and
- \* Sprint Hagley Road (£2.9m) - delays in utilities work due to land acquisition.

The other major full year variances to forecast are:

- \* An underspend of £8.4m in respect of Coventry City Centre regeneration, primarily due to delays to the Coventry City Centre South development; and
- \* An underspend of £11.3m in respect of Land Reclamation and Remediation, largely because of delays to the Brownfield Land Property Development Fund Commonwealth Games scheme.

## Appendix 7

### WMCA Investment Programme Commitment Profile March 2019

£m	Actual Spend	Approved Commitments	Expected Approvals											TOTAL APPROVALS
			Apr-19	May-19	Jun-19	Jul-19	Subtotal	Q2 19/20	Q3 19/20	Q4 19/20	2020/21	2021/22	Post 2022	
UKC Interchange	11.3	29.8				74.6	104.4	100.7			141.7		51.2	398.0
UKC Infrastructure	6.0	27.9	2.5		0.4		30.8	8.3	2.0	2.3	38.1	33.3	173.2	288.0
Sprint Programme	0.9	20.1	0.9				21.0		5.6	35.3	66.7	60.6	31.1	220.3
Metro Programme	32.4	101.3					101.3			18.5				119.8
Rail Programme	3.6	5.2	0.2		13.9		19.3			1.0	81.4	16.4	41.9	160.0
City Centre First incl. CSMP		39.4					39.4							39.4
Coventry VLR		12.2					12.2				42.8			55.0
Coventry North	0.0	0.2					0.2			0.4		21.0		21.6
Coventry South	0.1	7.4					7.4	1.7			23.9	26.8	76.7	136.5
Wednesbury Brierley Hill Metro		103.0					103.0							103.0
<b>SUB TOTAL INVESTMENT PROGRAMME</b>	<b>54.2</b>	<b>346.6</b>	<b>3.7</b>	<b>-</b>	<b>14.3</b>	<b>74.6</b>	<b>439.1</b>	<b>110.7</b>	<b>7.6</b>	<b>57.5</b>	<b>394.7</b>	<b>158.0</b>	<b>374.1</b>	<b>1,541.6</b>
Coventry Regeneration	6.9	150.0					150.0							150.0
Coventry City of Culture		4.0		31.6			35.6							35.6
Land Remediation	4.0	103.0					103.0						97.0	200.0
Business Innovation	0.7	4.8	3.0	4.8			12.5				15.0	15.0	7.5	50.0
Employment Education & Skills	0.1	0.8					0.8				17.0	2.2		20.0
Commonwealth Games		25.0					25.0							25.0
<b>OTHER INVESTMENT PROGRAMME</b>	<b>11.7</b>	<b>287.6</b>	<b>3.0</b>	<b>36.4</b>	<b>-</b>	<b>-</b>	<b>326.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32.0</b>	<b>17.2</b>	<b>104.4</b>	<b>480.6</b>
<b>TOTAL</b>	<b>66.0</b>	Approval commitment profile based on PMO forward planning exercise												
<b>CUMULATIVE APPROVALS</b>		<b>634.2</b>	<b>640.8</b>	<b>677.2</b>	<b>691.4</b>	<b>766.0</b>	<b>766.0</b>	<b>876.7</b>	<b>884.3</b>	<b>941.7</b>	<b>1,368.4</b>	<b>1,543.6</b>	<b>2,022.1</b>	

<b>WMCA Balance Sheet as at 31 March 2019</b>			
	<b>31 March 2019 £'000</b>	<b>28 February 2019 £'000</b>	<b>Movement £'000</b>
Property, plant and equipment	340,944	337,585	3,360
Investments	17,939	18,141	(202)
<b>Long-term assets</b>	<b>358,883</b>	<b>355,726</b>	<b>3,158</b>
Debtors	37,352	29,052	8,300
Short-term deposits	38,650	40,660	(2,010)
Cash and bank	82	449	(367)
<b>Current assets</b>	<b>76,084</b>	<b>70,161</b>	<b>5,922</b>
Loans - interest due	(1,808)	(2,133)	325
Short-term creditors/accruals	(56,228)	(55,630)	(598)
<b>Current liabilities</b>	<b>(58,036)</b>	<b>(57,763)</b>	<b>(273)</b>
<b>Net current assets</b>	<b>18,047</b>	<b>12,398</b>	<b>5,649</b>
Provisions	(3,817)	(3,737)	(80)
PWLB	(119,099)	(119,099)	-
Other loans - Barclays	(10,000)	(10,000)	-
Dudley MBC	(7,185)	(7,873)	688
Grants receipts in advance	(35,380)	(34,432)	(948)
<b>Long-term liabilities</b>	<b>(175,481)</b>	<b>(175,141)</b>	<b>(340)</b>
<b>Net assets</b>	<b>201,449</b>	<b>192,982</b>	<b>8,467</b>
General fund balance	2,284	2,296	(12)
Earmarked reserves	96,641	121,552	(24,911)
Capital grants unapplied reserve	247	247	-
<b>Usable reserves</b>	<b>99,172</b>	<b>124,095</b>	<b>(24,923)</b>
Revaluation reserve	6,742	6,936	(194)
Deferred capital grants account	353,078	330,649	22,429
Capital financing account	(257,176)	(268,393)	11,217
Accumulated absences account	(367)	(305)	(62)
<b>Unusable reserves</b>	<b>102,277</b>	<b>68,887</b>	<b>33,390</b>
<b>Total reserves</b>	<b>201,449</b>	<b>192,982</b>	<b>8,467</b>
<p>The WMCA Balance Sheet reflects a healthy financial position. Main changes since February reflect TfWM capital spend and work-in-progress funded mainly by grants in advance, resulting in an increase of £3.2m net of depreciation in property, plant and equipment and a decrease in grants receipts in advance.</p> <p>The increase in debtors is largely due to higher trade receivables and grant income in respect of Metro Birmingham Eastside extension scheme and Wolverhampton station and car park.</p> <p>The decrease in earmarked reserves and the increase in the unusable reserves reflect the spend in the Capital and Investment Programme funded by reserves.</p>			

## Appendix 9 - Treasury Management Outturn 2018/19

### 1. Introduction

- 1.1 The report provides an update on the West Midlands Combined Authority Treasury Management Outturn 2018 / 19 and is being submitted as a requirement under the CIPFA Treasury Management Code.

### 2. Treasury Management Outturn 2018 / 19

- 2.1 Table 1 shows WMCA borrowing and investments held at 1st April 2018 and 31st March 2019. It shows that net borrowing has decreased by £13.46m mostly as a result of debt maturity and repayment of £24m.

	1st April 2018 £m	Borrowing Repaid / New Investments £m	31st March 2019 £m	Notes
Borrowing	(160.29)	24.01	(136.28)	Reduction in borrowing due to £1.01m PWLB loan matured April 18 and £22m in July 18, £315k PWLB annuity loan repayments, and £688k Dudley Debt annual principal repayment. No new borrowing undertaken.
Investments	49.20	(10.55)	38.65	
<b>Net Borrowing</b>	<b>(111.09)</b>	<b>13.46</b>	<b>(97.63)</b>	

### 3 Borrowing Activity

- 3.1 Effective cash flow management and the use of grants received in advance have minimised borrowing. As a result no new borrowing was undertaken in 2018/19 to meet financing requirements. Current forecasts suggest the WMCA will be required to borrow in 2019 / 2020 as Investment Programme delivery intensifies.

### 4 Historic Borrowing

- 4.1 The main borrowing sources are Public Works Loan Board (PWLB / HM Treasury) and money markets. The Treasurer of the Authority continues to review the opportunities to reschedule debt. The costs associated with early repayment have been too onerous to be beneficial. During 2018/19 there has been two PWLB maturity of £1.01m in April 2018 and £22m in July 2018, and some principal repayable during the year on annuity loans. WMCC (West Midlands County Council) annual principal repayment of £688k was made in March 2019.
- 4.2 Table 2 shows borrowing held at 1<sup>st</sup> April 2018 and 31<sup>st</sup> March 2019. It shows that borrowing has decreased by £24m due to principal repayments during the year.

	Balance at 1st April 2018 £000	Repaid in Year £000	Raised in Year £000	Balance at 31st March 2019 £000
PWLB	142,417	23,317	-	119,100
Barclays Loan	10,000	-	-	10,000
Ex WMCC	7,873	88	-	7,185
<b>Total Long Term Borrowing</b>	<b>160,290</b>	<b>24,005</b>	<b>-</b>	<b>136,285</b>

- 4.3 The cost of servicing the £160.290m debt was £7.145m during 2018 / 19 as summarised below in table 3 which equates to an average annual rate of 4.46%.

<b>Debt Source</b>	<b>Interest Paid 2018 / 2019 £000</b>
PWLB	6,300
Barclays Loan	403
Ex WMCC	442
<b>TOTAL</b>	<b>7,145</b>

## **5. Future borrowing / capital programme**

- 5.1 Table 4 below identifies the funding requirements for the next 3 years as detailed within the Treasury Management Strategy. It is expected there will be a need fund projects from borrowing up to £316 million in 2019/20 with the actual debt taken out being subject to the available cash resources of the West Midlands Combined Authority.

### **Table 4: Capital Expenditure and Grants Forecast**

TABLE 4 : WMCA CAPITAL PROGRAMME FUNDING	FORECAST			TOTAL
	2019 / 2020	2020 / 2021	2021 / 2022	
FORECAST CAPITAL EXPENDITURE (WM INVESTMENT PROGRAMME)	462,803,948	491,776,026	539,888,577	1,494,468,551
FORECAST CAPITAL EXPENDITURE (OTHER)	88,190,479	101,888,802	138,904,916	328,984,196
<b>TOTAL FORECAST EXPENDITURE</b>	<b>550,994,427</b>	<b>593,664,827</b>	<b>678,793,492</b>	<b>1,823,452,747</b>
EXTERNAL FUNDING				
PRIVATE SECTOR AND 3RD PARTY	3,965,118	8,000,000	5,438,000	17,403,118
DEPARTMENT FOR TRANSPORT	87,248,257	52,108,995	26,822,469	166,179,721
ENTERPRISE ZONE	-	35,697,533	27,500,000	63,197,533
INTEGRATED TRANSPORT BLOCK	5,306,214	3,948,802	1,294,916	10,549,932
LOCAL GROWTH FUND	2,653,997	3,400,000	-	6,053,997
LOCAL AUTHORITY	2,237,504	11,362,496	8,600,000	22,200,000
OTHER PROJECT SPECIFIC GRANTS	77,452,728	88,000,000	132,000,000	297,452,728
TRANSFORMING CITIES FUND	55,545,108	73,996,546	93,176,851	222,718,505
<b>TOTAL EXTERNAL FUNDING</b>	<b>234,408,926</b>	<b>276,514,372</b>	<b>294,832,235</b>	<b>805,755,534</b>
<b>INTERNAL FUNDING REQUIREMENT</b>	<b>316,585,501</b>	<b>317,150,455</b>	<b>383,961,257</b>	<b>1,017,697,213</b>

## 6 Long Term Debt Profile

6.1 It can be seen from table 5 below that £10m debt repayment is due between 2019 and 2023. These borrowings are likely to need replacing and given historically low long term interest rates, WMCA are monitoring when might be the optimal time to undertake replacement borrowings. The debt maturity profile of the loans show that after 2023 the next major repayments do not occur until 2029.

Table 5 - Debt Maturity Profile

	Value of Loans Maturing £m
Repayable 2019/20	5
Repayable Between 2020/21 to 2022/23	5
Repayable Between 2023/24 to 2024/25	0
Repayable Between 2025/26 to 2027/28	7
Repayable Between 2028/29 to 2030/31	10
Repayable Between 2031/32 to 2039/40	27
Repayable Between 2040/41 to 2048/49	10
Repayable Between 2049/50 to 2059/60	72
<b>TOTAL BORROWING</b>	<b>136</b>

6.2 As stated above any new borrowing will depend upon the prevailing interest rates at the time, and the forecast cash requirements, as to whether it should be short term or long term.

## 7 Investment Activity

- 7.1 As at the 31<sup>st</sup> March 2019, all short term investments have given a return to the Authority of £0.463m in 2018 / 19, and an average rate of 0.68%.
- 7.2 All treasury management activities undertaken during 2018/19 complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy. Investments are placed directly with financial institutions, or using various brokers: ICAP, Tradition, Prebon, Martin Brokers, BGC and King & Shaxson. Investments held as at the 31<sup>st</sup> March 2019 were as set in Table 7 below:

**Table 7 - Short Term Investments held as at 31 March 2019**

	Interest Rate %	Investment Value £000	Investment type	Maturity date
Close Brothers	1.10	10,000	Fixed	18/03/2019
Lloyds	0.65	7,000	Call	
Santander	0.50	5,000	Call	
HSBC Bank Plc (MMF)	0.72	15,000	Call	
HSBC overnights	0.45	1,650	Overnights	
<b>Total</b>		<b>38,650</b>		

## 8 Performance measurement and Prudential Indicators

- 8.1 The WMCA treasury management function participates in a local benchmarking group which compares WMCA's treasury management performance with other local authorities, to ensure that relative to other local authorities the Authority is achieving a fair investment return without any undue risk. Performance is also regularly reviewed at the monthly Treasury Management Group.
- 8.2 One of the key requirements in the CIPFA Code of Practice on Treasury Management is the formal introduction of performance measurement relating to investments, debt and capital financing activities. The Prudential Indicators as at 31<sup>st</sup> March 2019 are shown in Appendix TM1. All key prudential indicators are met or complied with.

## 9 Treasury Management Strategy

- 9.1 The Treasury Management Strategy for 2018 / 19 has been underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management. Treasury Management is defined as:

*"The management of local authority's investment and cash flows, its banking, money market and capital transactions; effective control of risk associated with those activities; and the pursuit of optimum performance consistent with those risks."*

- 9.2 The Treasury Management Strategy is reviewed regularly and amended throughout the year to reflect changes in the financial markets and the economic climate.

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## WMCA Board

<b>Date</b>	24 May 2019
<b>Report title</b>	National Centre for Construction and Development Excellence
<b>Portfolio Lead</b>	Economic Development - Councillor Ian Ward
<b>Accountable Chief Executive</b>	Deborah Cadman, West Midlands Combined Authority email: <a href="mailto:deborah.cadman@wmca.org.uk">deborah.cadman@wmca.org.uk</a> tel: (0121) 214 7200
<b>Accountable Employee</b>	Roger Mendonca, Chief Operating Officer, West Midlands Growth Company email: <a href="mailto:roger.mendonca@wmgrowth.com">roger.mendonca@wmgrowth.com</a> tel: 07375 084399
<b>Report has been considered by</b>	Programme Board - 10 May

**Recommendation(s) for action or decision:**

**The WMCA Board is recommended to:**

- (1) Endorse the report and the intention to establish an internationally significant National Centre for Construction and Development Excellence in Wolverhampton.

## **1. Purpose**

The purpose of this report is to inform the WMCA Board of ongoing work with the City of Wolverhampton Council and the University of Wolverhampton to establish an internationally significant, cross-sector National Centre for Construction and Development Excellence in Wolverhampton at the Springfield Campus in Wolverhampton. The work is being managed by the West Midlands Growth Company and builds on significant investment in the Springfield site by the Black Country Consortium. Initial discussions with leading members of the private sector, such as Tony Pidgley of Berkeley Homes, suggest there is industry support for developing this proposal.

The work is being divided into parts. Part One is a scoping study to identify the additional activity required to turn the Springfield location into a National Centre for Excellence. Part Two is to develop a detailed bid for funding to deliver this activity.

## **2. Background**

The background to the work is set out in Appendix A.

## **3. Financial Implications**

There are no direct financial implications from this update report. The cost of the scoping study and the further work to develop a bid for funding is estimated at approximately £105,000. The University of Wolverhampton, City of Wolverhampton Council and WMCA have agreed in principle to share this cost equally up to a maximum of £35,000 each. From a WMCA perspective this will be funded from within existing resources during 2019/20.

## **4. Legal Implications**

None

## **5. Equalities Implications**

None

## **6. Inclusive Growth Implications**

Establishing a cross-sector National Centre for Construction and Development Excellence in Wolverhampton will offer significant opportunities to improve skills across the region, and enhance the prospects of local people accessing employment opportunities created by economic growth in the West Midlands and beyond.

## **7. Geographical Area of Report's Implications**

The National Centre would be based in Wolverhampton and benefit the region as a whole

## **8. Other Implications**

None.

**9. Schedule of Background Papers**

A: Current activity and ambitions for the Springfield Campus

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## National Centre for Construction and Development Excellence:

### Current activity and ambitions for the Springfield site

#### Background

Springfield Campus in the City of Wolverhampton is a strategic investment opportunity on a nationally significant development at the heart of the West Midlands.

Utilising nearly £12m of funding from the Black Country Consortium, plans are already underway to transform the 12-acre site of the former Springfield brewery into Europe's largest specialist construction and built environment campus, bringing together businesses and the education sector to maximise the impact on the economy. The £100+ million development is acting as the catalyst for economic and social regeneration, tailored to creating jobs, facilitating innovation and delivering the technical and professional experts required in the UK.

Phase 1 of the Springfield Campus development has seen the successful opening of the [West Midlands Construction University Technical College](#), closely followed by the [Elite Centre for Manufacturing Skills hub](#).

Work has also started on the University of Wolverhampton's School of Architecture and the Built Environment on the site. The plans for the School of Architecture form the largest part of the first phase of the site to create the Springfield Campus. The 85,000 sq ft build will be delivered in the 2019-20 academic year and will become home to 1,100 existing students and 65 staff, with the number of students projected to grow over time to more than 1,500.

Phase 2 of the site is ready for investment with services and infrastructure in place and a number of plots available.

In May 2018, the West Midlands Mayor announced his intention to support the development of a National Brownfield Institute (NBI) on the Springfield Campus, as part of the region's Housing Deal from Government. The National Brownfield Institute (NBI) would be a national centre of excellence for brownfield regeneration, helping to ensure sustainable development for the long-term benefit of the community.

The NBI will be composed of three distinct functional elements:

- 1) Policy & Strategy
  - a. Influence government policy and decision making for brownfield matters
  - b. Develop and inform policies related to brownfield regeneration
- 2) Research & Development
  - a. Undertake integrated applied research into improved technologies and methodologies
  - b. Identify process improvements for brownfield regeneration
- 3) Commercial Services
  - a. Enhanced analysis and use of the National Brownfield Land Register
  - b. Brownfield Data Labs offering commercial review and scenario testing for brownfield development projects
  - c. Continuing Professional Development related to brownfield regeneration

The Springfield Campus forms part of a £3.7 Billion investment programme which is transforming the City of Wolverhampton, making it one of the best locations in the country to live, learn, work and invest. Other notable developments near Springfield include:

- [Canalside Quarter](#) which will provide desirable city centre living and a destination for visitors with shops, walkways, cycle paths and leisure facilities.
- [The Brewers Yard](#) which is a joint venture between developer Court Collaboration, City of Wolverhampton Council and West Midlands Combined Authority to deliver a mixture of 1,100 city houses and apartments, and 60,000 sq. ft of new retail and commercial space, designed by Glancy Nicholls Architects.

## **Opportunity**

The vision for Springfield is to create a super campus where the education elements in Phase 1 sit alongside sector leading innovation, research and training generated from private sector occupiers in Phase 2 ultimately creating a National Centre for Construction and Development Excellence.

The NCCD is envisaged as a hybrid think/do tank bringing together Phase 1 & 2 however this does not necessarily mean a new building or new infrastructure.

This will enable the region to have a leading international presence in construction and built environment innovation, expertise and delivery. It will give employers the opportunity to help to develop and expand their operations, giving young people unique opportunities for a bright future; and providing researchers the opportunity to work in pioneering environment and facilitate inventive and ground breaking ideas. The like of which does not exist for the construction and built environment anywhere else in the UK.

The NCCD would vary from the NBI as it would be primarily focused on developing construction and development skills, technologies and methodologies through innovation and partnership with private sector organisations. The NCCD would complement the NBI but would encompass the wider construction industry with a focus beyond brownfield development. It has the potential to provide co-location with partners from the construction industry ultimately cementing the relationship between business and education.

The NCCD would adopt similar principles to the [National Automotive Innovation Centre](#) which is a joint venture between WMG at the University of Warwick, Jaguar Land Rover, and Tata Motors UK.

In the national context, there is a housing crisis in the UK, with Housing charity Shelter estimating that 1.2 million new homes are needed for younger families who cannot afford to buy. The Government has committed to building 250,000 homes nationally by 2022 while the West Midlands Combined Authority is implementing an ambitious programme to deliver 215,000 new homes by 2031. However, these commitments are at significant risk from the constrained productivity and innovation growth in the construction sector. Based on current entrant levels, Homes England has estimated that the construction sector could see a 20-25% decline in the workforce by 2026.

Establishing an NCCD at the Springfield Campus is therefore of a significant importance as it will provide a catalyst for economic and social regeneration in the West Midlands; becoming the dynamic heart of the Midlands engine to drive construction and built environment expertise nationally and internationally.

## **Realising the Opportunity**

The West Midlands Growth Company, on behalf of the West Midlands Combined Authority and in conjunction with City of Wolverhampton Council and University of Wolverhampton, is developing a detailed plan of action to turn into reality the ambition to create an internationally significant National Centre for Construction and Development Excellence (NCCD) at the Springfield Campus.

To support this ambition, we are seeking to commission two phases of work.

Phase One will review existing and planned development activity on the Springfield site to identify the additional work required to enable the Springfield site to truly become a National Centre for Construction and Development Excellence. It will then turn this into a strategic business case and action plan.

Phase Two will depend on the outputs from Phase One but, at the current time, it is expected that the outputs from this project will be used to inform the development of a full Green Book compliant business case to be used as bidding document to secure resources from Government and the private sector.

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## WMCA Board

<b>Date</b>	24 May 2019
<b>Report title</b>	Inclusive Growth: Update and Next Steps
<b>Portfolio Lead</b>	Cohesion & Integration and Public Service Reform
<b>Accountable Chief Executive</b>	Deborah Cadman, West Midlands Combined Authority email: <a href="mailto:deborah.cadman@wmca.org.uk">deborah.cadman@wmca.org.uk</a> tel: (0121) 214 7200
<b>Accountable Employee</b>	Henry Kippin, Director of Public Service Reform email: <a href="mailto:henry.kippin@wmca.org.uk">henry.kippin@wmca.org.uk</a> Tel: (0121) 214 7880  Claire Spencer, Senior Policy Adviser (Public Services and Inclusive Growth) email: <a href="mailto:claire.spencer@wmca.org.uk">claire.spencer@wmca.org.uk</a> tel: (0121) 214 7669
<b>Report has been considered by</b>	Programme Board - 10 May 2019

### Recommendation(s) for action or decision.

#### The WMCA Board is recommended to:

- (1) Note the progress that has been made in developing a regional approach to supporting inclusive growth.
- (2) Note the Inclusive Growth Framework, Decision-Making Toolkit, and Policy Tests, and encourage their application within local and regional initiatives.
- (3) Advise as to how WMCA and its Inclusive Growth Unit can support the Board and partners to promote and embed inclusive growth over the next 12 months.

## 1. Purpose

1.1 The overall purpose of the report is to update WMCA Board on a specific element of the region's inclusive growth work: the tools, processes, and research that will guide our policy, strategy, and investment practice. In detail, this report is designed to do the following:

1.1.1 To provide WMCA Board with an update on the work of the WMCA Inclusive Growth Unit (IGU). The IGU, which is embedded within the WMCA, was established to build the confidence, evidence base and tools to support sustained inclusive growth in the West Midlands. Partners include the Joseph Rowntree Foundation, Barrow Cadbury Trust, TUC West Midlands, Public Health England, and others.

1.1.2 To introduce a set of specific products to the Board which have been developed with the IGU. These are focused on the application of inclusive growth principles into practice. They are:

- i. The updated Inclusive Growth Framework – this sets out the goals of inclusive economic growth in the West Midlands, and the progress that the region is making against those goals. These are not exclusively economic in nature, but are also social, environmental, and democratic. As such, the Framework establishes a virtuous circle between economic activity and public service outcomes.
- ii. The Inclusive Growth Decision-Making Toolkit – this provides decision-makers with a practical way of embedding the same inclusive growth goals into key policies, strategies and delivery plans. It represents a shift in how collective investment works, and will need to be piloted in order to assess its operational implications.
- iii. A set of Inclusive Growth 'Tests' – a way to interrogate policy proposals by asking a set of focused questions. These were developed at the request of the Overview & Scrutiny Committee, which requested that each WMCA report should account for its inclusive growth impact.

1.1.3 To share the results of several pieces of third-party research undertaken by IGU partners, and others. This research gives citizen, civil society, academic, and policy perspectives on the region's potential to shape a more inclusive economy, and is part of ensuring that inclusive growth policies and processes are designed collaboratively.

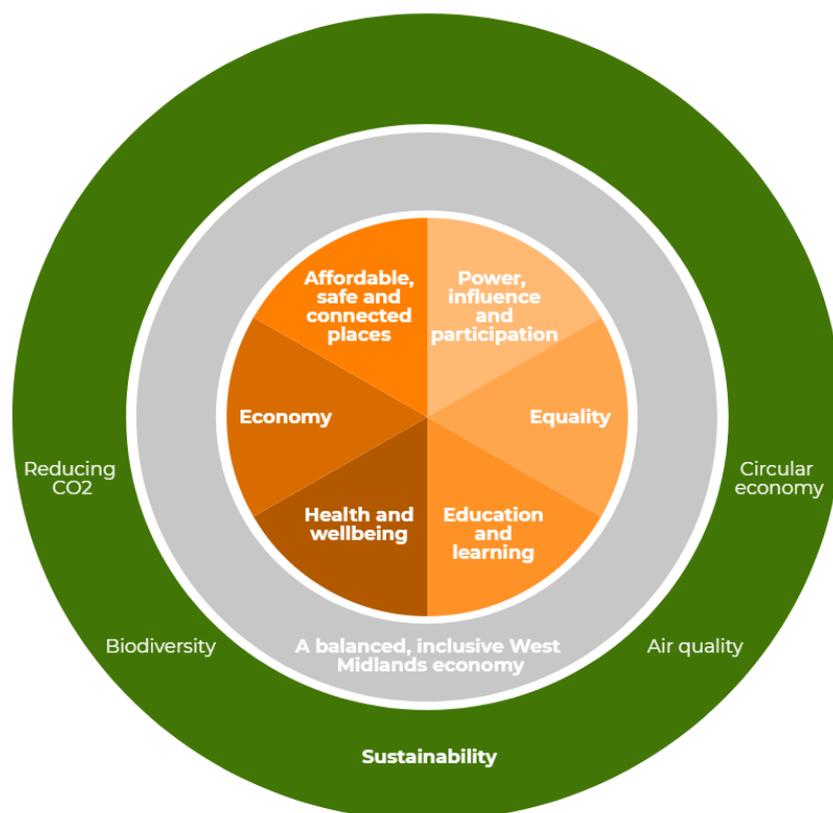
1.1.4 To propose a set of next steps to use these tools in practice, including the application of these products on pilot areas, and the creation of a strategic narrative for inclusive growth and public service collaboration which can form the basis of future devolution proposals.

## 2. Background

- 1.2 WMCA has been firm in its commitment to inclusive growth. This is because, at its heart, it is a coalition of partners which have been using the power of good public services and investments to support people and places to meet their needs, and to achieve their aspirations, for many years now. At all levels, these investments have something to teach us about inclusive growth. The challenge put to WMCA, and by extension the IGU, is to add value: build the support that enables all parts of the region to establish what good looks like, and to get this right, more often.
- 1.3 To be meaningful, inclusive growth has to permeate each investment made by WMCA and its partners into people and places, and everyone has a part to play. This is easy enough to put into words, but challenging to deliver, as it will require many people to change how they work, and how they judge what good looks like at each stage of the process. For example, growth strategies tend to be evaluated based on GVA uplift, jobs created, and homes built – which leaves a lot of room for people to be excluded from shaping and benefiting from economic activity. The gender and ethnicity employment gap bears this out – for example, in the WMCA 3-LEP area, 79.1% of white men are in employment, compared to just 53.4% black or minority ethnic women.
- 1.4 The West Midlands Combined Authority has defined inclusive growth thus: “*A more deliberate and socially purposeful model of economic growth – measured not only by how fast or aggressive it is; but also by how well it is created and shared across the whole population and place, and by the social and environmental outcomes it realises for our people.*” This can be shortened to a simple statement: an economy that shares the values of its citizens. This is echoed in the ‘*grand challenge*’ concept of the industrial strategy. For example, as our citizens care about remaining healthy for as long as possible, our economy should care about that too – and on the reverse, it should not be that a consequence of economic activity is unhealthy people.
- 1.5 The work presented in this paper has been developed in earnest over the last 18 months. In January 2018, WMCA Board approved a programme of work to develop an underlying evidence base and set of tools to support inclusive growth within the West Midlands. It did this by consensus: recognising the need to understand and measure the region’s progress by more than GVA, productivity, and trade. Some key components are:
  - 1.5.1 *WMCA Inclusive Growth Unit*: a collaborative analytical and policy hub, to support the region in building the confidence, evidence base and tools to support sustained inclusive growth in the West Midlands.
  - 1.5.2 *The Leadership Commission*: a piece of work designed to highlight and shift the imbalance between a diverse region and its senior leadership; leading amongst other things to the forthcoming launch of a Youth Combined Authority.
  - 1.5.3 *The Social Economy Taskforce* – recognising the role non-profit and social enterprise organisations can play in a more balanced economy, and recommending specific ways to boost their role and profile.
  - 1.5.4 *The Inclusive Growth Framework* – sets out the goals of inclusive economic growth in the West Midlands, and the progress that the region is making against those goals.

- 1.5.5 *Practical work with our partners*: applying inclusive growth in the real world will be led by local authorities and their partners at local level. We have therefore supported approaches such as Dudley’s Community Wealth Building commission, Sandwell’s Vision 2030, and Birmingham & Solihull’s ‘*East Birmingham North Solihull Growth Corridor*’.
- 1.5.6 *Applying IG principles within WMCA policies and decision-making*: including within the development of the Housing Team’s single commissioning framework; and ensuring that inclusive growth considerations are embedded within the technical appraisal process for investment board decisions. The forthcoming Industrial Strategy similarly contains some key commitments on inclusive economy.

Figure 1 The Inclusive Growth Framework, illustrated to show the balance between meeting needs and aspirations, and working within environmental limits



1.6 Our approach in developing this work with the IGU and other regional partners has been to focus on practical tools rather than an over-arching strategy. We have developed a solid definition, framed a set of priorities, collaborated to improve the region’s ‘*inclusive behaviours*’, and – most importantly – begun the journey to changing business as usual to something that is inclusive by design.

### 3. Three Inclusive Growth products

This section outlines three distinct products which have been developed to support and enable the work noted above. The source material is included as web-links where possible. In the interests of brevity, the Excel workbook has not been included, but is available on request<sup>1</sup>.

<sup>1</sup> For this and any other question or request, email Claire Spencer (*Senior Policy Advisor, Public Services & Inclusive Growth*): [claire.spencer@wmca.org.uk](mailto:claire.spencer@wmca.org.uk).

## 1.1 The Inclusive Growth Framework.

1.2 *Summary*: the Inclusive Growth Framework defines the social, democratic, and environmental outcomes of economic activity. The intention of this is to ensure that the West Midlands prioritises that which it hopes to gain from economic activity: thriving citizens.

1.3 *Stakeholder feedback*: Following on from Public Service Reform (PSR) Board and WMCA Board in September 2018, the Inclusive Growth Framework was discussed with members of the IGU, and other stakeholders in the broader networks around WMCA and the IGU. The following four points came out particularly strongly:

- Many organisations felt that what the Inclusive Growth Framework gained in comprehensiveness, it lost in focus. They recommended reducing the number of metrics within the framework, with a stronger alignment to WMCA's priorities, as expressed through the Strategic Economic Plan (SEP) and its workstreams.
- Several IGU organisations remarked that '*GVA per employee*' needed to be a lower priority than '*Gross Disposable Household Income*' (GDHI). Both are important, but the inclusive element of inclusive growth is not illustrated by the former, as productivity can increase without resulting in citizens having a higher income.
- Finally, it was felt that the '*citizen voice*' was not strong enough – each indicator, where possible, should be paired with an equivalent which expresses how citizens feel. For example, the violent crime indicator needs to be paired with an indicator relating to fear of crime – in this case, something which is already measured by *The Crime Survey for England & Wales*<sup>2</sup>.
- More clarity was needed on how local authorities and others could use the Inclusive Growth Framework in practice, leaving space for local leadership to establish different priorities to the WMCA, where desired.

1.4 *The updates - structural*: retaining the seven themes, but taking the feedback on focus and citizen voice on board, the new framework has a tighter focus, with one Headline indicator, three Priority indicators, and a new '*Citizen Voice*' indicator to pair with each (where practical).

1.5 *The updates – priorities*: GDHI is now the Headline indicator of the Economy theme, with GVA becoming the second of three Priority indicators. Subject to any amendments at WMCA Board, these indicators should be largely stable henceforth. In the event of shifts in these priorities, it is recommended that if an indicator is added, an existing indicator from the same theme should be removed, in the interest of keeping the framework focused.

1.6 *Next steps*: we suggest that Inclusive Growth Framework metrics should be reported to WMCA Board twice a year, and any suggestions as to how this information should be presented will be welcome. In particular, the WMCA PSR team would like the Board's view on whether there should be an interactive, public-facing, digital platform. There is also the opportunity for partners to take this structure and fill it with their own priorities.

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<sup>2</sup> See: <http://www.crimesurvey.co.uk>

The PSR Team and IGU are in the early stages of discussions with the ‘*inclusive growth corridors*’ and some of the Constituent Authorities about where this will be most useful. Again, the Board’s ideas on how to develop this will be welcome.

### 1.7 The Inclusive Growth Decision-Making Toolkit.

1.8 *Summary*: a simple and structured process to help decision-makers at regional, local, and project level to understand what inclusive growth means in practice, and how best to define and deliver it within scope of a project, investment, or policy. The toolkit is included as an appendix to this report. It is in draft form – with a view to improving it via comments from the Board and other regional stakeholders, as well as through real-life application. Piloting will also enable WMCA and local authorities to understand how large a cultural and operational shift this means in practice.

1.9 *Developing the Inclusive Growth Toolkit*: the WMCA Inclusive Growth Toolkit<sup>3</sup> has been developed by three of our partners from the IGU, namely the Joseph Rowntree Foundation, MetroDynamics, and The Centre for Progressive Policy. It draws on comparative evidence from other UK cities and internationally. It is designed to integrate with existing investment decision-making processes, and to provide whoever is using it with a clear structure to assess whether the investment is likely to make a positive contribution to inclusive growth. By following this process in the early stages of project development, it is hoped that opportunities to improve the impact of the investment can be identified and built in.

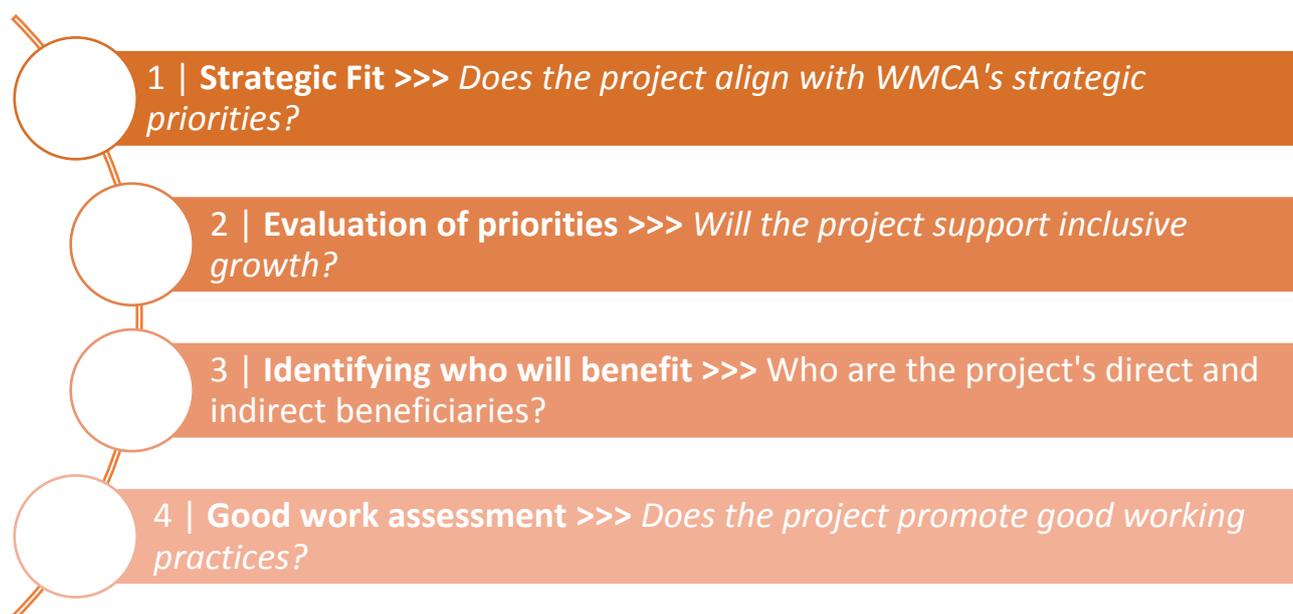


Figure 3 – The four stages of the Inclusive Growth Decision-Making Toolkit.

1.10 *How it works*: The Inclusive Growth Decision-Making Toolkit has four stages (Figure 3). Each stage contains a set of questions, and provides guidance and evaluation criteria. There is also an overall worksheet, where the responses to the following can be recorded:

- In **Stage 1**, the project is matched to the relevant elements of the SEP – this will then determine which areas to focus on in Stage 2;

<sup>3</sup> Appendix 1.

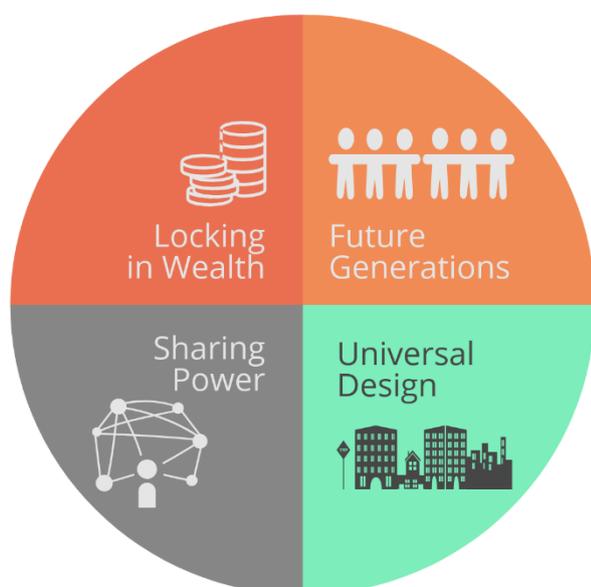
- In **Stage 2**, the project is evaluated by *how* it delivers inclusive growth. Each assertion as to a project’s social or environmental benefits needs to be backed up by a scored evaluation and outline delivery plan – this strengthens the current appraisal process.
- In **Stage 3**, the project is evaluated by *who* will benefit, either directly or indirectly. This can draw on any existing population data that exists for the project.
- In **Stage 4**, the project is evaluated by the *quality* of the work it will create.

1.11 *Next steps:* in the first instance, feedback from WMCA Board, and from Member Authorities more broadly, would be welcome. However, the test of the Decision-Making Toolkit will be applying it to real projects or investments. We are working with colleagues in several member authorities, and with WMCA’s Housing and Transport teams, to explore this. Suggestions as to how this can be expanded, and how the WMCA can facilitate this, would also be helpful.

### 1.12 **The Inclusive Growth Tests.**

1.13 *Summary:* a quick guide to enable officers to complete the ‘*Inclusive Growth Implications*’ section of Board reports, developed at the request of the WMCA Overview & Scrutiny Committee.

1.14 *Developing the Inclusive Growth Tests:* At its meeting in September 2018<sup>4</sup>, the WMCA Overview & Scrutiny Committee requested that all Board papers should include a section where the ‘*Inclusive Growth Implications*’ are considered, as below. It is important to the credibility of the inclusive growth agenda that this section of the report is filled in accurately, and the Inclusive Growth Tests are written to enable doing that in an intuitive light-touch way. The aim is to provoke thinking and reflection, rather than becoming another ‘tick box’. Four such tests are outlined below:



- **1 | Are we locking in wealth?** Wealth is driving inequality faster than income – so WMCA should always consider the ways in which it can ‘*lock in*’ wealth into places, as well as creating the conditions for people to create their own. For example: this could be investments into people – e.g. skills development – or into community-owned assets such as community land trusts.

- **2 | Are we considering Future Generations?** Inspired by Wales’ ‘*The Wellbeing of Future Generations Act*’, this test will help policymakers and decision-makers to think about the long-term impact and resilience of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health

inequalities and climate change. When writing reports, people should ask themselves what those decisions mean for young people, and what they mean for the next generation, as well as ours.

<sup>4</sup> See: ‘*Overview & Scrutiny Committee Tuesday 4th September 2018 10.00 am*’: <https://governance.wmca.org.uk/ielistDocuments.aspx?Cid=138&Mid=254&Ver=4>

- 3 | **Are we Sharing Power?** This test both considers how the proposal in question has involved ‘*citizen voice*’, but also, whether WMCA is bolstering those parts of the economy and democracy which involve people being able to influence how things are done. In policymaking, this covers all of the ways that citizens are involved in designing and informing policy, from consultation, to conversation, to co-production. In commissioning and procurement, this is about working with co-operatives and mutuals, where staff and customers are involved in how the business operates.
- 4 | **Are we promoting Universal Design principles?** This test is about being deliberate in how we ‘design-in’ inclusivity. It draws on the seven principles of Universal Design, which relate to creating products and environments that suit all people who need to make use of them<sup>5</sup>. As such, people should consider whether the investment or proposal has the following qualities:

<b>Equity</b>	...useful and appealing regardless of ability.
<b>Flexibility</b>	...accommodates different preferences and abilities.
<b>Simplicity</b>	...easy to use, regardless of experience, knowledge, language skills or concentration levels.
<b>Perceptibility</b>	...communicates necessary information, regardless of ambient conditions or sensory abilities.
<b>Tolerant of error</b>	...minimises adverse consequences of unintended actions.
<b>Low physical effort</b>	...usage results in minimal fatigue.
<b>Spacious approach</b>	...enough space for approach, reach, manipulation, and use.

1.15 *Next steps:* the IGU is in the process of designing learning materials that will enable people to apply the Inclusive Growth Tests at the very beginning and very end of the decision-making process, and would like to involve Overview & Scrutiny in this development work. This will help the IGU to determine whether it is on the right track, particularly on the framing, and the balance between detail and ease of use.

## 2. Citizen, Civil Society, and Policy Engagement: The Social Economy Taskforce, Localise West Midlands, Harvard Kennedy School, and New Policy Institute.

2.1 At the soft launch of the IGU, there was a commitment to develop an approach to inclusive growth which is outward-facing, and which listens before and throughout the policymaking process. Since September, the WMCA has therefore been involved in four important pieces of third-party research which are summarised below:

- *The Social Economy Taskforce*<sup>6</sup> – This independent, sector-led Taskforce was established in spring 2018, and will report its findings at the WMCA Board meeting in June. Its focus has been on boosting the size and impact of social economy organisations in the region; and the things that WMCA and partners can do to enable this. These findings will include mechanisms to support growth in social enterprise across the region, and specific ways in which social value approaches to commissioning and procurement can be used to drive social and economic outcomes.

<sup>5</sup> See ‘The 7 Principles’: <http://universaldesign.ie/What-is-Universal-Design/The-7-Principles/>

<sup>6</sup> See ‘WMCA Board Friday 9th February 2018 11.00 am’: <https://governance.wmca.org.uk/documents/s1221/Report.pdf>

- ‘*Connecting Cranes with Communities – How WMCA can create inclusive growth*’: this research was led by IGU partner Localise West Midlands, and funded by another IGU partner, Barrow Cadbury Trust. The research was commissioned by the WMCA as a means of reaching out to civil society to support the defining and development of our approach to inclusive growth. The focus of this piece of work was therefore to draw on civil society insight from across the region, to inform the development of WMCA’s inclusive growth products and priorities.
- ‘*Reshaping the Economy – Intermediary Bodies and Inclusion in the West Midlands*’: this is a third-party piece of academic research led by Adam Hawksbee at the Harvard Kennedy School (HKS). It explores the support mechanisms needed to enable greater economic inclusion, and to grow what it calls the ‘foundational economy’ across the region. The report describes how investing into ‘*intermediary bodies*’ is a crucial part of building that support and channelling investment. These terms are explained in more detail below.
- ‘*The State of Economic Justice in Birmingham and the Black Country*’<sup>7</sup>: this is an independent piece of research led by the New Policy Institute (NPI) and funded by Barrow Cadbury Trust. It focuses on ‘*economic justice*’, and in particular the extent to which the West Midlands economy is delivering financial security and general wellbeing to the population of the region. It concludes that more must be done.

2.2 While each piece of work had slightly different objectives, there are some common themes that the Board should note:

- **Intermediaries drive inclusion:** the LWM, HKS, and Social Economy Taskforce reports all highlight the role that so-called ‘*intermediary bodies*’ play in driving investment and improving performance. In essence, this means building networks, or umbrella organisations that create scale, act as a channel for investment, and can help to stimulate innovation. This can happen in a variety of ways: at neighbourhood level via community development trusts, focusing on a group of people, as Shelforce<sup>8</sup> in Erdington do, or at regional scale, as with Energy Capital, which focuses on innovation, investment, and capacity building in regional energy systems. Each report is clear as to the value of boosting (or creating) intermediary bodies which focus on struggling, low productivity, social or foundational areas of the economy.
- **Inclusive leadership:** in the LWM and HKS reports, both highlight the link between who makes the decisions and who benefits from them. This backs the WMCA commitment to inclusive leadership made as part of the Leadership Commission, and which in turn is reflected in actions emanating from the Commission.

2.3 *Connecting Cranes with Communities – summary of recommendations.* Some of these recommendations are already in place, others will need further reflection, consideration, collaboration, and development before becoming policy.

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<sup>7</sup> See: <https://www.barrowcadbury.org.uk/news/economic-justice-in-birmingham-and-the-black-country-research-report-flags-up-warnings-and-opportunities/>

<sup>8</sup> See: <https://www.shelforce.com/>

1   <b>Investment in civil society</b>	The year-on-year reductions in local government spending power over the last ten years have had an impact on civil society organisations in the West Midlands. If civil society-focused intermediary organisations are to bolster an inclusive economy, they need to be invested into – potentially via a ‘ <i>topslice</i> ’ of other regional funding streams.
2   <b>Community wealth-building</b>	Learn from local authorities are adopting community wealth-building approaches <sup>9</sup> , like Birmingham and Dudley, to increase the resilience and diversity of local supply chains.
3   <b>Representation</b>	Increase presence of civil society representation in WMCA decision-making and delivery structures.
4   <b>WMCA training, development, and performance management</b>	Explore ways for WMCA learning and development for staff to include modules on building an inclusive economy, and for personal development plans to include related objectives.
5   <b>Citizen voice</b>	Replicate ‘ <i>Poverty Trust Commission</i> ’ approaches <sup>10</sup> in each inclusive growth corridor, to ensure that the voices of intended beneficiaries are heard.
6   <b>Foundational economy</b>	Ensure that the Local Industrial Strategy (LIS) is not the sum total of the region’s focus. Invest into repositioning the foundational economy – e.g. retail, care, and construction – to build economic value beyond the urban cores.
7   <b>Locking in wealth</b>	Design in wealth (and risk) sharing approaches so that communities benefit from land value uplift, instead of being displaced by it.
8   <b>Skills</b>	Ensure that some of the Adult Education Budget is invested into building confidence and life skills among those who are furthest from the labour market, ideally by replicating or investing into successful, civil society-led schemes.
9   <b>Inclusive economy metrics, monitoring, and data</b>	Establish, monitor, and report on inclusive economy metrics.
10   <b>An inclusive Local Industrial Strategy</b>	Ensure that inclusive economy principles are embedded within the commitments made in the LIS.
11   <b>A natural capital approach</b>	Take a natural capital <sup>11</sup> approach to all development: importantly, with a commitment to biodiversity net gain. Ideally, this should be built into the Design Charter and the Single Commissioning Framework.

<sup>9</sup> Community wealth building is an approach to regeneration framed around self-help, participation, social responsibility and democratic accountability – it often involves ‘*anchor institutions*’ like local authorities using their commissioning and procurement spending to bolster the local economy.

<sup>10</sup> See (e.g.) ‘*Wolverhampton Poverty Truth Commission*’: <https://www.wolvespovertytruth.org/about>

<sup>11</sup> See ‘*Natural Capital, an Overview*’: <http://researchbriefings.files.parliament.uk/documents/POST-PN-0542/POST-PN-0542.pdf>

<b>12   An efficient built environment</b>	Ensuring that economic activity in the built environment sector is focused on reducing greenhouse gas emissions, and on conserving resources. Suggested mechanisms include refreshing the Birmingham ‘ <i>Mini Stern</i> ’ <sup>12</sup> , investing into a Energy Capital-led fuel poverty scheme, and in general, to eliminate the energy efficiency “ <i>performance gap</i> ” of new homes via improved monitoring.
<b>13   Universal design in transport</b>	Ensure that new transport schemes are accessible to all users.

2.4 *Connecting Cranes with Communities – next steps*: WMCA and the IGU will continue to work with Localise West Midlands via the IGU in order to evaluate, prioritise, and work through these recommendations. The full report is available on request.

2.5 *Reshaping the Economy – Intermediary Bodies and Inclusion in the West Midlands – summary of recommendations*. This report has focused specifically on how the region can boost economic production systems in the foundational economy, or in sectors that do not feature in the LIS:

<b>1   Building capacity and capability in intermediary bodies</b>	The WMCA should increase its focus on intermediary bodies as it delivers the LIS and its broader economic development agenda. Specifically, it should invest in and facilitate the creation of intermediary bodies in geographies and sectors that are currently experiencing low growth, high unemployment, and significant deprivation. Revenue funding for this activity could be acquired from an advance on the UK Shared Prosperity Fund <sup>13</sup> .
<b>2   Boosting investment</b>	The WMCA should design a series of contracts for financial intermediary bodies to increase the absorption capacity of firms in struggling sectors and geographies for public and private investment.
<b>3   Raising productivity</b>	The WMCA should bring together anchor institutions and intermediary bodies to conduct rapid assessments of high productivity firms in struggling sectors and geographies. They should then fund and support community - based intermediary bodies to disseminate lessons to low productivity firms.

2.6 *Reshaping the Economy – Intermediary Bodies and Inclusion in the West Midlands – next steps*: This report has some specific learning relating to the implementation of the LIS, as well as how WMCA and its Member Authorities undertake work via the inclusive growth corridor and Town Centre programmes, and will be used to inform that work. The full report is available on request.

<sup>12</sup> See ‘*The Economics of Low Carbon Cities – A mini-Stern review for Birmingham and the wider urban area*’: [https://www.sustainabilitywestmidlands.org.uk/wp-content/uploads/Mini\\_Stern\\_review\\_for\\_Birmingham.pdf](https://www.sustainabilitywestmidlands.org.uk/wp-content/uploads/Mini_Stern_review_for_Birmingham.pdf)

<sup>13</sup> See ‘*The UK Shared Prosperity Fund*’: <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-8527>

2.7 *The State of Economic Justice in Birmingham and the Black Country – key findings:* NPI and Barrow Cadbury Trust are keen that their work informs discussion, policymaking, and decision-making at a local and regional level, but do not make any policy recommendations per se. Nonetheless, the report highlights the roll out of Universal Credit as a particular risk – a concern that has also been expressed by the West Midlands Homelessness Taskforce – and pushes for economic investments that result in better outcomes for people living in deprived neighbourhoods. A selection of the key findings can be found on the Barrow Cadbury Trust website (Footnote 7).

2.8 *The State of Economic Justice in Birmingham and the Black Country – next steps:* WMCA's PSR team is working with Barrow Cadbury Trust on how the report can be disseminated across Birmingham and the Black Country, and will invite the authors to present at a future PSR Board.

#### **4. Financial Implications**

4.1 There are no immediate financial implications arising from this report. However, there will be financial implications in embedding inclusive growth goals into investment proposals: this is all about investing differently, and on some occasions, that will mean investing more. It is a different approach to the Benefit Cost Ratio (BCR) process, and as it is expanded, it should change both culture and practice. This is something that WMCA and its partners will only learn by doing, and will be closely monitored to ensure that these investments deliver the promised social or environmental returns.

#### **5. Legal Implications**

5.1 There are no immediate legal implications arising from this report, although any economic intermediary which involves WMCA could create such implications.

#### **6. Equalities Implications**

6.1 These inclusive growth products have been designed to ensure that all people benefit from economic growth – and the Inclusive Growth Decision-Making Toolkit in particular highlights a series of groups who are affected by economic exclusion, insecure work, and low pay. Nonetheless, there will need to be significant join-up across the region to ensure that the disparities between places, between genders, between ethnicities, between people who have disability and those who do not, and combinations of all of the above, are taken into account when determining Stage 3 of the Toolkit (*'Who will benefit?'*).

#### **7. Inclusive Growth Implications**

7.1 These inclusive growth products are designed to move the region from *'business as usual'* to inclusive growth. Testing them will help WMCA and its Member Authorities to determine whether they are on the right track, and keeps inclusive growth at the heart of WMCA's work. The implications of this are positive, and will be even more so if the products work, and are widely used.

## **8. Geographical Area of Report's Implications**

8.1 The Inclusive Growth Framework, Decision-Making Toolkit, and Tests can be applied across the West Midlands. As the initial testing is likely to be in the inclusive growth corridors, it will focus (in the first instance) on the Constituent Authorities. However, the WMCA PSR team is open to any approach, from any part of the region, with regards to testing and adapting these products.

## **9. Other Implications**

9.1 There are no other implications.

## **10. Schedule of Background Papers**

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# Inclusive Growth Decision-making Tool

For public sector practitioners to assess whether  
projects and interventions will support inclusive growth

Page 69



West Midlands  
Combined Authority



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# Contents

- 3 Introduction - Inclusive Growth & Investment
- 5 Inclusive Growth Decision-making Tool - Overview
- 7 Components of the Tool
- 19 Inclusive Growth Decision-making Tool
- 13 Stage 1 - Strategic Fit
- 17 Stage 2 - Evaluation of Priorities
  - Introduction
  - Employment
  - Skills
  - Business Competitiveness and Productivity
  - Accessibility - Connectivity and Mobility
  - Housing
  - Land and Environment
  - Health
- 35 Stage 3 - Identifying Who Will Benefit
- 41 Stage 4 - Good Work
- 43 Worksheets

# Introduction - Inclusive Growth & Investment

This Toolkit is a product of the West Midlands Combined Authority's Inclusive Growth Unit - a part of its public service reform team dedicated to building the evidence base, capability and enabling resources to support a more inclusive model of economic growth in the region.

Inclusive growth stands for a more deliberate and socially purposeful model of economic growth – measured not only by how fast or aggressive it is; but also by how well it is shared across the whole population and place.

Inclusive growth in the West Midlands today is about all of our residents being able to touch, taste and feel the benefits of rising prosperity within the region. The region is on the rise again – but we know it will take a proactive, targeted approach to ensure that those communities left behind can play a full part.

The WMCA Board has been very clear in its support for this approach. But whilst the case for inclusive growth may be overwhelming, it can be a struggle to know where to start. Established logic is hard to shift, and there is no single

blueprint that can work across a diverse region with different priorities across its towns and cities.

This is why we have developed the IG Toolkit. It is designed to help practitioners understand what inclusive growth means within particular contexts, projects and places. Used consistently, it will expose a number of questions - about who benefits, how, and with what potential results - that are the basis for shaping a different way of making decisions in relation to economic growth, regeneration and change.

## It will help local partners to ask:

- What does inclusive growth look like in my project or place, and how will we know when it is happening?
- What levers do we have to do things differently, and where are the points at which different decisions could be made?
- How do we develop an evidence base for action that will be robust enough to challenge the status quo in areas where existing practice is deeply embedded?



This toolkit is part of a suite of resources being developed for the region, which includes underlying metrics, analytical tools and citizen insights. These have been produced following a period of engagement with our partners across the region (including WMCA member authorities, public services, business, citizens and civil society) and respond to a call for:

- An approach to inclusive growth that is practical and applied - giving local places, partners and project teams the means to shape what the concept means to them. Building bottom-up practice rather than top-down theory.
- An approach that has credibility with communities and civil society - first asking them what inclusive growth should look like, and supporting public sector practice to

evolve in line with these insights.

- An approach that reflects the true nature of the Combined Authority and its work - supporting collaborative practice and providing the resources and insights to build strong local partnerships that can add value within the region.

The toolkit is for policymakers, practitioners and analysts to use within real-world scenarios. It will help users to make the concept of inclusive growth specific and real – and will make considerations about social purpose and social impact more explicit within decision making processes. It will not change the game overnight, but offers us an opportunity to be deliberate about the things we choose to care about, and the extent to which our social and economic aspirations our places – and the region as a whole – are made real.

# Inclusive Growth Decision-making Tool

This document outlines the WMCA Inclusive Growth Decision-making Tool, giving guidance for how it can be used to evaluate the contribution of projects to inclusive growth in the West Midlands.

The Decision-making Tool is designed to assess if a project is likely to make a positive contribution to inclusive growth. It does this by focusing on identifying how the economic growth will be generated and on the people likely to benefit from a project, amongst the target groups.

Although the Decision-making Tool should ideally be considered in all investment decisions, not every project will have an inclusive growth outcome, and this does not necessarily mean it should not be funded.

If a project cannot be identified as directly supporting the inclusive growth, that does not mean that it cannot produce a wider inclusive growth benefit, with a clear focus on the potential to procure and manage the project in a way that will create wider benefits.

This is a simple tool that is intended to be tested, used and improved over time. It asks a set of simple questions that, done repeatedly and systematically, can help make the consideration of inclusive growth goals the norm across our policy and practice.





### The tool is:

- Designed to encourage practitioners to include Inclusive Growth considerations when designing their project.
- Designed to qualitatively assess how projects could be modified at application stage to increase Inclusive Growth outcomes.
- Intended to instil a set of behaviours and embed Inclusive Growth principles across the WMCA partnership.



### The tool is not:

- Intended to be used for technical project monitoring or project evaluation/appraisal – though it can form the basis of more a more technical approach.
- The sole mechanism to decide whether to fund a project. Instead it's a complementary tool which asks a consistent set of questions to evaluate the extent to which projects contribute to the inclusive growth.
- Designed to provide detailed, exact figures on the inclusive growth impact of a project – though it can help to frame this approach.

# Components of the Tool

The Inclusive Growth Decision-making Tool has four stages:

## Stage 1 Strategic Fit

To determine whether the project targets the identified strategic priorities for WMCA and the region

## Stage 2 Evaluation of Priorities

To assess the extent to which the project contributes to inclusive growth in the WM, across each of the priorities it targets.

## Stage 3 Who Will Benefit

To assess the direct impact of the project on specific inclusive growth target groups, and promote wider benefits through procurement.

## Stage 4 Good Work

The capacity of a project to promote Good Work should be assessed even for projects that do not directly target the IG target groups or the WM priorities set out in Stages 1 and 2.

Across each stage, the Inclusive Growth Decision-making Tool poses a set of questions and provides guidance and evaluation criteria to help assess whether a project will directly or indirectly contribute to inclusive growth in the West Midlands and improve the economic well-being of the target groups. A summary diagram illustrating this process is available on the next page.

The bullet points on the right summarise some important project information that WMCA could gather to help implement the Tool. Although the main purpose of this tool is to provide qualitative assessment of a project in order to promote Inclusive Growth objectives, there might be some quantitative outcomes that partners can start testing and piloting going forward, if the necessary information is available. This toolkit is a simple gateway to doing this.

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## What you need to complete an assessment

- Details on how the project will operate.
- Details on the population that will be affected.
- Information on the data that will be collected as part of the project.
- Information on the organisations or businesses involved and whether they follow principles of 'Good Work'.
- Information on the procurement process and/or likely contractors or providers.

This toolkit is part of a suite of resources being developed for the region, which includes underlying metrics, analytical tools and citizen insights. These have been produced following a period of engagement with our partners across the region (including WMCA member authorities, public services, business, citizens and civil society) and respond to a call for an approach to inclusive growth that is practical and applied - giving local places, partners and project teams the means to shape what the concept means to them. Building bottom-up practice rather than top-down theory. An approach that has credibility with communities and civil society - first asking them what inclusive growth should look like, and supporting public sector practice to evolve in line with these insights.

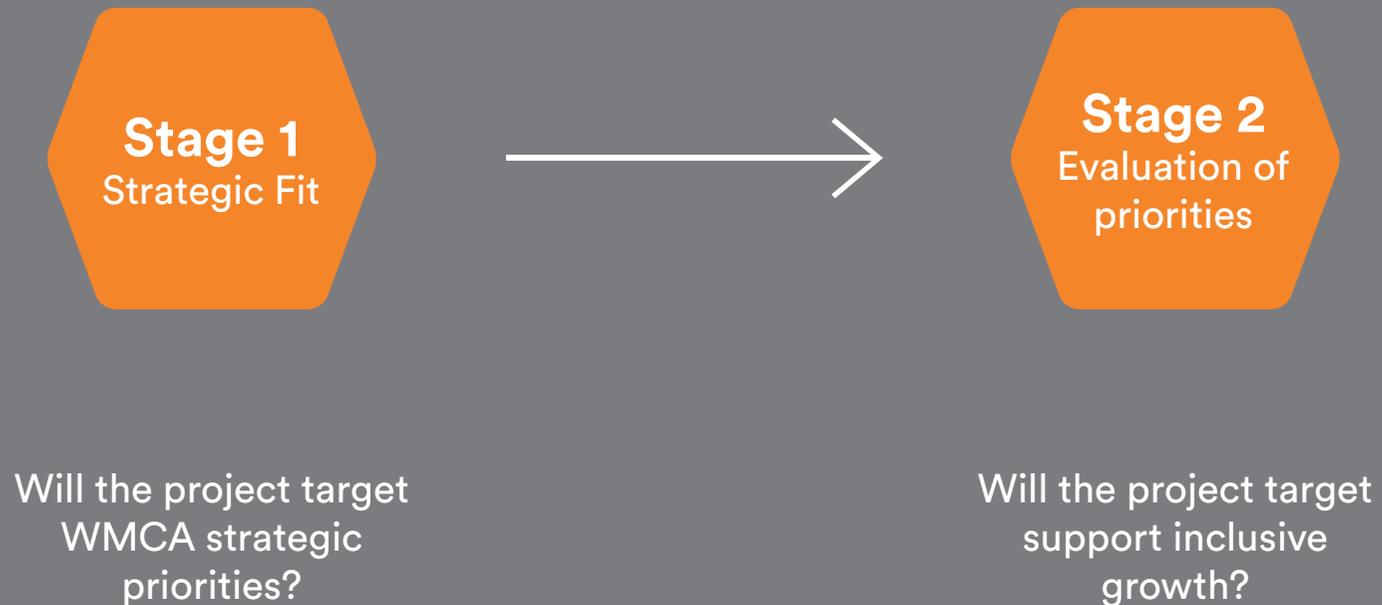
An approach that reflects the true nature of the Combined Authority and its work - supporting collaborative practice and providing the resources and insights to build strong local partnerships that can add value within the region.

The toolkit is for policymakers, practitioners and analysts to use within real-world scenarios. It will help users to make the concept of inclusive growth specific and real – and will make considerations about social purpose and social impact more explicit within decision making processes. It will not change the game overnight, but offers us an opportunity to be deliberate about the things we choose to care about, and the extent to which our social and economic aspirations our places – and the region as a whole – are made real.

# Inclusive Growth Decision-making Tool

The Inclusive Growth Decision-making Tool helps determine whether a project will directly and substantively support inclusive growth in the West Midlands.

There are four stages to completing this assessment. The diagram below summarises the process. Instructions on how to complete the different stages of the Tool are contained within this document. There is also a suggested worksheet at the end that can be used to support the process.



Page 79



Who are the project's direct and indirect beneficiaries?



Does the project promote good working practices?

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# Strategic Fit

Will the project target strategic priorities for the West Midlands?



# WMCA Strategic Priorities

Many different types of projects contribute to economic growth. However, the Tool specifically addresses the strategic priorities for WM/WMCA. We propose considering seven areas in the Strategic Economic Plan. These priorities have been adapted from the targets and objectives defined by the West Midlands Strategic Economic Plan to focus on the aspects which are most relevant to be targeted by inclusive growth projects and interventions.

This is not a rigid or static list; project appraisal should be flexible enough to consider other priorities stated in WMCA policy documents when appropriate and this list of priorities can be periodically reviewed and updated.

The first question that needs to be answered is: How is the proposed project going to target the different strategic priorities set out by WMCA and partners?

Please review the list of priorities to the right and mark those to be delivered directly by the project. You should consider how the project will deliver positive outcomes. A worksheet is provided on the final pages where you can record the information for each section.

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**Which of the following WMCA priorities does the project target?**



Employment



Skills



Business competitiveness and productivity



Accessibility - connectivity and mobility



Housing

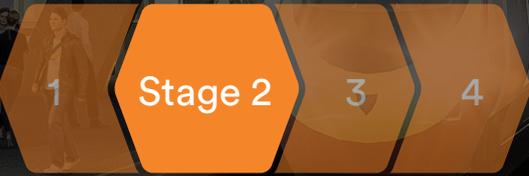


Land and environment



Health





# Evaluation of Priorities

Will the project support inclusive growth?





## Overview

# Inclusive Growth

Through Stage 1, it has been established that the project's primary aim is to drive growth in the context of at least one of the 7 priority areas. In this second step you should go through those areas which you checked as yes in Stage 1.

Through Stages 2 and 3 we will establish whether that growth is likely to be inclusive, that is, whether it will benefit those who are on the lower end of the income distribution, or who face specific economic barriers.

It is not sufficient to assume that the outcomes of growth will benefit these groups or individuals automatically or to leave it to chance. Nor is it sufficient to leave the social benefits until afterwards. Through Stage 2 we seek to probe the nature and quality of those outcomes by reviewing operational plans in order to determine the mechanics of how the project will work.

The objective behind Stage 2 is to interrogate the logic chain behind the intended priority area and the mechanics of how growth will be delivered in a way that promotes inclusive growth. We have set out example evaluation criteria for each of the major inclusive growth priority areas to provide suggested outcomes. It is important that different impacts on the same beneficiaries are not double counted. It is also important that this assessment is done in a flexible way, which values projects that make a cross-cutting contribution across different areas.

Across each strategic priority selected, the project should be assessed on whether it contributes to inclusive growth using a qualitative score – 'requires improvement', 'satisfactory' or 'good' – based on a set of evaluation criteria outlined in pages 9 to 15. The evaluation process can be carried out by filling in the worksheet at the end of this document, together with a short note justifying the chosen score for each objective.

## Criteria in Stage 2

Employment	20
Skills	22
Business competitiveness and productivity	24
Accessibility - connectivity and mobility	26
Housing	28
Land and environment	30
Health	32



## Inclusive Growth

# Employment

Employment is an important contributor to inclusive growth. However, not all employment opportunities will have the same impact.

Employment that pays a decent income and offers the potential for training and growth – in short, a quality job – will help drive economic growth at the macro level whilst also helping to improve the lives of individuals and households.

Not all jobs will necessarily deliver inclusive growth. For example, the creation of highly skilled opportunities is unlikely to target some of the most vulnerable groups of people. It is important to ensure a balance of both skilled jobs and quality entry-level or more accessible roles and to be deliberate about developing future looking career pathways.

To assess whether the jobs created through your project could be considered sustainable, quality jobs, further diligence may be required to check the nature of the jobs (type/length of contract, pay rates, etc.) and the likely employers. It will also be important to identify the net additional jobs. This will help to determine whether the final jobs are

likely to support inclusive growth by paying the real living wage and providing training, or contribute to cycles of precarious work with people moving between low-pay work and being out of work.



## Evaluation criteria (examples)



Jobs that pay the real living wage or higher



Jobs with employers that provide career ladders or on the job training



Employment that is accessible to young people as their first full time job, paying the real living wage or higher



An apprenticeship paying the living wage or higher



Jobs with employers that actively support health and wellbeing of employees or who are 'investor in people' (or similar) certified



Jobs which include predictable hours or can be flexible around caring responsibilities



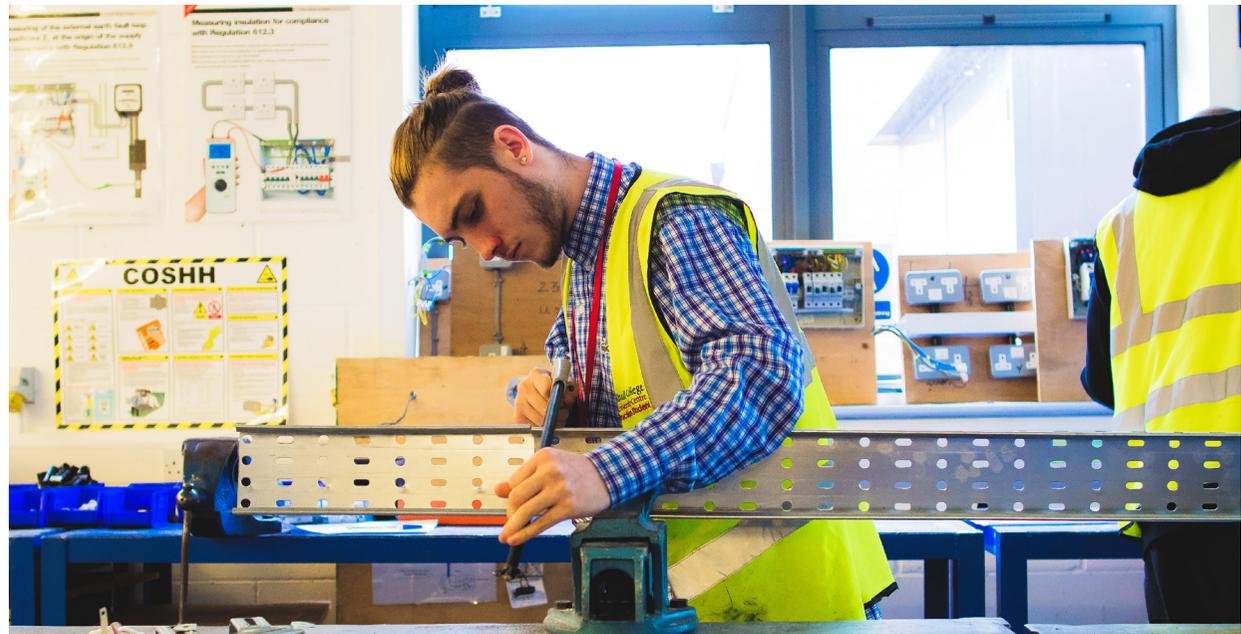
## Inclusive Growth

# Skills

The provision of skills is an important measure to deliver inclusive growth. Training opportunities, whether in-work, or through a dedicated programme supporting people to transition into better quality work at better wages, also improve productivity at the macroeconomic level.

Some economic growth projects are dedicated skills projects - for instance, sector-based training. Infrastructure developments (including within identified growth corridors and urban centres) can consider access to up-skilling opportunities as part of their delivery plans and the potential to offer access to skills provision in community settings – for example English as a second language.

When establishing criteria to evaluate the training & skills contribution it is important to consider both those individuals who are in-work and those who are out-of-work.



## Evaluation criteria (examples)



Increase the number of people receiving on-going, 'on-the-job' (informal) or formal training in the work place



Increase the number of people in work with vocational qualifications



Increase the number of unemployed people undertaking formal and soft skills training which meet the needs of local employers and lead to employment opportunities



Reduce the number of NEETs through formal and soft skills training which meet the needs of local employers and lead to employment opportunities



Create additional basic skills courses which are accessible to communities in a local setting



Increase the number of people with vocational qualifications, including functional skills, in sustainable employment



## Inclusive Growth

# Business Competitiveness and Productivity

Promoting innovation to boost productivity is an element of economic growth policy and one of the focuses of the UK Industrial Strategy. But productivity also matters for developing an inclusive economy. According to the National Institute of Economic and Social Research, stagnating productivity is the main driver of stagnating earnings since the financial crisis. Boosting productivity could therefore help improve living standards, raise earnings and achieve inclusive growth.

Although productivity policies often focus on places and sectors that are already performing highly, many productivity challenges and opportunities are in traditionally low pay sectors. Moreover, there are notable differences between productivity levels of businesses within sectors, which require targeted action and diverse forms of business support (including financial support, expert advice, etc.).

There are a number of mechanisms whereby grants or loans can be made to small businesses to support growth and productivity improvements. Often, the case for funding is based on whether there is a market failure or an opportunity for business growth, and/or innovation can be accelerated through public finance, in lieu of private sector finance, which is often not available.

These projects can also be assessed to determine whether they support inclusive growth. This should include factors such as whether the SME will employ additional people who are living in, or at risk of, poverty as a direct result of the investment; or whether the investment will provide additional capacity to train or upskill people.



## Evaluation criteria (examples)



Enable the business to create net additional jobs at the real living wage, which will target those at the lower end of the income scale



Encourage alternative business models, such as social enterprises and co-operatives



Enable entrepreneurship and support the creation of start-ups by inclusive growth beneficiaries



Link underserved areas on low incomes with employment areas through new transport links



Create new direct transport links between areas on low income and city centres, or areas with amenities like hospitals



Enable businesses in low productivity sectors to improve efficiency of their processes and practices, through investment, innovation and/or advice.



Support for in-work training programmes and up-skilling, including management skills



## Inclusive Growth

# Accessibility - Connectivity and Mobility

Connectivity can enable economic and productivity growth, linking key markets and businesses, and connecting labour markets to economic activity. In the WM this means a multi-modal system, with a high value on environmental sustainability by encouraging use of public transport, walking and cycling, and reduced car usage.

But public transport does not always run through areas in which people, particularly people on low incomes, live. In other cases where areas are served by transport infrastructure, the quality of service is not good enough or the cost of use might be prohibitive, excluding certain groups.

It is important to assess transport projects on the basis of the population that will be served by the investment, considering the spatial areas that will be opened up and connected to each other by the new or improved transport link; the cost of the transport mode (both in terms of time and money) when compared to alternative transport mode; and the environmental impact.

Digital connectivity is equally important. To be inclusive, all residents must have both access to and the ability to benefit from investment in digital infrastructure. This means a focus on where the infrastructure is laid, accessibility to kit (e.g. access to a computer with internet connection, for

instance in a library) and digital literacy through targeted training. Technology can also have an important role in improving access to services, participation and quality of life for residents, particularly in more remote areas.



## Evaluation criteria (examples)



Link underserved areas on low incomes with employment areas through new transport links



Create new direct transport links between areas on low income and city centres, or areas with amenities like hospitals



Reduce the cost of transport for areas of low income



Design schemes that promote the use of environmentally sustainable travel modes, mainly walking and cycling.



Link underserved areas on low incomes with new and upgraded broadband and to be 5G ready



Provide space for free access to computers to those on low incomes



Encourage digital literacy through upskilling and training programmes



## Inclusive Growth

# Housing

The provision of housing has become an important government priority; the lack of availability of affordable housing across many parts of Britain is leading to financial squeezes on household income whilst also impacting on quality of life. With population set to increase by 400,000 by 2038, the West Midlands is one of the areas leading the country in provision of new housing and retrofitting older properties, prioritising brownfield sites and areas well connected by public transport.

The construction of housing has the additional advantage of providing an immediate and effective boost to economic growth through the creation of jobs and consumption of building materials. The West Midlands Local Industrial Strategy is committed to invest £250m in land remediation across the region and developing the skills required through the National Brownfield Institute in Wolverhampton

With that said, consideration should be given to who will benefit from the additional houses – are they being designed and constructed to change an area's population and reduce demand and

need upon public services? Or are they being designed and constructed for low-income people who require good quality, affordable homes? The ownership & size of the housing and the public realm, such as access to green space, should also be considered in assessing if the homes are 'good quality'.

If the primary objective of the project is to provide additional housing, it may also be useful to consider skills and jobs created through the construction process.



## Evaluation criteria (examples)



Increase the availability of good quality, affordable and shared ownership housing within an area



Increase the availability of good quality affordable housing with sustainable employment access



Provide employment opportunities (including upskilling) for unskilled/low income people through construction & retrofitting, including apprenticeships



Promote projects that engage local residents to maximise buy-in to the project



Provide housing management models which include support to unemployed/low income tenants to find work and manage tenancies



## Inclusive Growth

# Land & Environment

Much locally available funding is focussed on developing and improving places. While it is clear that the aim of such projects is to increase economic growth by changing the population and economic dynamics of a place, it is also possible to achieve these aims whilst also ensuring that the net additional growth created is shared throughout a community. Alongside this, there can be environmental inclusive growth benefits by increasing clean energy and local storage.

The West Midlands Local Industrial Strategy highlights the need for some town centres to re-invent themselves and meet the needs of their residents. It also commits us to a net gain in biodiversity, including the West Midlands extensive river and canal network and the links between town centres and the regions diverse wildlife.

Good use of land can deliver economic growth, improve quality of life, and to promote inclusive and sustainable build environments. Following the principles of Universal Design will ensure places can be accessed, understood and used by all people regardless of their age, size, ability

or disability. Regeneration projects should also promote energy-efficient solutions, the use of sustainable sources of energy, protect natural and cultural heritage and maximize access to the natural environment.

Inclusive growth in land & environment projects can be achieved through the actual physical

construction. But it can also be achieved by ensuring that the regenerated environment is designed for all in the community, and not just those with the largest disposable income, protects and enhances the local natural landscape and promotes the principles of sustainable development.



## Evaluation criteria (examples)



Provide employment opportunities (including upskilling) for unskilled/low income people through the construction and delivery, including apprenticeships at the real living wage



Increase access to clean energy and provision for local storage



Provide housing (if mixed development) that will be available at all income levels



Promote local influence on development, and involve the local community in planning physical developments including capital projects, the use of public space, etc.



Ensure regeneration projects minimise displacement and do not fragment cohesive communities and thriving business districts.



Promote construction of new buildings with high energy efficiency or retrofitting of existing buildings to decrease energy consumption.



Promote access to natural environments and the provision of green and public spaces.



## Inclusive Growth

# Health

Good health is a pre-requisite for economic productivity and prosperity and improves people's quality of life. It feeds into the economy through higher productivity, higher labour supply, improved skills and increased savings for investment in physical and intellectual capital.

Ill-health and disease has ramifications beyond the individual – it creates challenges for families with additional caring responsibilities, reduced incomes and a potentially wider negative effect on life chances. For businesses, it has a negative impact on their productivity and competitiveness through absenteeism and poorer in-work performance. Whilst for cities and communities the consequences compound, with a detrimental impact on economic prosperity and reduced levels of social and economic inclusion. Indeed, policies and actions that work for populations as a whole often act to entrench inequality for certain portions of it. Accordingly, ensuring that prevention reaches all, and does not act to further entrench health inequalities will need to be central to the prevention agenda.

The links between health, wellbeing, inclusion and successful economies have long been recognised. Prevention is about far more than just health; it has a strong role to play within an inclusive growth agenda and improving wellbeing. A preventative approach strengthens the social infrastructure so

that individuals, families and communities have the capacity, capabilities and resilience to participate fully in society and economic growth. And where individuals are unable to participate, prevention can contribute to creating stronger, inclusive communities by maximising their wellbeing.



## Evaluation criteria (examples)

Page 101



Prioritise early intervention and prevention in a way that confronts the root causes of ill health



Create the conditions to support residents to remain in sustainable employment, including mental health support



Improve access to green space and opportunities for physical activity



Create opportunities to lower barriers to accessing health and care services





# Identifying Who Will Benefit

Who are the project's direct and indirect beneficiaries?



Identifying who will benefit

## Who Will Benefit?

It has now been established that the project should:

- Deliver economic growth across the priority areas in WMCA (Stage 1)
- Deliver outcomes that are not inconsistent with inclusive growth (Stage 2)

It is now important to consider the direct and indirect impacts of the project. This will be done in two ways:

1. By assessing whether the project is targeted at population groups who are not as likely to benefit from macroeconomic growth.
2. By identifying wider positive impacts through promoting Good Growth through procurement and business/institutional practices.

We have identified five priority groups at this point. These are:

1. Residents who are out of employment
2. In work, low earning individuals
3. Individuals with low skill levels
4. Young people not in education, employment or training (NEET)
5. Residents living in areas of high deprivation
6. For more detailed analysis on the impact of a project on different segments of the population, a full distributional analysis, following the Green Book, could be undertaken.

---

## WMCA inclusive growth target groups - definition

### Residents who are out of employment

Working age residents who are unemployed or economically inactive. It might be useful to identify and monitor three sub-groups:

1. Unemployed residents (all working ages)
2. Young unemployed (under 25)
3. Particularly disadvantaged ethnic communities

### In-work, low-earning individuals

Residents or workers earning below the 'real' living wage (LW). The living wage is calculated annually by the Living Wage Foundation (£9.00 per hour in 2018/19, outside London).

### Individuals with low skill levels

Residents or workers with qualifications below NVQ level 2 (either NVQ1 or no formal qualification).

### Young people not in education, employment or training

Residents aged 16-24 who are not in Education, Employment or Training (NEET).

### Residents living in areas of high deprivation

People living in deprived neighbourhoods. These neighbourhoods can be defined through aggregation of small geographical areas, informed by data from the multiple deprivation indices and any relevant locally collected information.



## Identifying who will benefit

# Identifying the Direct Beneficiaries

We suggest that you assess each project by identifying the groups of people who may directly benefit from the project. This exercise can be used to back a qualitative judgement of how inclusive growth oriented the project is, based on the 5 IG target groups listed on the previous page or, if you choose to, to go one step further and quantify these beneficiaries, by estimating the number of people in each target group.

**The information for both the qualitative and a potential quantitative approach may be available in sources, including:**

- Project documentation
- As part of work undertaken for existing appraisal frameworks, such as the Treasury's Green Book
- Local sources such as JSNA, baselining documents etc.

If it is unclear from the project documentation who would benefit, you may need to consider the type of project and assume who is likely to benefit. For example, an investment focused on high skilled/high growth activities that will require highly skilled staff is unlikely to target people in the lowest income quintile.

Social baselining may be useful here through the creation of an asset map or Joint Strategic Needs Assessment which underpins and gives ready access to data which might be useful to estimate inclusive growth outcomes.

**We would encourage you to speak to the Office of Data Analytics who can support this kind of approach.**

This may also be an opportunity to consider how a project could be shaped to support an inclusive economy. For example, would a retail academy that supports unemployed people to gain the skills needed to access jobs in a new retail development help increase the inclusive growth dimension? If so, how can this be put in place?

In the longer-term, you may want to consider ensuring project documentation contains the types of information needed to assess whether a project has an inclusive growth dimension.

Beneficiaries should not be double counted. Even if there are multiple impacts (such as jobs that pay above minimum wage and are with an employer that provide career ladders or jobs that pay above minimum wage and are accessed through improved transport links), the number of beneficiaries identified should be the total number of individuals who will be positively affected.

A scorecard is provided in the worksheet in the final page which can be used to support the qualitative assessment of how different groups might be benefited, or to quantify the number of beneficiaries in each group, if you opt to use a quantitative approach.

If your project does not directly benefit any of the target groups, you should ask whether any further thought can be given to the beneficiaries of the project and consider ways to improve it.





1

2

3

Stage 4

# Good work

Does the project promote good working practices?



## Good Work

# Promoting Good Work

There are further ways that can be considered to assess and enhance the potential of a project to generate wider benefits to the inclusive growth by promoting Good Work.

The capacity of a project to promote Good Work should be assessed even for projects that do not directly target the IG target groups or the investment priorities set out in Stages 1 and 2. This will help challenge whether projects can be managed or procured ways that maximises the project's contribution to the Inclusive Growth and provides a sustainable positive impact through a resident's life.

The questions in this page are designed to help aid the identification of how any project could have a positive effect on growing an inclusive growth. They are not conclusive. Indeed, it is possible to include a range of potential other benefits with both short and long-term positive consequences (e.g. the provision of mentoring to SMEs or third sector organisations by large companies, business engagement in schools, etc.).

There is already a wide-range of material available on how to use procurement in this way. Benefits should be assessed and monitored through the procurement process and contracting activities, but also for projects designed in-house or for grant schemes. It is critical these aspects are considered at the very start of the process, and it will require active contractual management and effective reporting, and monitoring, to ensure that the project's benefits are being delivered.

## Can this project be managed so that:



There is an increase in the number of people in the local area who receive sustainable employment opportunities?



Any staff members funded are paid at the living wage or higher?



There is an increase in the number of people who receive work placements, training or apprenticeships?



Zero-hours contracts are precluded?



There is a stipulated proportion of the total contract costs awarded to local SMEs or social enterprises?



The applicant can demonstrate accreditation or compliance with the any threshold or scheme for a 'good work employer' put in place?



Social value principles procurement principles are used and promoted consistently within supply chains?

# Worksheet - Stage 1

## Is the project designed to target WM strategic priorities?

If yes, it will be through (tick all priority areas directly targeted by the project):

Page 112

	Yes	No
Employment		
Skills		
Business competitiveness and productivity		
Accessibility - connectivity and mobility		
Housing		
Land and environment		
Health		

Note – the following pages provide a simple way of working through the Toolkit in a way that gives an early assessment of inclusive growth potential, and provides a framework against which further detailed analysis can be done. Please talk to the WMCA PSR team who can set up facilitated workshops to help teams work through this.

## Worksheet - Stage 2

### Will the project support inclusive growth?

For each priority marked as YES in Stage 1, you should now evaluate the extent to which the project is consistent will inclusive growth benefits (using the evaluation criteria outlined in Stage 2). This can be done by attributing a qualitative score to each objective (worksheet below), accompanied by a short note justifying the choice.

	Requires improvement	Satisfactory	Good
Employment			
Skills			
Business competitiveness and productivity			
Accessibility - connectivity and mobility			
Housing			
Land and environment			
Health			

## Worksheet - Stage 3

### Who will benefit?

This scorecard can be used to note a qualitative assessment of how the five target groups will be impacted or to quantify the number of beneficiaries in each group.

Residents who are out of employment		
In work, low earning individuals		
Individuals with low skill levels		
Young people not in education, employment or training		
Residents living in high areas of deprivation		
<b>Total Beneficiaries (optional)</b>		

# Worksheet - Stage 4

## Promoting good work

This checklist should be used to assess the capacity of a project to promote Good Work even for projects that do not directly target the inclusive growth target groups or the WMCA priorities set out in Stages 1 and 2.

	Tick
There is an increase in the number of people in the local area who receive sustainable employment opportunities?	
Any staff members funded are paid at the living wage or higher?	
There is an increase in the number of people who receive work placements, training or apprenticeships?	
Zero-hours contracts are precluded?	
There is a stipulated proportion of the total contract costs awarded to local SMEs?	
The applicant can demonstrate accreditation or compliance with the any threshold or scheme for a 'good work employer' put in place by the WMCA.	





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April 2019



## WMCA Board

<b>Date</b>	24 May 2019
<b>Report title</b>	Devolution of the Adult Education Budget 2019/20
<b>Portfolio Lead</b>	Productivity & Skills - Councillor George Duggins
<b>Accountable Chief Executive</b>	Nick Page, Solihull Metropolitan Borough Council email: npage@solihull.gov.uk tel: (0121) 704 6018
<b>Accountable Employee</b>	Dr Julie Nugent, Director of Productivity & Skills email: julie.nugent@wmca.org.uk Tel: (0121) 214 7592
<b>Report has been considered by</b>	WMCA Skills Advisory Board - 22 May 2019 WMCA Programme Board - 10 May 2019

### Recommendation(s) for action or decision:

#### The WMCA Board is recommended to:

- (1) Note progress in relation to awarding Adult Education Budget (AEB) funding through grant making and procurement processes.
- (2) Delegate authority to carry out further procurement activity in-year, to the Director of Productivity and Skills, in consultation with the Section 151 and Monitoring Officers and the Portfolio Lead in line with the approach outlined in section 3.1 of the report.
- (3) Agree proposed changes to national funding policy as set out in section 4 of the report.

## 1. Purpose

- 1.1. This paper sets out the progress made and proposed next steps in terms of allocating AEB funds through grants to colleges and local authorities, and through the recent procurement process. It also identifies potential changes to national AEB funding rules to be adopted by WMCA.

## 2. Background

- 2.1. The Department for Education (DfE) confirmed on the 31st January 2019 that WMCA's devolved share of the national Adult Education Budget, for 2019/20 is £125.6m. This figure was based on the actual delivery of AEB funded activity in 2017/18 to WMCA residents and is consistent with what was delivered last year.
- 2.2. On 11th January 2019, the WMCA Board approved a dual and concurrent approach to commissioning:
  - a) A plan-led approach for WMCA area-based further education colleges, local authorities, and colleges with substantial niche provision delivered directly to residents within the WMCA area. As part of this plan-led approach, the WMCA has made a commitment to provide these colleges and local authorities the same level of allocation, in line with actual delivery in 2017/18.
  - b) Procurement through competition for all other providers. This commenced in February 2019. It was agreed that there will be an initial award of funding in May 2019 with the potential if required, for a further round, to address any geographical or cohort gaps, in June 2019.
- 2.3. WMCA Board also approved the delegation of authority to award contracts to the Director of Productivity and Skills in consultation with the Section 151 and Monitoring Officer and the Portfolio Lead.
- 2.4. The procurement process was launched on 8th February 2019 with notification of contract award to be made week commencing 6th May 2019.
- 2.5. The focus of the commissioning was to more closely align the mix of provision to locally identified priorities as set out in our Regional Skills Plan, and overlaid with specific geographic and client group targeting as identified by local authorities for their areas. We will measure the success of our approach over the next year where we will expect to see:
  - An increase in the amount of Level 3 provision offered in priority sectors to 3,600 from a baseline of 1,500.
  - An increase in provision leading to actual employment with just under £5m of newly procured sector based work academies offering pre-employment training linked to employer vacancies to at least 4,500 adults.
  - Stronger local partnerships, engaging all providers delivering in an area, with a clear and shared commitment to local goals.

### **3. Update on Procurement and Grant Awards**

- 3.1. We have allocated £25.5m of the £28m available through the procurement process. This provision reflects agreed local priorities and patterns of geographic delivery. There were a number of gaps identified in the response from the market, primarily around specific job-related training, in retail and health and social care, for unemployed adults in the Black Country and provision for employed adults more generally in Solihull. We are therefore proposing an additional procurement round, to take place before the academic year commences in August 2019, to address these gaps. This will be worked up locally and may include discussion with existing providers, further specific procurement, or a geographical extension of contracts awarded in neighbouring areas.
- 3.2. As previously approved by the Board, the WMCA has allocated funds to FE colleges and local authorities through a plan-led approach. The WMCA has made a commitment to provide FE colleges and local authorities based within the constituent member areas with a baseline allocation in line with actual delivery in 2017/18.
- 3.3. We will therefore grant 21 colleges, 5 local authorities and 1 specialist college – a total of 27 providers - to the value of £92.7m. This includes £14.8m to support adult and community learning provision at 14 of the 27 providers, 5 of which are local authorities.
- 3.4. Each college and local authority was issued with an indicative allocation figure based on their 2017/18 delivery to residents to enable them to complete a delivery statement. The delivery statement sets out how they will configure their provision against priorities within the indicative allocation and demonstrate positive shifts towards refocusing funding.
- 3.5. Following the agreement of delivery statements and indicative allocations, and in exceptional cases, colleges and local authorities were able to submit requests for additional growth. These requests are currently being assessed and, where approved, will be consolidated within next year's allocation.
- 3.6. We are currently in the standstill period in relation to award of contract. This is due to end on 28<sup>th</sup> May 2019. Following contract award we will share a detailed breakdown of all contracted and grant provision with Local Authority Officers detailing what will be delivered in their area and by whom.
- 3.7. We are currently working with Local Authority Officers to deliver 'Opportunity Roadshows' in each area where we will work together to promote the new AEB funded offer available to communities in each local area alongside other opportunities such as the Construction Gateway and other local employment and skills provision.

### **4. Funding Policy**

- 1.1. Devolution enables the WMCA to set funding rules and rates for AEB. (The Secretary of State for Education retains the authority to set residency eligibility and statutory entitlements.) WMCA proposes to test a small number of funding changes that will support greater access to low paid adults to training and will support particular groups of unemployed residents. We propose:

- a) To adopt the principles of the low-wage trial introduced by Government last year but to increase the low wage threshold to match the national living wage rather than the lower amount used nationally (£16,009.50). This will mean that those WMCA residents earning less than £17,550 (£9.00 per hour) will be able to access fully funded courses at Level 1 and Level 2 including English for speakers of other languages (ESOL). This proposal is in line with TUC recommendations and will support more of the region's low-paid residents to access training.
- b) To test the partial or full funding of some Level 3 qualifications and units where they support progression in work or career changes.
- c) To test new ways of funding sector based work academies that comprise specific skill based learning and work experience rather than simply fund qualifications enabling providers to deliver the skills training that employers need.

1.2. To monitor and test the impact of these funding changes we will collect data through the individualised learner record (ILR) and undertake both desk and field based monitoring to ensure funding flexibilities are used in the way they are intended.

## **5. Financial Implications**

5.1 The 2017/18 academic year has been a transitional year for WMCA. The DfE has supported the operating costs of the transition year and up to July 2019 through a one-off grant of up to £799,959 (subject to equal match funding from WMCA) to support transition costs, including all legal, financial and procurement advice and to recruit and employ staff so that a small team is in place in advance of August 2019 when funds are devolved.

5.2 Following devolution of AEB in August 2019, there will be no separate administration budget from DfE to support the operating costs associated with the commissioning, contracting and management of AEB. WMCA, like other Combined Authorities, will be expected to resource strategic management, administration and assurance functions and also pay the ESFA for centralised data collection and processing services through the Adult Education Budget.

5.3 Work is currently ongoing to confirm the final costs of managing AEB from 2019/20. This will include support for a small team of up to 15 full-time equivalents, a contribution towards WMCA overheads and the purchase of specialist services from the ESFA, such as audit and processing of Individual Learner Records as required. This represents approximately 1% of the expected budget and is in line with our previously stated intention to protect front-line delivery to learners. Allocations to grant funded providers will be protected, with the funding for management and administration functions to be identified prior to the balance of funding being put out to tender.

## **6. Legal Implications**

6.1 Devolution of the Adult Education Budget will mean that the WMCA will have the duty and responsibility to deliver the government's commitment to statutory entitlements for fully funded qualifications at levels 2 and 3 in English and Maths and the future digital entitlements for learners free of charge, where available.

## **7. Equalities Implications**

7.1 The activities of the portfolio are reflected in the WMCA Equalities Scheme and a specific Equalities Impact Assessment for AEB funded provision will be carried out.

## **8. Inclusive Growth Implications**

- 8.1 More locally targeted AEB will ensure that we are better able to support local communities gain the skills they need to move in to work and/or to progress in work.
- 8.2 The Adult Education Budget will contribute to overarching aims to reduce the number of people with no qualifications and increase the number of people who are qualified to level 3 and above. There are considerable variations in these figures across the WMCA area and between different groups of people. Support will be targeted to address these variations.

## **9. Geographical Area of Report's Implications**

- 9.1 Devolution of the Adult Education Budget relates only to the constituent member areas. In non-constituent member areas AEB will continue to be deployed through the national funding system.

## **10. Other Implications**

N/A

## **11. Schedule of Background Papers**

- 11.1 None

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**West Midlands  
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## WMCA Board

<b>Date</b>	24 May 2019
<b>Report title</b>	Regional Transport Coordination Centre - Full Business Case Approval
<b>Portfolio Lead</b>	TBC
<b>Accountable Chief Executive</b>	Deborah Cadman, West Midlands Combined Authority email: deborah.cadman@wmca.org.uk tel: (0121) 214 7552
<b>Accountable Employee</b>	Laura Shoaf, Managing Director, Transport for West Midlands email: laura.shoaf@tfwm.org.uk tel: (0121) 214 7444
<b>Report has been considered by</b>	Strategic Transport Officers Group - 13 May 2019 TFWM Leadership Team - 29 April 2019 Senior Leadership Team - 1 May 2019 Programme Board - 10 May 2019

### Recommendation(s) for action or decision:

#### The WMCA Board is recommended to:

- (1) Approve the full business case (FBC) for the delivery of the Regional Transport Coordination Centre (RTCC);
- (2) Confirm the allocation of up to £19.5m from the Transforming Cities Fund (TCF) comprised of £1.5m agreed at the WMCA Board meeting in November 2018 and an indicative £18.0m allocated in March 2019 to enable delivery;
- (3) Note that the intention for the revenue costs for the core team and operation of the RTCC is to absorb these costs within existing WMCA resource levels; and

- (4) Agree that the delivery of highways investments for each local authority will be subject to grants being provided from the TCF fund which will be determined and governed by the WMCA/TfWM and approved by each local authority's formal approval processes. This will seek to present opportunities for revenue savings to be examined with each Local Authority to ensure that they are manageable within Local Authority budgets.

## 1. Purpose

The purpose of this report is to approve the full business case for the delivery of the Regional Transport Coordination Centre (RTCC) which is a multi-agency facility to assist with:

- The coordination of the transport network during the delivery of the transport investment programme and other major events within the region and
- The ability to communicate disruptions to residents, business and visitors to the region ahead of and during works, events, and incidents to keep the region moving.

## 2. Background

2.1 In 2017 the WMCA Board considered a strategic outline case for the need to manage investments in the transport system that, whilst delivering much needed improvements and capacity, would result in an extended period of disruption during their concurrent delivery. These investments include:

- The delivery of HS2;
- Improvements to the motorway network;
- Enhancements in rail through franchise agreements, new and improved stations and infrastructure;
- Projects being delivered by TfWM to
  - triple the tram network;
  - The introduction of new bus rapid transit (Sprint) corridors; and
- With local authorities improvements to the performance, safety and efficiency of the Key Route Network (KRN).

2.2 Leaving these improvements unmanaged, it was acknowledged that this would be harmful to the existing economic performance of the region with extended temporary reductions in capacity on the existing transport system over the next 5-10 years. In order to mitigate this impact, the WMCA Board agreed the need to investigate the introduction of an RTCC to assist with the management of the delivery programme with the aim of reducing disruption across the region from these works and significantly improving communications to the public.

2.3 As part of the WMCA Devolution Agreement with the government, funding was provided by the DfT to develop a full business case and this has been overseen by a Steering Group made up from representatives from the local authorities, the DfT, West Midlands Police and Highways England, with Network Rail and rail and bus operators more recently participating.

2.4 In September 2018 the WMCA Board approved its Congestion Management Plan (the Plan), which proposed three programmes of work: improving capacity, improving efficiency and managing demand on the transport system. Under the theme of efficient management of the transport system, the Plan proposed the preferred option for delivering the RTCC as recommended by the Steering Group. The functional scope of the preferred option is outlined in Appendix 1. The objectives and benefits of the RTCC are set out in the FBC in Appendix 3.

- 2.5 Collectively the RTCC will enable cross boundary and multi-modal coordination of the management of the transport system minimising impacts of disruptions during work. It also includes keeping the users informed and thereby enabling them to plan journeys, avoid delays and keep moving. The overarching objective is to support the West Midlands economy during these major investments, ensuring that residents can continue to access employment, education and training, particularly those with limited transport options, as well as keeping businesses connected to their labour and trade markets and supply chains.
- 2.6 In March 2019 the WMCA Board identified up to £18m of the Transforming Cities Fund (TCF – Round 2) in addition to £1.5m of TCF (Round 1) already allocated. An additional £2m has been made available through Midlands Connect. This funding will enable the delivery of the RTCC to meet its objectives and invest in the operation of the transport system as well as provide coordinating resources working at a regional level.
- 2.7 Each existing control centre operated by local authorities, Highways England and transport operators will continue to provide its existing function utilising current funding arrangements. Following an assessment ratified by the Steering Group, a coordination team will be based at 16 Summer Lane with connectivity to all control centres to work across the partnership. This coordination centre will enable information flows from each of the locally based control centres. For example, Highways England's regional control centre will have visibility of the local traffic networks and each of the local authority traffic control centres will have visibility of the motorway network. This will enable the added value of the RTCC's coordination role in line with the agreed functional scope and objectives, bringing together partners through information sharing and a common approach to disruptions communication enabling efficiencies for the benefit of residents, businesses and visitors using the transport system.
- 2.8 The delivery of the RTCC will bring together programme and performance data of the transport system into a single view available to all of the partners at all control centres.
- 2.9 This will provide the ability to review programmes of work both in terms of their location and indicative delivery dates of planned works. This greater visibility will aid coordination of delivery programmes helping to reduce conflict of scheme delivery, programme clashes with traffic diversion routes and where these cannot be avoided, develop joint mitigation plans and communications about delivery. It will also enable more immediate roadworks from roadworks.org to be included and future available information from the DfT's Street Manager project as it progresses. It will provide a short, medium and long term view of the planned disruptions to the network and enable better regional management and coordination.
- 2.10 The RTCC will provide a real time view of the performance of the whole of the transport system, including the road network. By understanding the performance, alerts and standard reports will aid operators in developing mitigation strategies both locally and at a regional level. It will also aid with managing incidents on the network more efficiently.

- 2.11 Through improved customer information channels (web and digital), the RTCC will provide consistent and timely travel information for all modes that is 'one version of the truth' to residents, businesses and visitors to help them avoid disruption, manage demand and signpost them to alternative, more sustainable journeys. Recent surveys undertaken by TfWM as part of the development of its Congestion Management Plan have identified that 58% of people are unhappy with the information they receive about road works and disruptions to their journeys. The RTCC is seeking to address this by significantly improving how we communicate with the public and helping them to avoid or plan around disruptions.
- 2.12 As part of the delivery of the RTCC, there will be a programme of highways interventions which will upgrade existing traffic signal technologies or introduce new traffic management and monitoring assets such as CCTV. This part of the programme will be delivered over a three year period and will ensure that the investments fit into the priorities for the network management duty of each local authority and the requirements of the Congestion management Plan. These investments will be agreed at a local authority level and any revenue requirements for the management of new assets will need to be considered. This however does present an opportunity to introduce new energy efficient technologies e.g. LED signals, which could have a revenue saving for the authority in terms of their ongoing management. TfWM will work very closely with each authority to define the delivery programme and manage resources.
- 2.13 The RTCC will be the cornerstone for transport operations during the major events that the region will be hosting, including the City of Culture in Coventry in 2021 and the Commonwealth Games in 2022.
- 2.14 The RTCC also provides a foundation for trialling innovation projects. This includes 5g technologies that can be deployed across the network enabling greater connectivity from on street and other transport systems to the local and regional control centres. This in the long run could assist with reduced costs for this connectivity. The RTCC will enable trials to take place with this new emerging technology to test outcomes and upscale where proven. In addition, the RTCC will also support other innovation projects, including CAV, through monitoring on street assets and digitisation of the real world conditions supporting the test beds that are being extended within the West Midlands and the regions advanced manufacturing Industry. It will also assist with supporting customer facing innovation projects including demand responsive services and other future mobility solutions.
- 2.15 In addition to this, , throughout the development of the RTCC, concerns have been expressed by transport professionals about the need to address a skills shortage, future workforce planning needs and the impact of new and emerging technologies on current capabilities. The RTCC will therefore also act as a platform for the development of a skills academy around wider transport areas from traffic signal engineers, to transport planners. Working with the WMCA Skills team and our supply chain where there are partnering opportunities, a programme is being created to invest in the existing workforce and develop apprenticeship opportunities with further education providers making best use of the apprenticeship levy where applicable.
- 2.16 The RTCC offers a benefit cost ratio of 7:1 and will continue to offer further benefits for trialling innovation projects. Phase 1 will be operational from December 2019. During 2020 and 2021, the RTCC will continue to refine its processes, data sources and intelligence of the transport system as it goes through testing and maturity of operations. The high level delivery plan is set out in Appendix 2.

### 3. Financial Implications

3.1 The following table gives an overall summary of the estimated capital implementation and annual revenue costs for the RTCC based upon the detailed business case work that has taken place to date.

		2019/20	2020/21	2021/22	2022/23	Total
		£	£	£	£	£
<b>Estimated Capital Implementation Costs</b>		5,288,854	4,317,942	4,145,060	3,029,701	<b>16,781,557</b>
<b>Capital costs contingency</b>	25%	<b>1,322,214</b>	<b>1,079,485</b>	<b>1,036,265</b>	<b>757,425</b>	<b>4,195,389</b>
<b>Capital Implementation Costs (including contingency)</b>		<b>6,611,068</b>	<b>5,397,427</b>	<b>5,181,325</b>	<b>3,787,126</b>	<b>20,976,946</b>
<i>Funded by:</i>						
						<b>Total Funding</b>
RTCC Transforming Cities (1)		1,500,000				1,500,000
RTCC Transforming Cities (2)		4,836,068	3,622,427	5,181,325	3,787,126	17,426,946
Midlands Connect (DfT) allocation		275,000	1,775,000			2,050,000
		<b>6,611,068</b>	<b>5,397,427</b>	<b>5,181,325</b>	<b>3,787,126</b>	<b>20,976,946</b>
<b>Overall capital funding envelope available</b> 21,550,000						
Note: Midlands Connect (DfT) allocation assumes it is to be used to fund signals/roadside equipment						<b>Remaining uncommitted capital funding available</b> 573,054

	2019/20	2020/21	2021/22	2022/23	Total
	£	£	£	£	£
<b>Estimated Revenue Operational Costs</b>	248,447	718,269	937,240	959,732	<b>2,863,688</b>
<b>Revenue costs contingency (15%)</b>	37,267	107,740	140,586	143,960	<b>429,553</b>
<b>Revenue Operational Costs (inc contingency)</b>	<b>285,714</b>	<b>826,009</b>	<b>1,077,826</b>	<b>1,103,692</b>	<b>3,293,241</b>
<i>Funded by:</i>					
Transport Delivery Revenue budget (Levy)	285,714				285,714
<b>Additional Revenue Requirements</b>		<b>826,009</b>	<b>1,077,826</b>	<b>1,103,692</b>	<b>3,007,527</b>

3.2 The estimated capital implementation costs are affordable within the overall capital funding available. A funding profile has already been agreed with the DfT over the next four years. Within the funding agreement, the first call on Grant draw down has been prioritised to the Wednesbury Brierley Hill Metro Extension, to the amount of £207m. The funding agreed within the TCF2 Congestion Management Plan (£18m) will not be available until the start of 22/23. As a consequence, the majority of the costs will be incurred in advance of funding received, which may require cash-flowing. To partially mitigate this financial risk, a prioritisation review is underway with Project Managers, to confirm delivery plans and cash-flow requirements.

3.3 In terms of the estimated revenue costs of operating the RTCC, the 2019/20 revenue costs are contained within budgeted funding within the overall 2019/20 Transport Delivery Revenue budget.

- 3.4 It should be noted that options for funding for the estimated revenue costs beyond 2020/21 are currently being assessed and will provide the basis of a clear and realistic funding strategy to contain those costs within existing WMCA resources. This strategy will need to be integrated into the TfWM Medium Term Financial Plan which will consolidate the financial pressures and priorities of the WMCA for onward consideration by Local Authorities in their financial planning cycles. The funding strategy will take account of any commercial opportunities to contribute towards and / or negate the impact against the Transport Levy. As part of the programme a commercialisation workstream will be reviewing all other options around alternative income sources that can offset the revenue consequences including hiring of the facilities for managing major events, consolidation of commercial contracts for on street equipment's e.g. CCTV, sponsorship of customer facing tools, introducing fees and charges for services to third parties etc. The strategy will be and overseen and agreed by the TfWM Board.
- 3.5 As part of the wider agreement with the government, the Combined Authority (or other decision making authority) must have arrangements in place to ensure that where funding is allocated there are local systems in place to ensure that resources are spent with regularity, propriety and with value for money in mind. These arrangements should also endorse that projects are viable and support the aspirations of the Strategic Economic Plan. The RTCC project presents a unique set of circumstances and an opportunity for a new approach in assuring the project as it progresses. It is the intention that the project team continue to work alongside the WMCA's assurance function to monitor and support implementation following sign off of the FBC.

#### **4. Legal Implications**

- 4.1 As a multi-agency multi-modal collaboration, there will be a need to put in place appropriate data sharing and information management systems to provide safe and secure transfer as well as the completion of relevant memoranda of understanding to set out agreed roles and responsibilities. These will be confirmed and put in place during the delivery of the RTCC and ahead of go live.
- 4.2 The current control centre adheres to BS7958 standard; the RTCC will also be evaluated to that or alternative appropriate industry standards.
- 4.3 During the detailed design stage, it is envisaged that personal data is likely to be processed by the RTCC; a Data Privacy Impact Assessment (DPIA) will be undertaken to ensure compliance with the General Data Protection Regulation (GDPR) and address privacy risks.
- 4.4 Each Highway Authority will be responsible for the delivery of investments and agreeing the detailed design. Legal agreements will need to be put in place to capture the funding and specification requirements for each authority.
- 4.5 It is acknowledged by the Project Steering Group that the implementation phase 1 will be subject to public procurement regulations. The team have been working closely with the WMCA legal and procurement colleagues to prepare a range of procurement plans/processes during the implementation phase of the Project.
- 4.6 A risk register has been developed covering the operational risks of the project. These risks are reviewed and updated weekly.

## **5. Equalities Implications**

- 5.1 There are no direct impacts on equalities as a result of the delivery of the RTCC. It will however ensure that through trusted and consistent information and the coordination of road works, that residents with limited transport choices and with no access to a car will be able to access public transport options for work and leisure journeys.

## **6. Inclusive Growth Implications**

- 6.1 By ensuring networks are kept moving and travel choices are communicated in a consistent, reliable and understandable format, we will enable people with limited travel choices to access public transport to make commuter and leisure journeys and to access opportunities in employment from the region's growth, education and leisure facilities.

## **7. Geographical Area of Report's Implications**

- 7.1 This report covers the whole region bringing together TfWM, all local authorities, Highways England, Network Rail, and tram, bus and rail operators to coordinate and manage the transport system along with the ability to communicate effectively about travel disruptions to residents, businesses and visitors.

## **8. Other Implications**

- 8.1 No other implications have been identified.

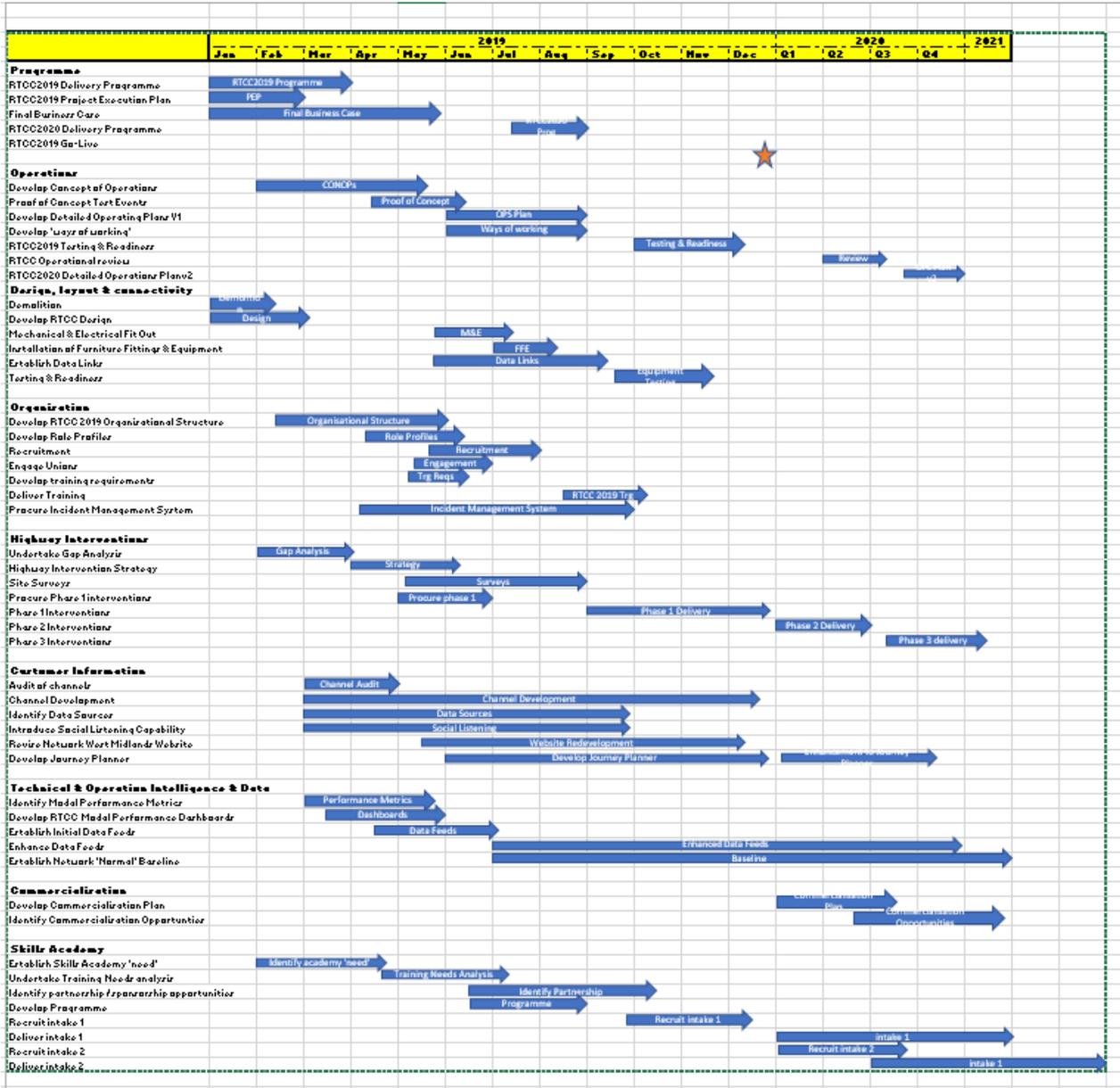
## **9. Schedule of Background Papers**

- WMCA Board report 17 February 2017 - Network Resilience – Preliminary report
- Strategic Outline business case dated - 24 July 2018
- WMCA Board report 14 September 2018 – Congestion Management Plan
- Full Business Case – Appendix 3 of this report.

## Appendix 1

Criteria	Preferred option RTCC Roles and Responsibilities
<b>Functional Scope</b>	<ul style="list-style-type: none"> <li>• Management of people and business movements:               <ul style="list-style-type: none"> <li>- Surface operations - private car, delivery/freight, bus and Sprint (bus rapid transit)</li> <li>- Pedestrians and cyclists</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>• Contingency planning in response to region-wide incidents:               <ul style="list-style-type: none"> <li>- Informed by intelligence-led scenario planning and simulated decision support</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>• Management of people and business movements:               <ul style="list-style-type: none"> <li>- Surface operations - rail and tram</li> <li>- “Street” activities</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>• Safety and security:               <ul style="list-style-type: none"> <li>- Support for Police coordination of events</li> <li>- Support for the Local Resilience Forum</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>• Safety and security:               <ul style="list-style-type: none"> <li>- Monitoring crime and anti-social behaviour at transport facilities/routes</li> </ul> </li> </ul>
<b>Capability</b>	<ul style="list-style-type: none"> <li>• Roadworks coordination</li> <li>• Common operating picture</li> <li>• Output to “Travel Information Service”</li> </ul>
	<ul style="list-style-type: none"> <li>• Incident planning</li> <li>• Incident coordination</li> <li>• Network monitoring and reporting</li> <li>• Major event transport planning</li> </ul>
	<ul style="list-style-type: none"> <li>• Major event transport coordination and management</li> </ul>
	<ul style="list-style-type: none"> <li>• Incident management and control (e.g. Gold and/or Silver governance structure)</li> </ul>
	<ul style="list-style-type: none"> <li>• As-needed management of all transport networks and services</li> </ul>
	<ul style="list-style-type: none"> <li>• 24/7 operational capability</li> </ul>
<b>Hours of Operation</b>	<ul style="list-style-type: none"> <li>• 24/7 operational capability</li> </ul>
<b>Geography</b>	<ul style="list-style-type: none"> <li>• All roads within WMCA region</li> </ul>
	<ul style="list-style-type: none"> <li>• All modes within WMCA region</li> </ul>
<b>Physical Space</b>	<ul style="list-style-type: none"> <li>• Expanding/reconfiguring space in existing centre</li> </ul>
<b>Permanency</b>	<ul style="list-style-type: none"> <li>• Permanent capability fully equipped to expand</li> </ul>
<b>Organisation</b>	<ul style="list-style-type: none"> <li>• Seven local authorities</li> <li>• Highways England</li> <li>• WMCA/TfWM</li> </ul>
	<ul style="list-style-type: none"> <li>• Police</li> <li>• Warwickshire and surrounding Shire Counties</li> </ul>
	<ul style="list-style-type: none"> <li>• Multi-agency response teams</li> </ul>
	<ul style="list-style-type: none"> <li>• Public transport service operators</li> <li>• Other service providers, e.g. Inrix</li> </ul>
	<ul style="list-style-type: none"> <li>• Existing personnel in current roles</li> </ul>
<b>Resourcing</b>	<ul style="list-style-type: none"> <li>• Existing personnel in current roles</li> </ul>
	<ul style="list-style-type: none"> <li>• Core Coordination Team</li> </ul>
	<ul style="list-style-type: none"> <li>• 24/7 operational capability</li> </ul>

## Appendix 2 – High Level Delivery Plan



## Project Lifecycle – Full Business Case Template

**Project Name: West Midlands Regional Transport Coordination Centre (RTCC)**

### Revision History (to be completed by the Applicant)

Please keep record of the document's Revision History using the table below:

	Version Number	File Name	Date submitted	Summary of changes made compared to previous version (please refer to previously received feedback and how issues have been addressed)
<b>Current Version</b>				
Version 4	V4	RTCC FBC V4.docx	13/5/19	Additions to V3 to reflect comments from DfT and revised programme
<b>Previous Versions</b>				
Version 1	V1	RTCC FBC V1.docx	24/7/18	First draft of RTCC Full Business Case for review by the Steering Group
Version 2	V2	RTCC FBC V2.docx	24/3/19	Second draft of RTCC Full Business Case incorporating revised costs and text updates based on Stakeholder engagement and review by the Steering Group
Version 3	V3	RTCC FBC V3.docx	11/4/19	Third draft of RTCC Full Business Case incorporating further refinement of costs

### Review History (to be completed by the Reviewer/Approver)

Name of Reviewer	Role	Date Business Case Reviewed	Summary of decision – whether approved or not – if not approved please explain the reason for non-approval and the additional evidence that would be needed for approval
RTCC Steering Group	Review and approval of all deliverables leading to the RTCC FBC	August 2018	Approved in principle subject to detailed design costs being confirmed

## Applicant Details

Applicant Details			
<b>Lead organisation:</b>	Transport for West Midlands		
<b>Lead contact:</b>	Anne Shaw	<b>Position:</b>	Director of Network Resilience
<b>Phone number:</b>	0121 214 7881	<b>Email address:</b>	Anne.Shaw@tfwm.org.uk
<b>Postal address:</b>	Transport for West Midlands, 16 Summer Lane, Birmingham, B19 3SD		
<b>Local Authority area (base location of lead organisation)</b>	Transport for West Midlands		
<b>Ward (base location of lead organisation):</b>	16 Summer Lane, Birmingham, B19 3SD		
<b>Other organisations involved in project bid:</b>	<ul style="list-style-type: none"> <li>• Birmingham City Council</li> <li>• Coventry City Council</li> <li>• Dudley Metropolitan Borough Council</li> <li>• Sandwell Metropolitan Borough Council</li> <li>• Solihull Metropolitan Borough Council</li> <li>• Walsall Metropolitan Borough Council</li> <li>• Wolverhampton City Council</li> <li>• Highways England</li> <li>• West Midlands Police</li> </ul>		

## Content of the Business Case

Content of the Business Case	
<b>Section A</b>	Status of Business Case Development
<b>Section B</b>	Project Description and Background
<b>Section C</b>	Strategic Case and Fit to Strategic Economic Plan Themes
<b>Section D</b>	Economic Case – Options Appraisal
<b>Section E</b>	Commercial Case – External Procurement (if appropriate)
<b>Section F</b>	Financial Case – Financial Analysis of the Recommended Option
<b>Section G</b>	Programme Management Case – Achievability of Project Components
<b>Section H</b>	Recommendation
<b>Section I</b>	Appendices <ul style="list-style-type: none"> <li>➤ Stakeholder Map</li> <li>➤ Profile for each Output / Outcome</li> <li>➤ Evidence of planning permission</li> <li>➤ Detailed breakdown of Project Costs by month</li> <li>➤ Full Project Plan</li> <li>➤ Risk and Issues Log</li> <li>➤ Non-monetarised Benefits</li> <li>➤ Benefits Realisation Plan</li> <li>➤ Summary of Deliverable 1 - Preliminary Strategic Case</li> <li>➤ Summary of Deliverable 2 - Objectives and Long List of Options</li> <li>➤ Summary of Deliverable 2a - Initial Sifting of the Options</li> <li>➤ Summary of Deliverable 3 – Preferred Option</li> </ul>
<b>Section J</b>	<ul style="list-style-type: none"> <li>➤ Monitoring and Evaluation Plan</li> </ul>

## **Purpose of the FBC**

The key purpose of the FBC is to:

- Revisit the OBC and new assumptions (e.g. resulting from the procurement);
- Confirm that the recommended solution continues to optimise value for money; and,
- Establish that the management arrangements for successful delivery are in place.

The aim of the Full Business Case (FBC) Stage is to provide a mechanism for appraising projects against a comprehensive set of criteria for each of the Five Business Cases. The FBC Stage will revisit the assumptions and main findings from the OBC which may have changed for example due to procurement arrangements, but will also bring forward new evidence on issues such as procurement and management strategy.

## Section A: Status of Business Case Development

### Section A1: Status & Progress to-date

#### 1. Present status of the Project. i.e. is the project at a fledgling/early stage, or is the project part-way through and needs additional funding or is it more developed than that?

The West Midlands Regional Transport Coordination Centre (RTCC) will be a multi-agency, multi-modal facility providing regional coordination of transport networks and services to help local authorities, emergency services and transport operators provide more reliable, resilient and integrated transport services to travellers. The RTCC will:

- coordinate the provision of consistent multi-modal information and travel advice and publish it across multiple channels to citizens and those travelling throughout the region to encourage more sustainable journeys making use of capacity across the network where it exists and spread the load;
- use data from its partners and from new sources to create a single unified view of the status of the region's transport networks including traffic across the region's roads. This "one version of the truth" or common operating view will underpin partners' network and service management activities through greater intelligence;
- enhance local authority network management and public transport management capabilities by providing regional coordination of responses to transport disruptions which span authority boundaries, which impact multiple agencies or which affect different transport operators and services;
- increase the operational resilience of network management across the West Midlands by providing the capability for weekday out-of-hours and weekend cover for local authority UTC centres were required;
- provide real-time operational links with public transport control rooms across the region;
- work with core partners to identify where roadworks will impact any part of the transport network and supporting the development and delivery of mitigation strategies (physical measures and campaign plans) in partnership with project sponsors, traffic managers and public transport operators to help minimise impacts on transport users;
- similarly, work with relevant agencies and contractors to understand where major construction works such as those associated with the delivery of HS2 will impact transport networks across the region and to develop plans to mitigate these impacts;
- support the management of incidents from identification and response through to the return to business-as-usual operations; and
- provide the capability to manage transport aspects of major events such as the City of Culture in 2021 and the 2022 Commonwealth Games.

The RTCC will be central to ensuring that legacy benefits from investments in the coordination of transport during major events are embedded into business-as-usual operations. The RTCC will also provide a platform for the West Midlands to lead a new generation of technological innovation in areas such as connected and autonomous vehicles, electric vehicles and new mobility solutions which need to be managed regionally.

In October 2016, TfWM published a Strategic Outline Business Case which was used to secure £250,000 from the Department for Transport to fund the development of the Full Business Case for the RTCC.

This document is the resulting Full Business Case which has been prepared using HM Treasury's Green Book Five Case Model and using the Department for Transport's WebTag guidance. It sets out

the strategic, economic, financial, commercial and management cases for the RTCC and is intended to secure funding to support detailed design, procurement and implementation.

## **2. Progress achieved prior to Bid. What has been achieved so far within the project?**

Prior to this bid, a number of significant milestones have been achieved as follows:

### ***Strategic Outline Business Case***

The Strategic Outline Business Case for the RTCC published in October 2016 followed DfT guidance on Transport Business Cases and identified five options for the RTCC:

- Do-nothing option;
- A temporary, low cost command centre;
- A permanent command centre that, after 2023, would continue to serve as the co-ordination centre for the West Midlands;
- A physical centre, with dedicated office space and staff; and
- A “virtual” centre, linking, integrating and enhancing the activities of different agencies through high speed communications.

The Strategic Outline Business Case was submitted to the Department for Transport and was successful in securing £250,000 to fund the preparation of a Full Business Case for the RTCC.

### ***Full Business Case***

TfWM began work on the Full Business Case in January 2018. The work consisted of five stages:

- Stage 1 - A review of the Strategic Outline Business Case and other evidence to confirm the Strategic Case for the RTCC;
- Stage 2 - Definition of the transport objectives that would help mitigate the issues identified in the Strategic Outline Business Case and revisit the four options identified to form a longlist of seven options for the RTCC;
- Stage 3 - Analysis of each of the seven long list options and identification of a short list of three options for detailed consideration (see Section D1 and Appendix I10 for more details);
- Stage 4 - An assessment of the affordability, value for money and deliverability of three short-listed options leading to a selection of the preferred option for the RTCC; and
- Stage 5 - Consolidation of the output from stages 1 to 4 into the Full Business Case.

The outcome from each of these stages was documented in separate deliverables, summaries of which are included as Appendices I9 to I12 of this Full Business Case.

### ***RTCC Steering Group***

In January 2018, the following partners established a formal Steering Group to help guide and shape the development of the RTCC:

- Local authorities from across the region - Birmingham City Council, Solihull Metropolitan Borough Council, Wolverhampton City Council, Dudley Metropolitan Borough Council, Walsall Metropolitan Borough Council, Sandwell Metropolitan Borough Council, Coventry City Council;
- Highways England; and
- West Midlands Police.

The Steering Group has provided robust governance and challenge throughout the development of the RTCC FBC. It has reviewed and approved the Full Business Case along with the separate deliverables on which the FBC is based (see Appendices I9 to I12).

In recognition of the RTCC's coordination role across multiple travel modes, in March 2019, the Steering Group was expanded to include:

- Network Rail; and
- National Express.

## Section B: Project Description and Background

### Background

The West Midlands economy has seen sustained growth in recent years, increasing faster than the national economy and confirming the region as a national leader in attracting inward investment. With continued economic success has come a rapid growth in travel demand across all modes.

#### The increasing demand for travel

The West Midlands Key Route Network (KRN) represents approximately 7% of the non-trunk road network in the West Midlands and carries approximately 50% of all car, public transport and freight journeys<sup>1</sup>. Surveys showed that congestion and information on delays rated low in terms of customers' satisfaction. In order to cope with demand, the West Midlands Bus Alliance is planning to increase bus patronage by 5%, improve peak time journey speeds and is aiming for customer satisfaction levels at over 85% by 2020. Demand for rail travel across the region is also continuing to increase. The area has seen more than a 70% increase in rail travel over the last 10 years with West Midlands Trains needing to provide at least an extra 30% more peak train capacity for Birmingham services by 2022<sup>2</sup>.

2016 saw record levels of traffic using the region's roads. Research published by the Birmingham Chambers of Commerce in 2017<sup>3</sup> identified that:

- The West Midlands is the fifth most congested metropolitan area in the UK and Birmingham is third most congested city in England (behind London and Manchester);
- Traffic speeds in the West Midlands are 15% slower than the UK average; and
- Motorists in Birmingham spent 9% of their total journey time in traffic, costing the city £407 million in lost revenue and on average, £990 per annum to each driver.

#### The impact of continuing growth on transport

In its Strategic Economic Plan 2016-2030<sup>4</sup>, the West Midlands Combined Authority (WMCA) sets out an ambitious programme to continue to transform the economic and social fortunes of the region over the next 15 years. This includes rapid growth in population, jobs and housing, resulting in improved earnings, social and physical well-being and economic performance of the region. There is extensive investment taking place in the region's transport infrastructure to support this growth including the construction of HS2. Whilst welcome and necessary, the short- to medium-term impact of this construction on travel across the region will be significant.

#### The transport challenge of major events

The West Midlands is also playing host to major events which will be accompanied by significant movements of visitors attracted to the region. These include the 2021 City of Culture in Coventry and the Commonwealth Games in Birmingham in 2022 with events and venues spread around the region. Throughout these events, the region will be on a global stage and the performance of its transport systems will be critical to delivering these events in an effective manner and enhancing the region's reputation and ability to attract inward investment.

#### Addressing transport challenges through mutual support and coordination

Given the additional stress that increasing demand due to growth along with roadworks, construction works, incidents and major events will place on already congested regional transport networks, a new

<sup>1</sup> West Midlands Key Route Network Evidence Report 2018, Version 2, March 2018, Transport for West Midlands

<sup>2</sup> Movement for Growth: 2026 Delivery Plan for Transport, WMCA.

<sup>3</sup> Congestion in Greater Birmingham: What Does It Mean for Businesses? Birmingham Chamber of Commerce.

[https://www.greaterbirminghamchambers.com/media/426828/congestion-research\\_webready.pdf](https://www.greaterbirminghamchambers.com/media/426828/congestion-research_webready.pdf)

<sup>4</sup> <https://www.wmca.org.uk/media/1382/full-sep-document.pdf>

multi-agency approach to regional transport coordination and mutual support is necessary to manage and proactively mitigate these impacts and to provide a greater degree of resilience.

### **Project description**

The West Midlands Regional Transport Coordination Centre (RTCC) will be a multi-agency, multi-modal facility providing regional coordination of transport networks and services to help local authorities, emergency services and transport operators provide more reliable, resilient and integrated transport services to travellers. This umbrella coordination capability will allow core partners to manage local transport networks as part of a regionally-integrated system which maximises the efficient movement of people and goods.

There are four local authority Urban Traffic Control (UTC) Centres which manage local authority roads across the region. Highways England has responsibility to manage the Strategic Route Network (SRN) from its Regional Control Centre (RCC) at Quinton. There are also a number of public transport control centres managing rail and bus services across the region. The introduction of the RTCC will not change any of these partners' existing transport or network management responsibilities or obligations. Instead, it will provide an umbrella coordination role which will help each partner manage its transport networks and services as part of a regionally-integrated system which maximises the efficient movement of people and goods.

The capabilities the RTCC will offer as part of its regional umbrella coordination role will include:

- **Travel information coordination** – using enhancements to the Network West Midlands digital platforms, the RTCC will be a hub to coordinate the provision of consistent and accurate multi-modal travel information and advice for travellers across the region including information to support Travel Demand Management initiatives for major events as well as planned and unplanned disruption to the transport network;
- **Operational planning** – providing additional planning resources to support local authorities and other partners to develop and test (via modelling) operational plans to address transport issues whose impacts cross authority boundaries, affect the wider region or the UK as a whole;
- **Common operating view** – using data from local authorities and other partners, from transport service providers and from third party data providers as well as data collected from targeted investments in enhanced roadside monitoring capabilities, the RTCC will maintain and share a common operating view of transport networks across the region. This will be made available to all local authorities and transport service providers as well as supporting clear and consistent travel information for the public, businesses and visitors through a real time single view of the network;
- **Operational monitoring** – the RTCC will support the monitoring of transport networks and provide partners with enhanced alerts to any potential deviations from normal operations or where disruption to one or more travel modes has consequences for transport across the region;
- **Operational coordination** – the RTCC will monitor the effects of implementing operational plans and where necessary, work with local authorities to ascertain whether further mitigating measures need to be developed and implemented to manage network conditions;
- **Network operations resilience** – the RTCC will provide the capability for 24/7 transport network coordination across the region by acting as an additional resource for UTC Centres outside their current normal operating hours where there is demand;
- **Reporting** – the RTCC will be able to provide a range of reports on regional transport network performance in real-time and trends over time including deviations from expected patterns;
- **Roadworks planning** – working with local authorities and other partners to determine the impact of planned roadworks across authority boundaries or the wider region and to agree ways in which these impacts can be mitigated;
- **Roadworks monitoring** – the RTCC will monitor the impacts that roadworks are having on the region's transport networks and where necessary, agree with local authorities whether further mitigating measures need to be implemented;

- **Incident response planning** – working with local authorities, the police and other emergency service personnel, the RTCC will enable the development of appropriate contingency plans to respond to incidents whose impact is across authority boundaries or affects the wider region and will foster a culture of mutual aid and support between partners;
- **Incident monitoring** - RTCC staff will monitor the status of transport networks and alert partners to any potential incidents thereby enabling early intervention to minimise impacts and providing a mechanism to advise travellers of any disruption as early as possible;
- **Incident response coordination** - the RTCC will monitor the effects of implementing agreed incident response plans on transport networks and where necessary, liaise with local authorities, the Police and emergency services as part of the Regional Resilience Forum along with Highways England where necessary to support further mitigating measures that need to be implemented;
- **Incident management** - in the event of a major incident, the RTCC will have the capability to be used as a tactical and strategic venue for TfWM and local authorities to coordinate the response from a transport network perspective;
- **Post-incident evaluation** – the RTCC will work with local authorities, the Police and emergency services to review measures taken in response to each incident and to improve future response plans where necessary;
- **Major events Transport Coordination Hub** – the RTCC will have the capability to be used as the Transport Coordination Hub for major events across the region and will support the colocation of different agencies including public transport operators and emergency services; and
- **Enable collaboration and testing of future mobility innovation programmes** coordinating across multiple partners and established consortiums to facilitate access to data and services and other tools and establishing a centre of excellence for the West Midlands to test future mobility initiatives.

The RTCC will be central to ensuring that legacy benefits from investments in the coordination of transport during major events are embedded into business-as-usual operations. The RTCC will also provide a platform for the West Midlands to lead a new generation of technological innovation in areas such as connected and autonomous vehicles, electric vehicles and new mobility solutions which need to be managed regionally.

## Strategic Case

### Section C: Strategic Case for Change and fit to WMCA Strategic Economic Plan Themes

#### Section C1: Overview and Rationale

##### Overview

The West Midlands Regional Transport Coordination Centre (RTCC) will be a multi-agency, multi-modal facility providing regional coordination of transport networks and services to support local authorities, emergency services and transport service providers across the region. This umbrella coordination capability will allow core partners to manage local transport networks and services as part of a regionally-integrated system which maximises the efficient movement of people and goods.

##### Rationale

With much of the region's road and public transport network currently operating at capacity during peak periods, the impact of increasing travel due to economic growth coupled with the short- to medium-term impact of construction works and the major events will be significant.

If these demands are not effectively managed, they will result in even more congestion, more unreliable journeys for workers and businesses and increased levels of harmful emissions, which are already frequently above safe target levels. It is estimated that transport and development construction work alone may reduce the existing network capacity by up to 25% in key locations during the period of the works.

During the 2021 City of Culture and the 2022 Commonwealth Games, the eyes of the nation will be on the region. There is a real risk that the reputation of the West Midlands as a place to live, work and do business will be damaged if these increasing transport demands are not managed.

Taking into account the region's political and operational environment and leveraging on experience of how similar challenges have been addressed in other parts of the world, the following are pre-requisites for establishing an integrated, region-wide response to managing and mitigating increased demands for travel:

- Day-to-day operation of the KRN is the responsibility of the individual local authorities. There are four local authority Urban Traffic Management (UTC) Control Centres across the region as well as a Regional Control Centre (RCC) operated by Highways England which manages the Strategic Route Network. There are also a number of public transport control centres across the region. However, operational coordination between these centres is ad-hoc and inconsistent. ***Effective regional coordination must be based on multi-agency, multi-modal cooperation and engagement, embedding a culture of mutual assistance and support into every aspect of day-to-day network operations;***
- The lack of consistent cooperation between centres makes operational planning and effective use of resources across the region more challenging. This includes responding to recurrent congestion and incidents as well as dealing with region-wide disruptions caused by poor weather. ***Improved cooperation and collaboration between core partners bringing the transport community together will support the development of effective operational plans and coordinated deployment of resources in response to cross-boundary or region-wide disruptions;***
- There is no single, real time common view of the state of the transport networks across the region. UTC Centres' operational perspective is on the highway network that they are responsible for. Similarly, public transport operators are focussed on managing their own services and networks. ***Establishing one version of the truth is critical for monitoring***

**regional network performance and for optimising responses to planned or unplanned events which cross authority boundaries, impact different modes or have wider region impacts. It is also fundamental to providing enhanced network intelligence through various data sources to operators supporting improvements to operational decision making;**

- Communication with the public is not managed consistently across the region which can result in partial or contradictory information being disseminated. This makes it difficult for the travelling public to plan journeys easily or make alternative arrangements on travel mode, routes or times in the event of delays or planned or unplanned disruptions to transport networks. **Travellers need to be provided with trusted, accurate, consistent and timely multi-modal information to plan all of their journeys, especially when there are disruptions to the transport network;**
- While Highways England's RCC operates 24/7, the UTC Centres do not. This creates an imbalance and a gap when disruption happens out of hours. **The capability for the KRN to be monitored and for incidents to be dealt around the clock must be established to provide effective network management across the region;**
- While local authority Permitting Schemes are improving the planning and scheduling of roadworks within each authority's area, mitigating their impact on the transport network across authority boundaries or across the wider region needs to be understood and mitigated. Similarly, the impacts of construction works such as HS2 on transport networks also needs to be understood and planned for. **Regional coordination of plans to mitigate the impact of roadworks and construction works is necessary to minimise their impact on travellers;**
- Effective coordination of transport services and operations is critical to the success of any major event. **Plans need to be put in place to establish a Transport Coordination Hub for the 2021 City of Culture, the 2022 Commonwealth Game and for future major events;** and
- There is limited cooperation between centres when incidents occur at or near authority boundaries. Additionally, the UTC Centres do not operate during weekday evenings or at weekends restricting effective cooperation in responding to incidents on any part of the transport network. **The capability to respond to incidents needs to be established and formalised across the region so that core partners work together to minimise impacts on the wider transport network.**

The RTCC is designed to address all of these pre-requisites and provide the umbrella coordination capability needed to allow core partners to manage local transport networks as part of a regionally-integrated system which maximises the efficient movement of people and goods.

### **RTCC objectives**

The objectives for the RTCC are as follows:

- Providing stakeholders with one version of the truth - a real-time, common view of the operation of transport networks and services across the region;
- Minimising the cumulative impact of infrastructure construction and maintenance on network operation;
- Supporting local authorities' management of the West Midlands Key Route Network (KRN) through regional liaison and coordination;
- Improving the management of transport networks during major events;
- Providing 24/7 proactive liaison, communication and monitoring between stakeholders to manage the impacts of unplanned events affecting the transport network;
- Maintaining and strengthening operational partnerships to support regional network coordination; and

- Support the economy of the West Midlands through greater coordination and management of the transport system connecting people to opportunities and businesses to their labour and trade markets and supply chains.

### Use of public funds

The RTCC is a wholly public-sector initiative aimed at embedding the principle of “local control, regional coordination” in all aspects of transport network management across the West Midlands. Once operational by TfWM and its core partners, the RTCC will have benefits for their own day-to-day operations but most importantly, for the wider movement of people and goods across the region by different modes.

The RTCC is therefore considered to be a suitable use of public funds. It also has a strongly positive benefit cost evaluation as set out in the Economic Case.

### Benefits

Twelve quantifiable and non-quantifiable benefits have been defined based on the proposed RTCC capabilities. These are as follows:

- B1 – Capability to coordinate communication to the traveling public including advice on how to avoid delays through alternative routes, methods and modes supporting a move to more sustainable journeys [quantifiable but already taken into account in assessing a number of the other quantifiable benefits]
- B2 – Provision of a regional coordination umbrella across core partners [quantifiable but already taken into account in assessing a number of the other quantifiable benefits];
- B3 – Capability to provide umbrella coordination of the region’s transport networks out of UTC Centre normal operating hours [quantifiable];
- B4 – Capability to coordinate the development of regional operational plans [non-quantifiable];
- B5 - Capability to coordinate interventions in day-to-day network operations (based on agreed operational plans) to improve regional network performance [quantifiable but already taken into account in assessing a number of the other quantifiable benefits];
- B6 – Capability to coordinate the development of contingency plans to mitigate the impact of unplanned events [quantifiable but already taken into account in assessing B7];
- B7 – Capability to coordinate the regional response to unplanned events (based on agreed contingency plans) [quantifiable];
- B8 – Capability to coordinate the development of plans to mitigate the impact of planned roadworks on regional transport networks [quantifiable];
- B9 – Capability to coordinate with Highways England on issues impacting the performance of the SRN and the KRN [non-quantifiable];
- B10 – Establishment and sharing of one version of the truth across the region [non-quantifiable];
- B11 – Capability to coordinate the development of plans to mitigate the impact of construction works (such as HS2) on regional transport networks [non-quantifiable]; and
- B12 – Capability to act as the transport coordination hub for major events [non-quantifiable].

Appendices I2 and I12 describe the benefits to be realised through the implementation of the RTCC and define the proposed measurement method for each, the timeline for accruing the benefits and whether each benefit is quantifiable or non-quantifiable. Appendix I8 provides a Benefits Realisation Plan and shows how the benefits have been profiled between December 2019 when the RTCC is expected to open and the end of the appraisal period in 2027/28.

As the RTCC will be an operational overlay on existing services, no significant cash releasing benefits (for example, the deployment of RTCC personnel on non-RTCC tasks when not supporting

24/7 operations thereby reducing the costs to TfWM of delivering the non-RTCC task) have been included in the appraisal as these have yet to be quantified pending agreement of operational practices within the RTCC.

### **Nature of the project**

The RTCC will impact “people”, “place” and “business” as follows:

- **People** – provision of a regional transport coordination umbrella will have a direct impact on the movement of people around the region. It will support coordination of different modes of travel and help provide travellers with accurate, consistent and timely information to plan the most appropriate mode, route and time of travel. Moreover, it will assist the travelling public by offering suggestions as to the best route, mode or timings based on the intelligence of the network at a given time. Better coordination of transport networks will also improve reliability of all forms of travel promote more consistent;
- **Place** – the immediate geographic sphere of influence of the RTCC will be the West Midlands region. Greater coordination of transport networks and services within the region will also have spill-over impacts on surrounding regions by increasing the attractiveness and effective operation of the region and citizen and business well-being; and
- **Business** – as with “people”, the provision of a regional transport coordination umbrella will have a direct impact on the movement of goods around the region. Businesses will be able to plan the movement of goods with more certainty and the impacts of any disruption will be better communicated allowing for re-timing of goods movements. This will also increase the attractiveness of the region for investment and new business development to drive jobs, economic well-being and growth.

## **Section C2: Strategic Economic Plan**

### **WMCA SEP priority programme areas addressed**

The RTCC’s primary impact will be on the following WMCA SEP priority programme areas:

- **HS2 Growth:** A programme to maximise the benefits of the largest infrastructure project in Europe for a decade to drive economic growth across the Midlands;
- **Exploiting the economic geography:** Making the most of the scale and diversity of the West Midlands geography to enable economic growth and community wellbeing; and
- **Environmental Technologies:** Action to secure environmental improvements and contribute to low carbon sustainability and by doing so enable the growth of the environmental technologies sector. Better coordination of transport networks will also improve reliability of bus services and encourage modal shift.

HS2 and the wider HS2 connectivity package is critical to the continuing growth of the regional economy. The construction programme is planned to last until 2026 meaning that some parts of HS2’s route in the region will be subject to a lengthy period of construction works with the consequential impact on regional transport. Once operational, the RTCC will have the capability to monitor construction works such as those associated with HS2 and coordinate plans to minimise their impact on transport modes.

The RTCC’s regional transport coordination capability will help facilitate people’s access to jobs and learning to increase employment and skills levels and businesses access to markets growing the number and profitability of West Midlands manufacturing and business services. It will also allow exploitation of the regional innovation base by leveraging on existing strengths of regional universities, research assets and business incubator networks. The RTCC’s regional transport coordination capability can develop links with universities and businesses to shorten the innovation

lifecycle and stimulate the marketplace in this area of multi-modal, region-wide real-time operations.

Through a Skills Academy set up as part of the RTCC, it will also form the basis of a Centre of Excellence, training the next generation of transport professionals and improving the operational skills available in the workforce.

The RTCC's role in helping to identify and take early steps to mitigate the onset of congestion will reduce the amount of additional time vehicles are stationary with their engines idling, thereby helping to control exhaust emissions. Through coordination of operational plans across the region and by acting as a hub for the provision of consistent and accurate travel information, the RTCC will also help sustainable travel choices become viable travel options.

Additionally, the RTCC will also have a secondary impact on the following WMCA SEP priority programme areas:

- **New Manufacturing Excellence:** action to build on the fact that the West Midlands is home to one of the biggest concentrations of high value manufacturing businesses in Europe, and ensure that our global companies are supplied by clusters of local businesses. Effective movement of goods across the region will help meet supply chain targets and enable access to new jobs for workers, especially where traditional centres of population and new business developments are some distance apart;
- **Digital and Creative:** a programme to ensure that the level of business start-ups, growth and survival matches the best in the country with a particular focus on the digital and creative sectors;
- **Housing:** action to accelerate the delivery of current housing plans and enable an increase in the level of house building to support the level of growth envisaged in the SEP. The RTCC will also support more efficient movement of people from housing development to access jobs, education, leisure and retail activities;
- **Skills for the Supply Chain and Employment for All:** a programme of activity to ensure that the skills of businesses are met and that everybody has the opportunity to benefit from economic growth; and
- **Medical and life sciences:** action to enable the growth of the health and care sectors in ways that improve the health and wellbeing of the area, reduces demand on public services and enables economic growth;

The RTCC will support these areas of the SEP by working with core partners to improve the management of transport networks thereby making the region a better place in which to live, work and visit. This will include;

- supporting core partners in reducing journey times and increasing journey time reliability;
- improving traveller experience and contributing to social wellbeing; and
- ensuring resilience at times of disruption and working with core partners to mitigate wider impacts and return operational of the network to "normal" as soon as possible..

#### **WMCA's growth objectives addressed**

##### **Economic Impact**

Economic Growth - To improve GVA for the region in line with the UK average

- Exploitation of the regional innovation base by leveraging on existing strengths of regional universities, research assets and business incubator networks. A new regional transport coordination capability can develop links with universities and businesses to shorten the innovation lifecycle and stimulate the marketplace in this area of multi-modal, region-wide real-time operation; and

- The RTCC will also address known weaknesses in the operation and resilience of regional transport networks to make the West Midlands an attractive place to do business and enable citizens to access new employment and economic opportunities such as those provided by HS2 and new manufacturing capability.

Business Competitiveness - To improve the productivity (GVA) of our businesses focusing on our growth sectors including:

- Supply Chain/Freight where a regional transport coordination capability can assist this customer base with achieving their journey time and journey time reliability requirements;
- HS2 where a regional transport coordination capability can develop operational and customer service offerings and work to operationally integrate HS2 and its resulting growth opportunities into the transport choices; and
- Connected Vehicles where a regional transport coordination capability can integrate this new capability into the overall transport network, with a view to improving safety and using the data derived to further enhance innovation.

Accessibility - To improve the connectivity of people and business to jobs and markets

- Using the regional transport coordination capability to help facilitate people's access to jobs and learning, to increase employment and skills levels and businesses access to markets growing the number and profitability of West Midland's manufacturing and business services.

### Social Impact

Employment & Skills - To improve skills levels of all ages so that people have the skills and qualifications to access jobs – Ignite (children and young people) / Retune (employability) / Accelerate (Skills for the future labour market)

- By providing access to education and skills training in a reliable manner; and
- By growing and upskilling a new generation of operational and technical practitioners to provide the regional transport coordination capability.

### Environmental Impact

Sustainability - To improve competitiveness through energy and resource efficiency and stimulate new technology and business

- By dynamically smoothing traffic and providing an operational environment by which more sustainable travel choices become viable travel options;
- By improving the monitoring of the environment and providing early alerts when air quality starts to change thereby allowing mitigating measures to be implemented; and
- By reducing emissions through increased efficiency of the transport networks.

## Section C3: Public Service Reform

### Public Service Reform

The RTCC will impact Employment and Skills PSR key programme area. By having a regional transport coordination capability wholly different ways of achieving outcomes will be found by bringing people and processes together on a region-wide basis and using enhanced governance mechanisms and technology to improve overall efficiency and effectiveness of transport operations.

## Section C4: Stakeholder Involvement

### Stakeholder involvement

The core stakeholders have been working in partnership with TfWM to develop the RTCC. In January 2018, these partners established a formal Steering Group to help guide and shape the development of the RTCC. This Steering Group has reviewed and approved each stage of the Full Business Case along with the separate deliverables on which it is based (see Appendices I9 to I12).

In addition to the formal Steering Group meetings, there have been regular one-to-one sessions between TfWM and stakeholders to solicit opinion and feedback.

Starting in February 2019, a series of Stakeholder Workshops were convened to solicit detailed views of the RTCC's objectives, its value-add and its capabilities in 2019 (when it will go-live in its initial form) and 2021 (when it will be fully operational).

### Stakeholders

The core partners, operational partners and innovation partners are as follows:

#### Core Partners

The following organisations will need to be involved in the creation and operation of the RTCC and are members of the RTCC Steering Group:

- Transport for West Midlands - part of the WMCA responsible for coordinating investment in the region's transport infrastructure and creating a fully integrated, safe and secure transport network. TfWM is the lead agency for the RTCC;
- Local authorities with responsibility for traffic management within their council boundaries. The RTCC will support each council in carrying out its traffic management obligations especially where the impacts of transport network performance are cross-boundary or region-wide:
  - Birmingham City Council;
  - Coventry City Council;
  - Dudley Metropolitan Borough Council;
  - Sandwell Metropolitan Borough Council;
  - Solihull Metropolitan Borough Council;
  - Walsall Metropolitan Borough Council;
  - Wolverhampton City Council;
- Highways England with responsibility for managing the Strategic Road Network (SRN). Management of the SRN in the region is carried out from their Regional Control Centre at Quinton, Birmingham. The RTCC will interface directly with the RCC to support an integrated approach to regional transport management;
- West Midlands Police. The RTCC will support the police in providing a coordinated response to incidents on the region's transport network;
- National Express which operates between 80 to 90% of the bus routes across the Region and through the RTCC's one version of the truth, will be able to understand the real-time status of the highway network. Given the extent of its bus fleet, it will also be a valuable source of information for the RTCC. National Express will also use information from the RTCC to get early sight of how disruption to other modes may place additional demands on its bus services; and

- Network Rail which has responsibility for operating the rail infrastructure across the Region, managing timetabling and managing Birmingham New Street Station. It will be the key provider of information relating the status of the rail network and will use the RTCC's one version of the truth to get early sight of how disruption to other modes may impact rail services.

#### Operational Partners

The organisations listed below represent the wider operational partners who will interact with the RTCC as part of their operations. Not all will be involved at Day One but their level of interaction will increase over time and in response to specific events or issues.

- M6 Toll and Midlands Connect as major road network operating partners;
- Neighbouring local highway authorities including Warwickshire, Staffordshire and Worcestershire;
- Emergency services including Central Motorway Policing Group, Staffordshire Police, West Mercia Police, Warwickshire Police, British Transport Police and other emergency services, such as the Fire and Rescue Service and the Ambulance Service;
- Major traffic generators including Birmingham Airport, advanced manufacturing facilities, freight and logistics facilities and large shopping centres;
- Local bus operators (other than National Express);
- Train operating companies;
- High Speed 2;
- Midland Metro;
- Cycle Share;
- Taxi, operators and private hire operators;
- Coach operators;
- Travel media;
- Regional transport user groups; and
- The Local Resilience Forum.

#### Innovation Partners

The RTCC will address transport challenges as economic growth takes place and the region continues to develop. The following organisations will support the RTCC in developing its intellectual capital and help exploit future developments in technology and data processing:

- App and data service providers (for example, Citymapper, INRIX, Google and Waze);
- Government technology and innovation centres (for example, the Transport Systems Catapult, etc.);
- Universities across the region; and
- Advanced manufacturing industries across the region.

## **Section C5: Strategic Issues/Risks**

### **Strategic risks**

The main risks and the means to mitigate them are described in detail in Section G2 of this Full Business Case. The current Risks and Issues Register is included in Appendix I6.

In summary, the main risks and issues which may prevent successful delivery of the RTCC are:

- A **delay in approval of either capital or revenue costs** may impact how long it takes to make the RTCC operational. As described in Section C1, the benefits start accruing as soon as the RTCC is operational so any delay in opening will impact the realisation of the benefits and potentially impact those dependent activities which are on their own fixed timeline (for example, the 2022 Commonwealth Games);
- **Lack of cooperation with wider operational partners** which may not have a direct impact on the implementation of the RTCC but may impact its ability to realise the wider benefits identified in Section C1;
- **Delays to the RTCC implementation programme** which could impact its ability to deliver benefits relating to dependent activities on their own fixed timeline (for example, the 2022 Commonwealth Games);
- **Changes in the timetable of dependent activities** such as the HS2 construction programme or the 2022 Commonwealth Games will impact how and when the RTCC benefits can be realised;
- The implementation of the RTCC is currently aligned with activities being undertaken by **TfWM's Joint Data Team and the Office for Data Analytics**. These initiatives need to be kept in alignment as far as possible as any divergence may result in repeated work or gaps in approach which ultimately could impact the RTCC's abilities to deliver the expected benefits; and
- Ongoing issues relating to the 25 year PFI contract awarded to Amey in 2010 to deliver the **Birmingham City Council's Highways Maintenance and Management Service** could theoretically impact on interaction with the RTCC. Engagement with the Council which has been a feature of the development of the RTCC to date will continue throughout the establishment and operation of the RTCC to ensure that any issues can be identified and addressed.

### Strategic issues

The main issues and the means to address them are described in detail in Section G8 of this Full Business Case. The current Risks and Issues Register is included in Appendix I6.

In summary, the main issues relating to successful delivery of the RTCC are:

- Timescales for approval of funding for the RTCC given the need to mitigate the impacts of HS2 construction;
- Growing levels of congestion and journey time reliability on the West Midlands network and the effect on the WMCA's reputation;
- The agreed programme of works for HS2, other transport network developments and commercial/housing schemes result in an unsustainable reduction in network capacity;
- The need for true partnership cooperation between all key stakeholders to deliver the level and quality of scheme and project development required to meet the aspirations of politicians and others; and
- The commitments given to Commonwealth Games, HS2 and various developments across the West Midlands are currently undeliverable without the RTCC, KRN monitoring and management and other actions in the Congestion Management Plan (CMP) being successfully brought forward.

### Project dependencies

#### Joint Data Team

- **Dependency** – TfWM's Joint Data Team (JDT) will make use of the data that RTCC collects to support the planning and data reporting activities. The RTCC project includes enhancements to

the JDT data management facilities and capabilities. There is also a reverse dependency in that the RTCC will be dependent on data made available by the JDT;

- **Impact** – Any delays in the RTCC becoming operational will impact the work of the JDT. This may result in incompatible systems and data architectures and a loss of the benefits of integration. Similarly, any delays in or issues with the JDT providing data to the RTCC once it is operational could impact the extent to which the RTCC is able to deliver its capabilities; and
- **Mitigation** – The JDT will continue to be represented on the RTCC Steering Group to help align the work of the JDT with the development of the RTCC project.

#### Transport Coordination Hub for major events

- **Dependency** - The current intention is that the RTCC is used as the Transport Coordination Hub for major events in the region including the 2021 City of Culture in Coventry and the 2022 Commonwealth Games;
- **Impact** - If the opening of the RTCC is delayed or if its capabilities are scaled back from those set out in Section B, alternative means for regional transport coordination in respect of these (and other) major regional events will need to be found with the added time and cost this entails; and
- **Mitigation** - Once funding is approved for development and implementation of the RTCC, the governance structure set out in Section G will assume responsibility for aligning the implementation programme with the timetable for the major events and for alerting stakeholders to any deviations. Where necessary, re-focusing of the RTCC implementation programme may be necessary to ensure it can deliver on its proposed role as a Transport Coordination Hub for major events.

#### **Constraints**

The primary constraint relates to the resources needed to support the RTCC once operational:

- **Constraint** – resources needed to support the RTCC’s operational capabilities will be provided by TfWM from either re-tasking existing personnel or through recruitment of additional personnel specifically for the role. These resources will need to be available and trained as soon as the RTCC becomes operational; and
- **Mitigation** – during business-as-usual operations, the RTCC will operate with a core team of a Duty Manager, three Highway Corridor Managers, a Social Media Lead and a representative of the bus community. During both planned and unplanned events, the RTCC will be able to provide a surge response through additional resources brought in from the WMCA and from core partners as necessary. The FBC makes allowance for recruitment of personnel using recruitment agencies where absolutely necessary to expedite the process. In the medium- to long-term, graduates from the Skills Academy will be a source of skilled personnel trained in the management and operation of the region’s transport networks. An allowance has also been made for initial training of new personnel and for ongoing training.

### **Section C4: Alignment with a Broader Programme**

#### **Programme Alignment:**

To date, the planning and delivery of the broader framework programme has not suffered any setbacks that will affect this project.

## Economic Case

### Section D: Economic Case - Options Appraisal

#### Section D1: Short List of Options considered

#### 3. Please highlight any changes to the Preferred Option, Alternative Option and Reference Case option

##### Long list of options

Using these Business Case Objectives and the five options for the RTCC defined in the SOBC, an expanded long list of options was defined using a process adapted from the Green Book's Options Framework. The process for defining these long listed options is summarised in Appendix I10. Seven long list options were defined as follows:

- Long List Option 1 – Do nothing;
- Long List Option 2 – Operational liaison capability;
- Long List Option 3 – Operational liaison, coordination and support capability;
- Long List Option 4 – Operational liaison, coordination and support capability including coordination of transport aspects of major events;
- Long List Option 5 – Operational liaison, coordination and support capability including coordination of responses to incidents affecting regional transport networks;
- Long List Option 6 – Operational liaison, coordination and support capability including coordination of transport aspects of major events and coordination of responses to incidents affecting regional transport networks; and
- Long List Option 7 – Centralised management and control.

##### Short list of options

These seven long list options were reduced to a short list of three options for detailed consideration using the Green Book Critical Success Factors and the WebTag Early Assessment and Sifting Tool processes. The process for determining the three short listed options is summarised in Appendix I11. The three short-listed options were as follows:

##### Short List Option 1 – Do nothing

- **Description** – Continuation of the current situation with inconsistent cooperation between existing centres;
- **Cost** – Effectively zero additional cost compared with the current situation but with zero additional benefits therefore failing to meet increasing demands for travel as well as an inability to address region-wide disruption caused by roadworks, construction works, incidents and major events;
- **Key advantages** – No additional costs, no additional operational agreements needed; and
- **Key disadvantages** – No additional benefits, no additional impact on managing demand for travel, congestion, the impacts of roadworks, construction works, incidents of major events; no additional multi-modal integration.

##### Short List Option 3 – Operational liaison, coordination and support capability

- **Description** – Capability for core partners to work together to agree plans to address transport issues at Authority boundaries or which have a regional impact. Also includes the capability to help coordinate transport responses to incidents;

- **Cost** - Capital costs of £20.73M (actual value) and revenue costs of £9.72M (actual value) to design, implement and operate the RTCC up to 2028/29. Quantifiable benefits of £143.83M (actual value). Option 3 has a benefit : cost ratio of 4 :1 (Note that the present value of the total capital and revenue costs (£27.93M) and the present value of the benefits (£119.86M) were used to calculate the benefit : cost ratio – see Appendix I12);
- **Key advantages** – Capability to operate 24/7, maintenance of a common operating view and providing core partners with the capability to agree operational plans, mitigate the impact of roadworks and construction works, agree incident response plans and help coordinate their implementation; and
- **Key disadvantages** – Limited impact on coordinating the transport aspects of major events, limited coordination with public transport operators.

Short List Option 6 – Operational liaison, coordination and support capability including coordination of transport aspects of major events and coordination of responses to incidents affecting regional transport networks

- **Description** – As Option 3 but including the capability to pro-actively alert core partners to transport issues at authority boundaries or which have a regional impact, actively coordinate transport responses to incidents, greater cooperation with public transport operators, act as a transport coordination hub for major events;
- **Cost** – Capital costs of £21.53M (actual value) and revenue costs of £10.75M (actual value) to design, implement and operate the RTCC up to 2028/29. Quantifiable benefits of £283.17M (actual value). Option 6 has a benefit : cost ratio of 7 : 1 (Note that the present value of the total capital and revenue costs (£29.59M) and the present value of the benefits (£234.15M) were used to calculate the benefit : cost ratio – see Appendix I12);
- **Key advantages** – As Option 3 but including the capability to coordinate transport across the region in a fully integrated, multi-modal manner, capability to take a lead role in transport responses to incidents, acting as a transport coordination hub for major events; and
- **Key disadvantages** – No direct control of traffic management infrastructure (although not considered essential to delivering the concept of the RTCC).

The RTCC Steering Group approved the short list of options on 23rd May 2018.

**Preferred option**

The three short listed options were assessed in detail using a formal cost-benefit assessment for the quantifiable benefits and a targeted, non-monetarised assessment of the non-quantifiable benefits. As a result of these assessments, **Short List Option 6 was selected as the preferred option for the RTCC.**

Optimism bias was applied as part of the appraisal of the options using HMT Green Book guidance<sup>5</sup>. Optimism bias was applied to each cost item separately to ensure this reflected the nature of uncertainty as realistically as possible. Overall, the optimism bias for capital costs was 41% and for revenue costs, was 25%. The same optimism bias was applied to both options under consideration. Given the commonalities between the options, the application of optimism bias had limited impact on relative weightings of each option. Both were considered to be within the affordability envelope of costs increased up to the ceiling defined by the application of optimism bias.

The process for determining the preferred option is summarised in Appendix I12. The RTCC Steering Group approved the preferred option and the FBC on 2nd August 2018.

**Alternative option**

Short List Option 3 – Operational liaison, coordination and support – is the alternative option for the RTCC.

<sup>5</sup> HMT Green Book Guidance On Public Sector Business Cases Using The Five Case Model 2013, Chapter 6, P61

## Reference case

All of the options under consideration involved different levels of coordination of regional transport networks by TfWM and its core partners. As such, all of the shortlisted options were effectively variants of a Public Sector Comparator project. A specific PSC option was therefore not included in the appraisals of the short list of options.

## Section D2: Demand and Project Need

### Evidence of demand

The West Midlands KRN represents approximately 7% of the non-trunk road network in the West Midlands and carries approximately 50% of all car, public transport and freight journeys<sup>6</sup>. Surveys showed that congestion and information on delays rated low in terms of customers' satisfaction. In order to cope with demand, the West Midland Bus Alliance is planning to increase bus patronage by 5%, improve peak time journey speeds and is aiming for customer satisfaction levels at over 85% by 2020. Demand for rail travel across the region is also continuing to increase. The area has seen more than a 70% increase in rail travel over the last 10 years with West Midlands Trains needing to provide at least an extra 30% more peak train capacity for Birmingham services by 2022<sup>7</sup>.

The Birmingham Chambers of Commerce Research Report<sup>8</sup> summarised the current performance of transport networks across the West Midlands as:

- Having the fifth most congested metropolitan area in the UK and Birmingham is third most congested city in England (behind London and Manchester);
- Traffic speeds in the West Midlands 15% are slower than the UK average;
- Motorists in Birmingham spent 9% of their total journey time in traffic, costing the city £407 million in lost revenue and on average, £990 to each driver; and
- With population levels in the West Midlands expected to increase by half a million over the next 30 years, it is predicted that levels of traffic will increase by 46% by 2040<sup>9</sup>, adding to the existing air quality issues, creating more carbon emissions and also increased ambient noise levels, unless mitigating actions are put in place.

The Report also highlighted the following consequential impacts of this situation on businesses in the region:

- Two thirds of businesses cite congestion as a problem for their business;
- When selecting a potential location for a new business, the current transport network operation will be a key factor;
- Staff punctuality, reduction in productivity and subsequent loss of revenue are the main problems local businesses face as a result of congestion; and
- Air quality/ environment – each borough other than Solihull has a borough-wide Air Quality Management Area with NO<sub>2</sub> levels well in excess of the target level. PM<sub>10</sub> targets are also exceeded in three boroughs.

There is also significant major infrastructure work planned to be constructed concurrently that will cause further transport disruption. There is predicted to be up to 25% loss of capacity on the motorway

<sup>6</sup> West Midlands Key Route Network Evidence Report 2018, Version 2, March 2018, Transport for West Midlands

<sup>7</sup> Movement for Growth: 2026 Delivery Plan for Transport, WMCA,

<sup>8</sup> Congestion in Greater Birmingham: What Does It Mean for Businesses? Birmingham Chamber of Commerce. [https://www.greaterbirminghamchambers.com/media/426828/congestion-research\\_webready.pdf](https://www.greaterbirminghamchambers.com/media/426828/congestion-research_webready.pdf)

<sup>9</sup> Movement for Growth: 2026 Delivery Plan for Transport <https://www.tfwm.org.uk/media/2539/2026-delivery-plan-for-transport.pdf>

network at any one time due to construction works<sup>10</sup> and significant impacts on the rest of the road networks.

The West Midlands is also playing host to major events which will be accompanied by significant movements of visitors attracted to the region. These include the 2021 City of Culture in Coventry and the Commonwealth Games in Birmingham in 2022 with events and venues spread around the region.

The increased demands on transport networks from economic growth alongside the impact of infrastructure construction and the major events will result in more congestion, more unreliable journeys for workers and businesses and increased levels of harmful emissions.

Given the additional stress this will place on already congested regional transport networks, a new multi-agency approach to regional transport coordination is necessary to manage and proactively mitigate these impacts.

### **What will the RTCC achieve**

The aims of the RTCC is described in Section A1 but in summary, are to:

- use data from its partners and from new sources to create a single unified view of the status of the region's transport networks. This "one version of the truth" or common operating view will underpin partners' network management activities;
- enhance local authority network management and public transport management capabilities by providing regional coordination of responses to transport disruptions which span authority boundaries, which impact multiple agencies or which affect different transport operators and services and by enhancing the resilience of transport network operations across the region;
- increase the operational resilience of network management across the West Midlands by providing the capability for weekday out-of-hours and weekend cover for local authority UTC Centres;
- provide real-time operational links with public transport control rooms across the region;
- coordinate the provision of consistent multi-modal information and travel advice, and communicate to citizens and those travelling throughout the region including providing support for TfWM's Travel Demand Management activities;
- work with core partners to identify where roadworks will impact any part of the transport network and support the development and delivery of mitigation strategies in partnership with project sponsors, traffic managers and public transport operators;
- similarly, work with relevant agencies and contractors to understand where major construction works such as those associated with the delivery of HS2 will impact transport networks across the region and to develop plans to mitigate these impacts;
- support the management of incidents from identification and response through to the return to business-as-usual operations; and
- provide the capability to manage transport aspects of major events such as the City of Culture in 2021 and the 2022 Commonwealth Games;

In addition to these aims, the RTCC will help the WMCA deliver the recommendations of the Kerslake Report and create the conditions for behaviour change programme to be successful.

The RTCC will be central to ensuring that legacy benefits from investments in the coordination of transport during major events are embedded into business-as-usual operations. The RTCC will also provide a platform for the West Midlands to lead a new generation of technological innovation in areas such as connected and autonomous vehicles, electric vehicles and new mobility solutions which need to be managed regionally.

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<sup>10</sup> WMCA Board Network Resilience – Preliminary Report, 17<sup>th</sup> February 2017

## Section D3: Additionality

### Counterfactual case

As noted in Section D1, all of the long- and short-listed options under consideration involved different levels of coordination of regional transport networks by TfWM and its core partners. As such, all of the shortlisted options were effectively variants of a Public Sector Comparator project. A specific PSC option was therefore not included in the appraisals of the short list of options.

In order to test the short-listed options against the status quo, Option 1 was a “Do Nothing” option. This was based on the following assumptions:

- No change in operational practices employed by any of the core partners;
- No change in current staffing levels at any of the core partners’ Control Centres; and
- No additional systems required at any of the core partners’ Control Centres specifically related to the RTCC.

This is described in Section D1.

### Catalytic effects

The table below outlines the key assumptions relating to catalytic effects of the introduction of the RTCC.

<b>Scheme and Catalytic Effects</b>	<b>Assumption used</b>	<b>Justification</b>
<b>Leakage (%)</b>	<b>0%</b>	There are no leakage effects arising from the Reference Case equivalent (ie the Do Nothing Option) as this represents the current situation.  Introduction of the RTCC is expected to impact travel across the region and beyond, and across all travellers, regardless of which mode they use for their trips. In the context of leakage, the benefits of the RTCC will not distinguish between specific groups of travellers.
<b>Displacement (%)</b>	<b>0%</b>	The Reference Case equivalent (ie the Do Nothing Option) does not deliver any additional benefits – any of the benefits will only be realised through the implementation of Option 6 or an alternative intervention.  As above, the introduction of the RTCC is expected to impact travel across the region and beyond, and across all travellers, regardless of which mode they use for their trips. In the context of displacement, the benefits of the RTCC will not distinguish between specific groups of travellers within the region.
<b>Substitution (%)</b>	<b>0%</b>	There are not expected to be any negative substitution effects resulting from the establishment of the RTCC
<b>Multiplier (e.g. 1.1)</b>	<b>1</b>	As noted in Section C of this FBC, the RTCC will have a positive impact on the economy of the region, improving the management and coordination of transport networks to drive business efficiency and making the region a more attractive place to invest. Based on Table 4.14 of the 2014

	<p>Additionality Guide<sup>11</sup>, a multiplier of between 1.5 and 1.7 should be used. However, it was considered to be inappropriate to uplift the overall benefits of the RTCC by these kinds of factors at this stage without recourse to a final operational design</p>
<p>Therefore the Net Additional Impact amounts to the benefits from Option 6. Without Option 6 (or an alternative intervention), none of the benefits would be realised.</p>	
<p><b>Comparing the outcomes of the “investment case” and the “counterfactual” case</b></p>	
<p>The benefits of the preferred option are described in detail in Section F4. The Do-Nothing option has no additional benefits as it is the current situation.</p>	

<sup>11</sup> <https://www.gov.uk/government/publications/additionality-guide>

## Commercial Case

### Section E: Commercial case – External Procurement (if appropriate)

#### 4. Please highlight any changes to the Commercial Case. Do they impact on any other aspects of deliverability?

##### Private development partners

There are no private development partners involved in this project.

##### Third party services required

The following third party services are expected to be required:

- Facility refurbishment and fit out;
- System provision, installation, testing and commissioning; and
- Communications network provision, installation, testing and commissioning.

##### Procurement requirements in terms of outputs

It has been assumed that all of the third party services listed above will be delivered through extensions to existing contracts (where permitted) or through new contracts let through the WMCA's existing framework contracts. Given the scope and value of these framework contracts, it is considered unlikely that open procurements through the OJEU will be necessary although this remains an option if required.

TfWM will lead on all procurement activities associated with the RTCC.

##### Personnel implications

At this stage, there are not expected to be any TUPE implications as all staff associated with delivering the RTCC capabilities will be from TfWM or core partners. It is not anticipated that any staff will transfer from one agency to another as part of this project.

##### Outline the Procurement Project Plan and Timescales

The critical path milestones for the design and implementation of the RTCC and expected date for commencement of operations is set out in Section G1. A gantt chart showing these critical path milestones is included in Appendix I5.

In summary, the critical path milestones relating to procurement and commencement of operations of Phase 1 of the RTCC are as follows:

Milestone	Expected programme
<b>Programme</b>	
Final Business Case	January 2019 - May 2019
RTCC2020 Delivery Programme	July 2019 - August 2019
RTCC2019 Go-Live	December 2019
<b>Operations</b>	
Develop Concept of Operations	February 2019 - May 2019
Proof of Concept Test Events	April 2019 - June 2019
Develop Detailed Operating Plans V1	June 2019 - August 2019
Develop 'ways of working'	June 2019 - August 2019
RTCC2019 Testing & Readiness	October 2019 - November 2019
RTCC Operational review	April 2020 - July 2020

RTCC2020 Detailed Operations Plan v2	September 2020 - December 2020
<b>Design, layout &amp; connectivity</b>	
Mechanical & Electrical Fit Out	May 2019 - July 2019
Installation of Furniture Fittings & Equipment	July 2019 - August 2019
Establish Data Links	May 2019 - September 2019
Testing & Readiness	September 2019 - November 2019
<b>Organisation</b>	
Develop RTCC 2019 Organisational Structure	February 2019 - May 2019
Develop Role Profiles	April 2019 - June 2019
Recruitment	May 2019 - July 2019
Engage Unions	May 2019 - June 2019
Develop training requirements	May 2019 - June 2019
Deliver Training	August 2019 - October 2019
Procure Incident Management System	April 2019 - September 2019
<b>Highway Interventions</b>	
Highway Intervention Strategy	April 2019 - June 2019
Site Surveys	May 2019 - August 2019
Procure Phase 1 interventions	May 2019 - June 2019
Phase 1 Interventions	September 2019 - December 2019
Phase 2 Interventions	January 2020 - June 2020
Phase 3 Interventions	July 2020 - December 2020
<b>Customer Information</b>	
Channel Development	March 2019 - December 2019
Identify Data Sources	March 2019 - September 2019
Introduce Social Listening Capability	March 2019 - September 2019
Revise Network West Midlands Website	May 2019 - December 2019
Develop Journey Planner	May 2019 - December 2019
<b>Technical &amp; Operation Intelligence &amp; Data</b>	
Identify Modal Performance Metrics	March 2019 - May 2019
Develop RTCC Modal Performance Dashboards	March 2019 - May 2019
Establish Initial Data Feeds	April 2019 - July 2019
Enhance Data Feeds	July 2019 - December 2020
Establish Network 'Normal' Baseline	July 2019 - December 2020
<b>Commercialisation</b>	
Develop Commercialisation Plan	January 2020 - August 2020
Identify Commercialisation Opportunities	Ongoing
<b>Skills Academy</b>	
Undertake Training Needs analysis	April 2019 - July 2019
Identify partnership / sponsorship opportunities	June 2019 - October 2019
Develop Programme	June 2019 - August 2019

Recruit intake 1	September 2019 - December 2019
Deliver intake 1	January 2020 onwards
Recruit intake 2	January 2020 - August 2020
Deliver intake 2	July 2020 onwards

There are no statutory or other consents required for this project.

**Planning permission and other relevant statutory permissions**

Planning permission is not required for this project.

**5. If you've been to procurement, how has this impacted price?**

The project has not yet reached the stage where procurement is appropriate. Subject to approval of this FBC, the elements of the project which need to be procured will be clarified along with the specification for what is required. Procurement will then take place as described in Section E4.

**6. If you haven't, why not? What are your plans for doing so?**

See the response to Question 5.

## Financial Case

### Section F: - Financial Analysis of the recommended Option

#### Section F1: Costs and Cost Assumptions

##### 7. Please highlight any changes to the Costs and Cost Assumptions

###### Cost categories

Sixteen cost categories were defined for the RTCC as follows:

- C1 - Physical space;
- C2 – Workstations;
- C3 – Systems;
- C4 – IT;
- C4 – Data;
- C6 – Communications;
- C7 - External Staff;
- C8 – CCTV;
- C9 - Customer Information;
- C10 - Third Party Data;
- C11 – Resilience;
- C12 – Highway Interventions;
- C13 – Staff;
- C14 – Training;
- C15 - Business Transformation; and
- C16 - Project management.

The capital and revenue costs for each of these sixteen categories for the preferred option are shown below. The details are provided in Appendix I4:

Cost category	Capital costs £m (actual)	Revenue costs 2019/20 to 2028/29, £m (actual)
C1 - Physical space	£0.39	£0.00
C2 - Workstations	£0.19	£0.00
C3 - Systems	£0.77	£0.41
C4 - IT	£0.67	£0.30
C5 - Data	£0.13	£0.36
C6 - Communications	£0.48	£0.43
C7 - External Staff	£0.08	£0.00
C8 - CCTV	£0.16	£0.00
C9 - Customer Information	£2.64	£0.52

C10 - Third Party Data	£1.42	£0.16
C11 - Resilience	£0.00	£0.31
C12 - Highway Interventions	£8.90	£0.67
C13 - Staff	£1.12	£6.06
C14 - Training	£0.06	£0.12
C15 - Business Transformation	£0.05	£0.00
C16 - Project Management	£0.16	£0.00
<b>Sub-total (actual)</b>	<b>£17.22</b>	<b>£9.35</b>
<b>Contingency, £m (actual)</b>	<b>£4.31</b>	<b>£1.40</b>
<b>Total, £m (actual)</b>	<b>£21.53</b>	<b>£10.75</b>

Note that for the purposes of calculating the benefit : cost ratio, present value prices were used (see Appendix I12). These are as follows

Cost category	Capital costs £m (present)	Revenue costs 2019/20 to 2028/29, £m (present)
<b>Total, £m (present value)</b>	<b>£20.54</b>	<b>£9.05</b>

## Section F2: Funding, Financing and Assumptions

### 8. Please highlight any changes to the Funding, Financing and Assumptions

#### Sources of funding

Sources of funding for the capital cost of the RTCC include the Transforming Cities Fund, Midlands Connect and the Government's Industrial Strategy Grand Challenge on the Future of Mobility.

The estimated capital implementation costs are affordable within the overall capital funding available. A funding profile has already been agreed with the DfT over the next four years. Within the funding agreement, the first call on Grant draw down has been prioritised to the Wednesbury Brierley Hill Metro Extension, to the amount of £207m. The funding agreed within the TCF2 Congestion Management Plan (£18m) will not be available until 21/22. As a consequence, the majority of the costs will be incurred in advance of funding received, which may require cash-flowing. To partially mitigate this financial risk, a prioritisation review is underway with Project Managers, to confirm delivery plans and cash-flow requirements.

In terms of the estimated revenue costs of operating the RTCC, the 2019/20 revenue costs are contained within budgeted funding within the overall 2019/20 Transport Delivery Revenue budget.

As part of the delivery of the RTCC, there will be a programme of highways interventions which will upgrade existing traffic signal technologies or introduce new traffic management and monitoring assets such as CCTV (Cost Category C12). This part of the programme will be delivered over a three year period and will ensure that the investments fit into the priorities for the network management duty of each local authority and the requirements of the Congestion management Plan. These investments will be agreed at a local authority level and any revenue requirements for the management of new assets will need to be considered. This however does present an opportunity to introduce new energy efficient technologies e.g. LED signals, which could have a revenue saving for the authority in terms of their ongoing management. TfWM will work very closely with each authority to define the delivery programme and manage resources.

It should be noted that options for funding for the estimated revenue costs beyond 2020/21 are currently being assessed and will provide the basis of a clear and realistic funding strategy to contain those costs within existing

WMCA resources. This strategy will need to be integrated into the TfWM Medium Term Financial Plan which will consolidate the financial pressures and priorities of the WMCA for onward consideration by local authorities in their financial planning cycles. The funding strategy will take account of any commercial opportunities to contribute towards and / or negate the impact against the Transport Levy. The strategy will be overseen and agreed by the TfWM Board and the WMCA Board.

As part of the wider agreement with the government, the Combined Authority (or other decision making authority) must have arrangements in place to ensure that where funding is allocated there are local systems in place to ensure that resources are spent with regularity, propriety and with value for money in mind. These arrangements should also endorse that projects are viable and support the aspirations of the Strategic Economic Plan. The RTCC project presents a unique set of circumstances and an opportunity for a new approach in assuring the project as it progresses. It is the intention that the project team continue to work alongside the WMCA's assurance function to monitor and support implementation following sign off of the FBC.

### Cost assumptions

Key aspects of the cost calculation were as follows:

- Costs were prepared in actual figures and converted to present value using a discount rate of 3.5% in accordance with HMT Green Book guidance;
- The assessment period for costs and benefits was 10 years to cover the same period as the benefits appraisal (see Section F4);
- Where possible, costs were based on market costs or on experience from other comparable projects;
- For costing purposes, the development and implementation of the initial implementation of the RTCC was assumed to be complete by the end of 2019 with full capabilities being available from 2021;
- Contingencies of 25% of the capital costs and 15% of the revenue costs were applied to allow for any further uncertainties and for risk mitigation. A lower contingency was applied to the revenue costs to reflect the outcomes of the comprehensive stakeholder engagement and the extent to which revenue costs such as resourcing, maintenance and other operational costs are well understood based on the WMCA's current monitoring operations; and
- CPI inflation forecast from the Bank of England Monetary Committee was used as the reference inflation rate. The average of the forecast inflation rate until 2021 was used and then the 2021 inflation rate was used for 2022-2027.

## Section F3: Cashflow

### 9. Please provide an updated Cashflow.

Cost profiling for the preferred option is as follows:

	Financial Year (Actual)										Total £m
	19/20 £m	20/21 £m	21/22 £m	22/23 £m	23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 £m	28/29 £m	
<b>Capital costs</b>	£5.29	£4.32	£4.15	£3.03	£0.00	£0.40	£0.00	£0.05	£0.00	£0.00	<b>£17.22</b>
<b>Capital cost contingency</b>	£1.32	£1.08	£1.04	£0.76	£0.00	£0.10	£0.00	£0.01	£0.00	£0.00	<b>£4.31</b>
<b>Capital cost total</b>	£6.61	£5.40	£5.18	£3.79	£0.00	£0.49	£0.00	£0.06	£0.00	£0.00	<b>£21.53</b>
<b>Revenue costs</b>	£0.25	£0.72	£0.94	£0.96	£1.00	£1.08	£1.05	£1.08	£1.15	£1.12	<b>£9.35</b>

<b>Revenue cost contingency</b>	£0.04	£0.11	£0.14	£0.14	£0.15	£0.16	£0.16	£0.16	£0.17	£0.17	<b>£1.40</b>
<b>Revenue cost total</b>	£0.29	£0.83	£1.08	£1.10	£1.15	£1.24	£1.21	£1.24	£1.32	£1.28	<b>£10.75</b>
<b>Total Costs (actual prices)</b>	£6.90	£6.22	£6.26	£4.89	£1.15	£1.74	£1.21	£1.30	£1.32	£1.28	<b>£32.28</b>

Note that for the purposes of calculating the benefit : cost ratio, present value prices were used (see Appendix I12). These are as follows

	Financial Year (Present value)										Total £m
	19/20 £m	20/21 £m	21/22 £m	22/23 £m	23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 £m	28/29 £m	
<b>Total Costs (present value)</b>	£6.90	£6.01	£5.84	£4.41	£1.00	£1.46	£0.99	£1.02	£1.01	£0.94	<b>£29.59</b>

The approach taken to defining contingency costs is define in Section F2.

### Commercialisation

The above cashflow does not take account of commercialisation revenue that the mature RTCC is expected to be able to generate. This includes:

- Providing CCTV monitoring services for stakeholders including local authorities. Based on current similar activities, once the RTCC is fully operational, this expected to generate in the order of **£300,000** per year (present value);
- The design will allow parts of the RTCC to be divided off and made available for rent to provide transport monitoring and coordination for non-WMCA events. Based on an assumption of £2,000 per day and ten event days per year, this is expected to generate in the order of **£20,000** per year (present value);
- Providing a resilience facility for the West Midlands Police Event Control Suite (ECS). Based on the cost of dedicating one desk to ECS resilience and on a share of the power, communications and maintenance costs associated with that dedicated desk, it is assumed that **£8,000** per year (present value) could be generated. Should more desks need to be dedicated, additional revenue will be generated at around **£5,000** per additional desk; and
- Providing customised feeds of data generated by the RTCC to private sector organisations. This has two aspects:
  - Data provided to private sector data providers to supplement and validate the data they provide to their customers. The revenue that could be generated from the provision of this kind of data is difficult to assess given the lack of comparative services in the market. However for the purposes of this FBC, based on a percentage of the cost of a data feed that a market-leading data provider has negotiated with the WMCA, it is estimated that an effective revenue in the order of **£20,000** per year per provider (present value) could be generated. It is assumed that this “revenue” would come in the form of a reduction on the price that the WMCA pays to the third-party data provider if it is a subscriber to their data feed;
  - Specialised data feeds provided to private sector companies such as logistics firms. The revenue that could be generated from the provision of this kind of data is difficult to assess given the lack of comparative services in the market but for the purposes of this FBC, it is assumed that annual revenue could range from **£3,500 to £7,000** per company. This is based on assumptions of the setup and

administration costs together with assumptions of the effort required to oversee the extraction of the data 365 days per year.

## Section F4: Benefits Profiling

### 10. Please provide an updated profile of the qualitative and quantitative benefits of the project

#### Benefits overview

The RTCC was considered to primarily have quantifiable and non-quantifiable benefits. As the RTCC will be an operational overlay on existing services, no significant cash releasing benefits exist (for example, the deployment of RTCC personnel on non-RTCC tasks when not supporting 24/7 operations), these have yet to be quantified pending agreement of operational practices and so have not been included in the appraisal.

#### Benefit categories

Twelve quantifiable and non-quantifiable benefits have been defined based on the proposed RTCC capabilities. These are as follows:

- B1 – Capability to coordinate communication to the traveling public including advice on how to avoid delays through alternative routes, methods and modes supporting a move to more sustainable journeys [quantifiable but already taken into account in assessing a number of the other quantifiable benefits]
- B2 – Provision of a regional coordination umbrella across core partners [quantifiable but already taken into account in assessing a number of the other quantifiable benefits];
- B3 – Capability to provide umbrella coordination of the region’s transport networks out of UTC Centre normal operating hours [quantifiable];
- B4 – Capability to coordinate the development of regional operational plans [non-quantifiable];
- B5 - Capability to coordinate interventions in day-to-day network operations (based on agreed operational plans) to improve regional network performance [quantifiable but already taken into account in assessing a number of the other quantifiable benefits];
- B6 – Capability to coordinate the development of contingency plans to mitigate the impact of unplanned events [quantifiable but already taken into account in assessing B7];
- B7 – Capability to coordinate the regional response to unplanned events (based on agreed contingency plans) [quantifiable];
- B8 – Capability to coordinate the development of plans to mitigate the impact of planned roadworks on regional transport networks [quantifiable];
- B9 – Capability to coordinate with Highways England on issues impacting the performance of the Strategic Road Network and the KRN [non-quantifiable];
- B10 – Establishment and sharing of one version of the truth across the region [non-quantifiable]
- B11 – Capability to coordinate the development of plans to mitigate the impact of construction works (such as HS2) on regional transport networks [non-quantifiable]; and
- B12 – Capability to act as the transport coordination hub for major events [non-quantifiable].

#### Benefit assumptions

Key aspects of the benefits calculation were as follows:

- Benefits were prepared in actual figures and converted to present value using a discount rate of 3.5% in accordance with HMT Green Book guidance;

- The assessment period for costs and benefits was 10 years to allow the benefits to stabilise;
- Non-quantifiable benefits were assessed using a ranking process as set out in Chapter 5 of the Green Book;
- Benefits were profiled over Years 1, 2 and 3 to ensure the gradual increase in when the benefits accrue was consistent with the phased implementation of the RTCC by 2021; and
- The development and implementation of the initial implementation of the RTCC was assumed to be complete by end of 2019 with full capabilities being available from 2021.

### Quantifiable benefits

The monetarised benefits for the preferred option were as follows:

Year	Total co-ordination and management Benefits £m	% of benefits realised in year	Realised benefits for Option 6 (Actual prices) £m
2019/20	£30.71	0%	£0.00
2020/21	£31.39	30%	£9.42
2021/22	£32.12	70%	£22.48
2022/23	£32.90	100%	£32.90
2023/24	£33.78	100%	£33.78
2024/25	£34.72	100%	£34.72
2025/26	£35.75	100%	£35.75
2026/27	£36.84	100%	£36.84
2027/28	£38.02	100%	£38.02
2028/29	£39.26	100%	£39.26
	<b>£345.49</b>		<b>£283.17</b>

Note that for the purposes of calculating the benefit : cost ratio, present value prices were used (see Appendix I12). These are as follows

Year	Realised benefits for Option 6 (Actual value) £m	Realised benefits for Option 6 (Present value) £m
2019/20	£0.00	£0.00
2020/21	£9.42	£9.10
2021/22	£22.48	£20.99
2022/23	£32.90	£29.68
2023/24	£33.78	£29.44
2024/25	£34.72	£29.24
2025/26	£35.75	£29.08
2026/27	£36.84	£28.96
2027/28	£38.02	£28.87
2028/29	£39.26	£28.81
	<b>£283.17</b>	<b>£234.15</b>

### Non-quantifiable benefits

The assessment of the non-quantifiable benefits is addressed in detail in Appendix I7.

## Section F5: Affordability and Value for Money

### 11. Please provide evidence of affordability

#### Capital costs and funding

Capital costs for the development and implementation of the RTCC are £17.22M (actual prices). In addition to this, a contingency of £4.31M (25%) was included to account for design uncertainties at this stage and risk mitigation giving a total of £21.53M (actual prices) (£20.54M in present value prices used for calculating the benefit : cost ratio – see Appendix I12).

In March 2019 the WMCA Board identified up to £18m of the Transforming Cities Fund (TCF – Round 2) in addition to £1.5m of TCF (Round 1) already allocated. An additional £2m has been made available through Midlands Connect. This funding will enable the delivery of the RTCC to meet its objectives and invest in the operation of the transport system as well as provide coordinating resources working at a regional level.

#### Revenue costs and funding

Revenue costs for the operation of the RTCC from 2019/20 to 2028/29 are £9.35M (actual prices) with a contingency of £1.40M (15%) to cover for design uncertainties at this stage and risk mitigation. This gives a total of £10.75M (actual prices) (£9.05M in present value prices used for calculating the benefit : cost ratio – see Appendix I12).

The 2019/20 revenue costs are contained within budgeted funding within the overall 2019/20 Transport Delivery Revenue budget. Options for funding for the estimated revenue costs beyond 2020/21 are currently being assessed and will provide the basis of a clear and realistic funding strategy to contain those costs within existing WMCA resources. This strategy will need to be integrated into the TfWM Medium Term Financial Plan which will consolidate the financial pressures and priorities of the WMCA for onward consideration by Local Authorities in their financial planning cycles. The funding strategy will take account of any commercial opportunities to contribute towards and / or negate the impact against the Transport Levy. The strategy will be and overseen and agreed by the TfWM Board.

Investments in highways interventions implemented as part of the RTCC programme (Cost Category C12) will be agreed at a local authority level and any revenue requirements for the management of new assets will need to be considered. TfWM will work very closely with each authority to define the delivery programme and manage resources.

Further evidence of affordability is provided in Appendices I4 and I12.

### 12. Please provide evidence of Value for Money

The three short listed options (Options 1, 3 and 6) were assessed in detail using a formal cost-benefit assessment for the quantifiable benefits and a targeted, non-monetarised assessment of the non-quantifiable benefits.

#### Benefits

As noted in Section F4 and in Appendix I14, the quantifiable benefits were calculated for the following three benefit categories:

- **B3 – Capability to provide umbrella coordination of the region’s transport networks out of UTC Centre normal operating hours** - The benefits arising from 24/7 network management capability were based on the quicker identification of incidents during the overnight period, reducing the time it takes to alert stakeholders (including emergency services) of an incident and a response, and the corresponding time saving in returning the network back to business-as-usual operating conditions;
- **B7 – Capability to coordinate the regional response to unplanned events (based on agreed contingency plans)** – The benefits arising from the early identification of unplanned events such as road

traffic accidents and other unforeseen occurrences that reduce the road capacity at some point, e.g. broken down vehicle, illegal parking and emergency access to a non-transport incident. Benefits will be time savings derived from the early identification of unplanned events and alerting core partners, resulting in reductions in response time and a corresponding reduction in the time the road capacity is reduced due to the event; and

- **B8 – Capability to coordinate the development of plans to mitigate the impact of planned roadworks on regional transport networks** – Benefits derived through better planning of roadworks across the region resulting in a reduction in the number of roadwork-days. Improved monitoring will also identify where works are not being completed right first time and hence additional roadwork-days are required for remedial works.

The outcome was as follows:

- **Short List Option 1 – Do nothing** - Zero additional benefits compared with the current situation therefore failing to meet increasing demands for travel as well as an inability to address region-wide disruption caused by roadworks, construction works, incidents and major events;
- **Short List Option 3 – Operational liaison, coordination and support capability** - Quantifiable benefits of £143.83M (actual value) (£119.86M in present value prices used for calculating the benefit : cost ratio – see Appendix I12); and
- **Short List Option 6 – Operational liaison, coordination and support capability including coordination of transport aspects of major events and coordination of responses to incidents affecting regional transport networks** - Quantifiable benefits of £283.17M (actual value) (£234.15M in present value prices used for calculating the benefit : cost ratio – see Appendix I12).

The impact of a number of other quantifiable benefits were in part, included in the three Benefit Categories but were not assessed separately to avoid double-counting any benefits.

#### Benefits : cost ratio

- **Short List Option 1 – Do nothing** – With zero additional costs and benefits compared with the current situation, this option was not considered further;
- **Short List Option 3 – Operational liaison, coordination and support capability** - Benefit-Cost ratio of 4 : 1 (based on quantifiable benefits only and using costs and benefits in present value prices – see Appendix I12); and
- **Short List Option 6 – Operational liaison, coordination and support capability including coordination of transport aspects of major events and coordination of responses to incidents affecting regional transport networks** - Benefit-Cost ratio of 7 : 1 (based on quantifiable benefits only and using costs and benefits in present value prices – see Appendix I12).

#### Risks to delivery of Option 6

There are a number of risks to delivery of the RTCC. A full risks and issue log is included in Appendix I6 but the top five risks along with their mitigations are presented below:

- **A delay in approval of either capital or revenue costs** will impact how long it takes to finalise the precise scope of the RTCC and to make it operational. As described in Section C1, the benefits start accruing as soon as the RTCC is operational so any delay in opening will impact the realisation of the benefits and potentially impact those dependent activities which are on their own fixed timeline (for example, the 2022 Commonwealth Games). MITIGATION: TfWM project team to liaise with Strategic Transport Operator Group and Combined Authority Board to address any issues or concerns as they arise;
- **Lack of agreement between all core partners** which will impact how long it takes to finalise the precise scope of the RTCC and potentially, the RTCC implementation programme. MITIGATION: The RTCC Steering Group to continue through the development and implementation of the RTCC. TfWM to ensure close liaison between all core partners and to involve them in all the review and decision making processes;
- **Lack of cooperation with wider operational partners** which may not have a direct impact on the implementation of the RTCC but may impact its ability to realise the wider benefits identified in Section C1.

MITIGATION: TfWM to ensure regular liaison with RTCC operational partners once funding is approved to carry out the detailed design;

- **Delays to the RTCC implementation programme** which could impact its ability to deliver benefits relating to dependent activities on their own fixed timeline (for example, the 2022 Commonwealth Games). MITIGATION: TfWM project team to liaise with Strategic Transport Operator Group and Combined Authority Board to address and mitigate any delays to the RTCC programme; and
- **Changes in the timetable of dependent activities** such as the HS2 construction programme or the 2022 Commonwealth Games will impact how and when the RTCC benefits can be realised. MITIGATION: TfWM project teams to ensure regular liaison to keep the separate initiatives aligned.

#### Preferred option

On the basis of this assessment and consideration of the risks, **Short List Option 6 was selected as the preferred option for the RTCC.**

The following points should be noted in relation to the Benefit-Cost analysis:

- Only the seven quantifiable benefits which could be monetarised have been included. The five non-quantifiable benefits which could not be monetarised in a robust way were not included in the Benefit-Cost analysis. **If the non-quantifiable benefits could have been monetarised in a robust manner, it is expected that the BCR for both Options 3 and 6 would both have been higher although Option 6 would still have had a higher BCR than Option 3;**
- A factor of 3.5% was used to discount future costs and benefits to present value in accordance with Green Book guidance; and
- The costs of risk mitigation is assumed to be addressed through the contingencies applied to capital and revenue costs.

## Management Case

### Section G: Programme Management Case - Achievability of Project Components

#### Section G1: Project Plan (Extract of Key Milestones)

#### 13. Please provide an updated list of Key Project Milestones and Gantt Chart (see [Appendix I5])

The following defines the critical path milestones for the design, implementation and commencement of operation of the RTCC.

Milestone	Expected programme
<b>Programme</b>	
Final Business Case	January 2019 - May 2019
RTCC2020 Delivery Programme	July 2019 - August 2019
RTCC2019 Go-Live	December 2019
<b>Operations</b>	
Develop Concept of Operations	February 2019 - May 2019
Proof of Concept Test Events	April 2019 - June 2019
Develop Detailed Operating Plans V1	June 2019 - August 2019
Develop 'ways of working'	June 2019 - August 2019
RTCC2019 Testing & Readiness	October 2019 - November 2019
RTCC Operational review	April 2020 - July 2020
RTCC2020 Detailed Operations Plan v2	September 2020 - December 2020
<b>Design, layout &amp; connectivity</b>	
Mechanical & Electrical Fit Out	May 2019 - July 2019
Installation of Furniture Fittings & Equipment	July 2019 - August 2019
Establish Data Links	May 2019 - September 2019
Testing & Readiness	September 2019 - November 2019
<b>Organisation</b>	
Develop RTCC 2019 Organisational Structure	February 2019 - May 2019
Develop Role Profiles	April 2019 - June 2019
Recruitment	May 2019 - July 2019
Engage Unions	May 2019 - June 2019
Develop training requirements	May 2019 - June 2019
Deliver Training	August 2019 - October 2019
Procure Incident Management System	April 2019 - September 2019
<b>Highway Interventions</b>	
Highway Intervention Strategy	April 2019 - June 2019
Site Surveys	May 2019 - August 2019
Procure Phase 1 interventions	May 2019 - June 2019
Phase 1 Interventions	September 2019 - December 2019

Phase 2 Interventions	January 2020 - June 2020	
Phase 3 Interventions	July 2020 - December 2020	
<b>Customer Information</b>		
Channel Development	March 2019 - December 2019	
Identify Data Sources	March 2019 - September 2019	
Introduce Social Listening Capability	March 2019 - September 2019	
Revise Network West Midlands Website	May 2019 - December 2019	
Develop Journey Planner	May 2019 - December 2019	
<b>Technical &amp; Operation Intelligence &amp; Data</b>		
Identify Modal Performance Metrics	March 2019 - May 2019	
Develop RTCC Modal Performance Dashboards	March 2019 - May 2019	
Establish Initial Data Feeds	April 2019 - July 2019	
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Establish Network 'Normal' Baseline	July 2019 - December 2020	
<b>Commercialisation</b>		
Develop Commercialisation Plan	January 2020 - August 2020	
Identify Commercialisation Opportunities	Ongoing	
<b>Skills Academy</b>		
Undertake Training Needs analysis	April 2019 - July 2019	
Identify partnership / sponsorship opportunities	June 2019 - October 2019	
Develop Programme	June 2019 - August 2019	
Recruit intake 1	September 2019 - December 2019	
Deliver intake 1	January 2020 onwards	
Recruit intake 2	January 2020 - August 2020	
Deliver intake 2	July 2020 onwards	

A gantt chart showing these critical path milestones is included in Appendix I5.

## Section G2: Risk Monitoring and Management

### 14. Please extract the details of the top 5 Risks from your project Risk Register:

Description of Risk	A <b>delay in approval of either capital or revenue costs</b> will impact how long it takes to finalise the precise scope of the RTCC and to make it operational. As described in Section C1, the benefits start accruing as soon as the RTCC is operational so any delay in opening will impact the realisation of the benefits and potentially impact those dependent activities which are on their own fixed timeline (for example, the 2022 Commonwealth Games).
Impact (1-4)	4
Probability (1-4)	1

RAG rating (Red, Amber, Green)	Amber
Risk owner	TfWM
Mitigation	TfWM project team to liaise with Strategic Transport Operator Group and Combined Authority Board to address any issues or concerns as they arise.
Description of Risk	<b>Lack of agreement between all core partners</b> which will impact how long it takes to finalise the precise scope of the RTCC and potentially, the RTCC implementation programme.
Impact (1-4)	4
Probability (1-4)	2
RAG rating (Red, Amber, Green)	Amber
Risk owner	TfWM
Mitigation	RTCC Steering Group to continue through the development and implementation of the RTCC. TfWM to ensure close liaison between all core partners and to involve them in all the review and decision making processes.
Description of Risk	<b>Lack of cooperation with wider operational partners</b> which may not have a direct impact on the implementation of the RTCC but may impact its ability to realise the wider benefits identified in Section C1.
Impact (1-4)	3
Probability (1-4)	2
RAG rating (Red, Amber, Green)	Amber
Risk owner	TfWM
Mitigation	TfWM to ensure regular liaison with RTCC operational partners once funding is approved to carry out the detailed design.
Description of Risk	<b>Delays to the RTCC implementation programme</b> which could impact its ability to deliver benefits relating to dependent activities on their own fixed timeline (for example, the 2022 Commonwealth Games).
Impact (1-4)	4
Probability (1-4)	3
RAG rating (Red, Amber, Green)	Red
Risk owner	TfWM
Mitigation	TfWM project team to liaise with Strategic Transport Operator Group and Combined Authority Board to address and mitigate any delays to the RTCC programme.

Description of Risk	<b>Changes in the timetable of dependent activities</b> such as the HS2 construction programme or the 2022 Commonwealth Games will impact how and when the RTCC benefits can be realised.
Impact (1-4)	4
Probability (1-4)	2
RAG rating (Red, Amber, Green)	Amber
Risk owner	TfWM
Mitigation	TfWM project teams to ensure regular liaison to keep the separate initiatives aligned.

The full Risk Register is included in Appendix I6.

**15. For all other risks not identified in Q. 14 (e.g. force majeure), please provide details of who will own the risk.**

TfWM will be the owner of all risks not identified in the answer to Question 14.

### Section G3: Freedom of Information

**16. Please indicate whether any information in this proforma is considered exempt from release under Section 41 of the Freedom of Information Act 2000. Please outline why if so.**

There are no exemptions from release under Section 41 of the Freedom of Information Act 2000.

### Section G4: State Aid Condition

**17. Please highlight any State Aid issues that were not raised in the OBC (see OBC Q 46).**

As this is a wholly public-sector project, no state aid issues are anticipated.

**18. All applicants need to take steps to satisfy themselves that any WMCA funding approved does not amount to unlawful State Aid. Further confirmation to this effect will be requested at the Full Business Case stage. A declaration of compliance with EU State Aid regulations will be required prior to any WMCA funding being provided.**

**If your project is awarded funds from the WMCA it will be subject to a condition requiring the repayment of any WMCA funding in the event that the European Commission determines that the funding constitutes unlawful State Aid.**

<b>Please confirm your acceptance to this condition:</b>	<b>Yes</b>	<b>No</b>

### Section G5: Project Governance: Key roles & Responsibilities

**19. Please set out the Key Roles in governing the Project, with named officers, which will oversee, deliver and close the project.**

#### RTCC Board

On approval of the funding for the next phase of development of the RTCC, the existing RTCC Steering Group should transition into the RTCC Board. The Board will act as the programme sponsor.

Other key functions will include authorising significant changes to the project plan, agreeing the overall project plan and the supporting operational arrangements and overseeing the management and mitigation of the most serious project risks.

In practice, the Board will not have day-to-day contact with the project and will delegate operational matters to the Senior Responsible Owner, the Project Management Office and the Project Management Board in order to implement the project according to the agreed project and operational plans and the resulting business and contractual agreements. The RTCC Board will review progress during the official review process and will also receive regular progress updates from the Project Management Team. Members of the RTCC Board should be the same as the current RTCC Steering Group.

### **Senior Responsible Owner**

The Senior Responsible Owner (SRO) will be the visible owner of the overall business change accountable for successful delivery and will be recognised as the key leadership figure in driving the development of the RTCC. The SRO will be Anne Shaw, Director of Network Resilience at TfWM.

### **Project Management Office**

The Project Management Office will support the SRO by carrying out the day-to-day management, coordination and performance of the project. The PMO will work closely with the core partners and operational partners and will be based in the WMCA office in Summer Lane, Birmingham.

### **Project Management Board**

In addition to the Project Management Office, there will be a Project Management Board that will meet at least monthly, chaired by the SRO and including officers from the PMO and at least two representatives from the RTCC Board.

The Project Management Board will be responsible for reviewing and actioning issues arising from the project including the progress and achievement of the agreed project milestones and deliverables, the delivery of the supporting operational arrangements and also procurement and contractual matters, programme and project resourcing and financial matters.

The Project Management Board will be responsible for monitoring and actioning the risk management process, the contract management process and the change management process and providing assurance to the RTCC Board, elevating issues for their attention and agreement as set out in the Project Management Plan and supporting documents.

## **20. Please outline any governance procedures that will support the successful delivery of the project**

The WMCA Assurance Framework will specify the governance processes used to oversee the delivery, implementation and operation of the RTCC.

This Framework sets out six stages to the lifecycle of a project with the preparation of this FBC being Stage 4. Once this is approved, the requirements of Stage 5 - Delivery and Regular Evaluation/Monitoring and Stage 6 - Contract Completion will be used to govern the further development of the RTCC.

The Framework sets out the documents to be prepared for each Stage and defines the role of the Mayor of the West Midlands, the Appraisal and Evaluation Panel, the Investment Advisory Group, the WMCA Management Board and the WMCA Board in governance at each Stage.

## **Section G6: Key Stakeholder engagement strategy**

### **21. Please identify your preferred strategy for engaging key Stakeholders in making your project successful.**

The project has numerous and diverse stakeholders whose input, commitment and involvement are essential to the success of the project.

Core partners have been active in developing the concept of the RTCC since January 2018 through the RTCC Steering Group. Since February 2019, the core partners along with a broader cross-section of stakeholders from across the region have developed and refined the RTCC through a series of workshops.

The ongoing management of stakeholder relationships will be key to the achievement of the desired outcomes of the project. This will be achieved by responsibility being clearly defined within the Project Management Office for the key stakeholders and also for interest groups and thematic areas.

The project will set the means of communication in the Communication Plan and will also provide key tools such as a project section on the TfWM website, regular stakeholder updates and the formal reports on the project, including at the completion of the project.

## Section G7: Communications Plan or strategy

### **22. Please identify your preferred communications strategy for Internal Stakeholders and External Stakeholders for reporting progress and gathering support.**

The strategy for communicating with the stakeholders listed in Section C4 is as follows:

#### Core Partners

- All core partners will continue to be integral to the development and implementation of the RTCC and will remain as members of the RTCC Board as it transitions from the Steering Group;
- The core partners will also continue to be involved in further workshops to refine the details of the RTCC; and
- The relationship between the core partners and the RTCC will be set out in the operational model and defined in detail in the operational agreements to be drafted and agreed with all core partners. These will set out how the core partners will work together to support the RTCC and to be able to take advantage of the benefits it offers once operational.

#### Operational Partners

- Regular engagement with operational partners will be critical to the development and implementation of the RTCC. The details of communication and engagement with the operational partners will be addressed during development of the operational model and defined in detail as part of the operational agreements to be concluded with each Operational Partner;
- Many of the operational partners will also continue to be involved in further workshops to refine the details of the RTCC; and
- Once operational, the RTCC will engage with partners on a daily basis as part of its remit to provide a regional coordination umbrella.

#### Innovation Partners

- Regular engagement with innovation partners will be necessary if the RTCC is to realise all of its benefits. The details of communication and engagement with innovation partners will be addressed during development of the operational model;
- While still to be confirmed, engagement and communication with innovation partners will initially be at two levels:
  - On a one-to-one basis with members of the PMO to raise awareness of the RTCC, to solicit interest in being part of the initiative and to formalise partner's involvement in a manner

consistent with the operational model, with operational agreements and with additional requirements such as procurement rules (where third party services are being sought for example); and

- Through RTCC outreach functions such as a website, newsletter, regular mailshots, meetings, etc.

## Section G8: Issue Resolution Plan

### 23. Please extract the top 5 Issues from your project Issue log:

Description of Issue	Timescales for approval of funding for the RTCC given the need to mitigate the impacts of HS2 construction.
Impact (H,M,L)	High
Owner for resolution	TfWM
Resolution	Submission and approval of the FBC to secure funding for the next stage of development of the RTCC.
Resolution Date	May 2019

Description of Issue	Growing levels of congestion and journey time reliability on the West Midlands network and the effect on the WMCA's reputation.
Impact (H,M,L)	High
Owner for resolution	TfWM
Resolution	The RTCC will be able to start realising benefits through the provision of a regional coordination umbrella on opening. The RTCC will assist in coordinating the development of operational plans with partners, providing the capability to identify issues on transport networks using its common operating view, and coordinating the implementation of mitigation measures.
Resolution Date	Winter 2019 on the RTCC becoming operational.

Description of Issue	The agreed programme of works for HS2, other transport network developments and commercial/housing schemes result in an unsustainable reduction in network capacity.
Impact (H,M,L)	High
Owner for resolution	TfWM
Resolution	The RTCC will be able to start realising benefits through the provision of a regional coordination umbrella on opening.
Resolution Date	Winter 2019 on the RTCC becoming operational.

Description of Issue	The need for true partnership cooperation between all key stakeholders to deliver the level and quality of scheme and project development required to meet the aspirations of politicians and others.
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Impact (H,M,L)	High
Owner for resolution	RTCC Board, TfWM and core partners
Resolution	The operational model and associated operational agreements with core partners and operational partners will be developed as part of the next phase of the RTCC. The RTCC will then start realising benefits through the provision of a regional coordination umbrella on opening.
Resolution Date	Winter 2019 on the RTCC becoming operational.

Description of Issue	The commitments given to the Commonwealth Games, HS2 and various developments across the West Midlands are currently undeliverable without RTCC, KRN monitoring and management and other actions in the Congestion Management Plan being successfully brought forward.
Impact (H,M,L)	High
Owner for resolution	TfWM
Resolution	The RTCC will be able to start realising benefits through the provision of a regional coordination umbrella on opening. This will support a number of the initiatives set out in the Congestion Management Plan.
Resolution Date	Winter 2019 on the RTCC becoming operational.

The full Issues Register is included in Appendix I6.

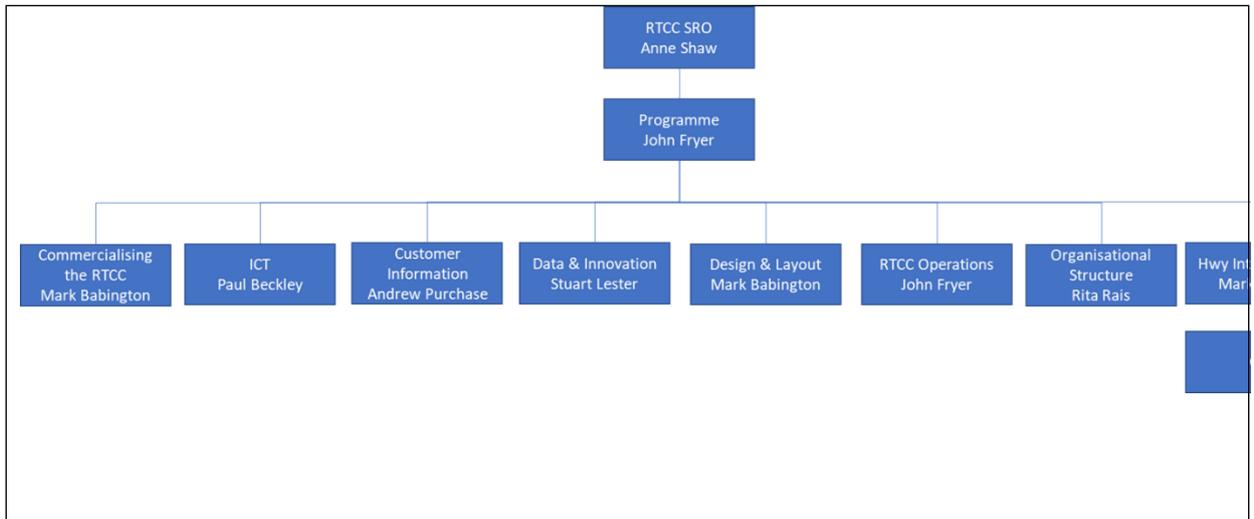
## Section G9: Project Team

### 24. Please describe the experience of the project team and attach the team structure.

During the Delivery Phase, the project team will be:

- Anne Shaw, the TfWM Director of Network Resilience as SRO;
- TfWM's Programme Manager
- TfWM's Project Manager;
- TfWM's KRN Network management;
- TfWM's Safety and Security Manager; and
- Representatives from TfWM Procurement, Legal Services and Human Resources.

Alongside this project team, eight distinct Workstreams have been defined, each with a nominated Workstream Lead. The Workstreams and their respective Leads are as follows:



## Recommendation

### Section H: Conclusion

#### 25. Please state clearly the desired action that your Business Case supports. Please outline.

This Business Case seeks approval for funding the capital costs of development and implementation of a Regional Transport Coordination Centre for the West Midlands.

Option 6 has been selected as the preferred option. This will provide the capability for 24/7 operational liaison, coordination and support between agencies and transport operators. This will also include the capability to pro-actively alert core partners to transport issues at authority boundaries or which have a regional impact, actively coordinate transport responses to incidents, greater cooperation with public transport operators and to act as a transport coordination hub for major events.

Capital costs for the development and implementation of Option 6 are £17.22M (actual prices). In addition to this, a contingency of £4.31M (25%) was included to account for design uncertainties at this stage and risk mitigation giving a total of **£21.53M** (actual prices).

In March 2019 the WMCA Board identified up to £18m of the Transforming Cities Fund (TCF – Round 2) in addition to £1.5m of TCF (Round 1) already allocated. An additional £2m has been made available through Midlands Connect. This funding will enable the delivery of the RTCC to meet its objectives and invest in the operation of the transport system as well as provide coordinating resources working at a regional level.

Revenue costs for the operational of Option 6 from 2019/20 to 2028/29 are £9.35M (actual prices) with a contingency of £1.40M (15%) to cover for design uncertainties at this stage and risk mitigation. This gives a total of **£10.75M** (actual prices).

The 2019/20 revenue costs are contained within budgeted funding within the overall 2019/20 Transport Delivery Revenue budget. Options for funding for the estimated revenue costs beyond 2020/21 are currently being assessed and will provide the basis of a clear and realistic funding strategy to contain those costs within existing WMCA resources. This strategy will need to be integrated into the TfWM Medium Term Financial Plan which will consolidate the financial pressures and priorities of the WMCA for onward consideration by Local Authorities in their financial planning cycles. The funding strategy will take account of any commercial opportunities to contribute towards and / or negate the impact against the Transport Levy. The strategy will be and overseen and agreed by the TfWM Board.

Investments in highways interventions implemented as part of the RTCC programme (Cost Category C12) will be agreed at a local authority level and any revenue requirements for the management of new assets will need to be considered. TfWM will work very closely with each authority to define the delivery programme and manage resources.

The quantifiable benefits for Options 6 were calculated to be £283.17M (actual value).

Using costs in present value prices (£29.59M) and benefits in present value prices (£234.15M), the benefit cost ratio for Option 6 is 7:1.

## **Section I: Appendices**

- I1: Stakeholder Map**
- I2: A Profile for each Output / Outcome and Non-quantifiable Benefits Assessment**
- I3: Evidence of planning permission**
- I4: Detailed breakdown of Project Costs by month**
- I5: Full Project Plan**
- I6: Risk and Issues Log**
- I7: Non-monetarised Benefits**
- I8: Benefits Realisation Plan**
- I9 Summary of Deliverable 1 - Preliminary Strategic Case**
- I10: Summary of Deliverable 2 - Objectives and Long List of Options**
- I11: Summary of Deliverable 2a - Initial sifting of the options**
- I12: Summary of Deliverable 3 – Preferred Option**
- I13: Indicative logic model for the Monitoring and Evaluation Plan**
- I14: Calculation of benefits**
- I15: Derivation of the long list of options**

## Appendix I1

### Stakeholder Map

The core partners, operational partners and innovation partners for the RTCC are as follows:

#### Core Partners

The following organisations will need to be involved in the creation and operation of the RTCC. The nature of the relationship between them will be developed further as part of the business case for the preferred option.

- Transport for West Midlands;
- Birmingham City Council;
- Solihull Metropolitan Borough Council;
- Wolverhampton City Council;
- Dudley Metropolitan Borough Council;
- Walsall Metropolitan Borough Council;
- Sandwell Metropolitan Borough Council;
- Coventry City Council;
- Highways England;
- West Midlands Police;
- National Express; and
- Network Rail.

#### Operational Partners

The organisations listed here represent the wider community of players who will interact with the RTCC as part of their operations. Not all will be involved at Day One but their level of interaction will increase over time and in response to specific events or issues.

- Major Road Network Partners:
  - M6 Toll; and
  - Midlands Connect.
- Neighbouring local highway authorities:
  - Warwickshire;
  - Staffordshire; and
  - Worcestershire.
- Emergency services:
  - Staffordshire Police;
  - West Mercia Police;
  - Warwickshire Police;
  - British Transport Police; and

- Other emergency services such as the Fire and Rescue Service and the Ambulance Service.
- Major Traffic Generators:
  - Birmingham Airport;
  - Advanced manufacturing facilities (such as Jaguar-Land Rover for example);
  - General freight and logistics facilities (DHL, etc.); and
  - Large shopping centres.
- Other transport modes:
  - Local bus operators
  - Train operating companies;
  - High Speed 2;
  - Midland Metro; and
  - Cycle Share;
- Travel Media:
  - Traffic and travel information service providers; and
  - Local media and communication organisations.

### **Innovation Partners**

The RTCC will need to continually evolve to address increasing needs and new challenges as economic growth takes place and the region continues to develop. These organisations will assist the RTCC to develop its intellectual capital and to exploit future developments in technology and data processing.

- App and data service providers (Citymapper, INRIX, Google and Waze, etc.);
- Government technology and innovation centres (Transport Systems Catapult, etc.);
- Universities; and
- Advanced manufacturing industries.

## Appendix I2

### A Profile for each Output / Outcome

The benefits profile presented in Section F4 is based on the following assumptions:

- Benefits for the preferred option are assumed to accrue as follows:
  - 30% in 2020/21;
  - 70% in 2021/22; and
  - 100% from 2022/23 and for each subsequent year.

The rationale for this benefits profile is as follows:

- Some benefits will accrue as the RTCC comes online even before it is fully operational in December 2019;
  - All benefits will accrue during the period 2020/21 albeit at a lower rate. 30% was considered to be a fair reflection of the total benefits accruing during the period April 2020 to March 2021;
  - Operational agreements and associated operational procedures are not expected to be fully optimised when the RTCC first opens. This is reflected by assuming benefits accrue at 70% between April 2021 and March 2022;
  - Full accrual of RTCC benefits is not assumed to start until 2022/23 and continues at this rate to the end of the appraisal period (March 2029); and
  - There is no expectation of a dip in overall benefits on opening. All benefits accruing due to the implementation of the RTCC are additional to any associated benefits accruing from the current situation.
- A number of the metrics that will be used to assess the actual benefits realised will need to be baselined before the RTCC goes fully operational at the end of 2019.

The benefits profile used in the options appraisal is set out below.

Year	Total co-ordination and management Benefits £m	% of benefits realised in year	Realised benefits for Option 6 (actual prices) £m	Realised benefits for Option 6 (present value) £m
2019/20	£30.71	0%	£0.00	£0.00
2020/21	£31.39	30%	£9.42	£9.10
2021/22	£32.12	70%	£22.48	£20.99
2022/23	£32.90	100%	£32.90	£29.68
2023/24	£33.78	100%	£33.78	£29.44
2024/25	£34.72	100%	£34.72	£29.24
2025/26	£35.75	100%	£35.75	£29.08
2026/27	£36.84	100%	£36.84	£28.96
2027/28	£38.02	100%	£38.02	£28.87
2028/29	£39.26	100%	£39.26	£28.81
	<b>£345.49</b>		<b>£283.17</b>	£234.15

## **Appendix I3**

### **Evidence of planning permission**

Planning permission is not required for this project.

## Appendix I4

### Detailed breakdown of Project Costs

Figure I4.1 shows the proposed breakdown of project costs between 2019/20 and 2028/29.

	Financial Year										Total £m
	19/20 £m	20/21 £m	21/22 £m	22/23 £m	23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 £m	28/29 £m	
<b>Capital costs (actual prices)</b>	£5.29	£4.32	£4.15	£3.03	£0.00	£0.40	£0.00	£0.05	£0.00	£0.00	<b>£17.22</b>
<b>Capital cost contingency (actual prices)</b>	£1.32	£1.08	£1.04	£0.76	£0.00	£0.10	£0.00	£0.01	£0.00	£0.00	<b>£4.31</b>
<b>Capital cost total (actual prices)</b>	£6.61	£5.40	£5.18	£3.79	£0.00	£0.49	£0.00	£0.06	£0.00	£0.00	<b>£21.53</b>
<b>Revenue costs (actual prices)</b>	£0.25	£0.72	£0.94	£0.96	£1.00	£1.08	£1.05	£1.08	£1.15	£1.12	<b>£9.35</b>
<b>Revenue cost contingency (actual prices)</b>	£0.04	£0.11	£0.14	£0.14	£0.15	£0.16	£0.16	£0.16	£0.17	£0.17	<b>£1.40</b>
<b>Revenue cost total (actual prices)</b>	£0.29	£0.83	£1.08	£1.10	£1.15	£1.24	£1.21	£1.24	£1.32	£1.28	<b>£10.75</b>
<b>Total Costs (actual prices)</b>	<b>£6.90</b>	<b>£6.22</b>	<b>£6.26</b>	<b>£4.89</b>	<b>£1.15</b>	<b>£1.74</b>	<b>£1.21</b>	<b>£1.30</b>	<b>£1.32</b>	<b>£1.28</b>	<b>£32.28</b>

For the purposes of calculating the benefit : cost ratio, present value prices were used (see Appendix I12). These are as follows:

<b>Total Costs (present value prices)</b>	£6.90	£6.01	£5.84	£4.41	£1.00	£1.46	£0.99	£1.02	£1.01	£0.94	<b>£29.59</b>
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Figure I4.1 Breakdown of costs 2019/20 to 2028/29

## Appendix I5 Full Project Plan

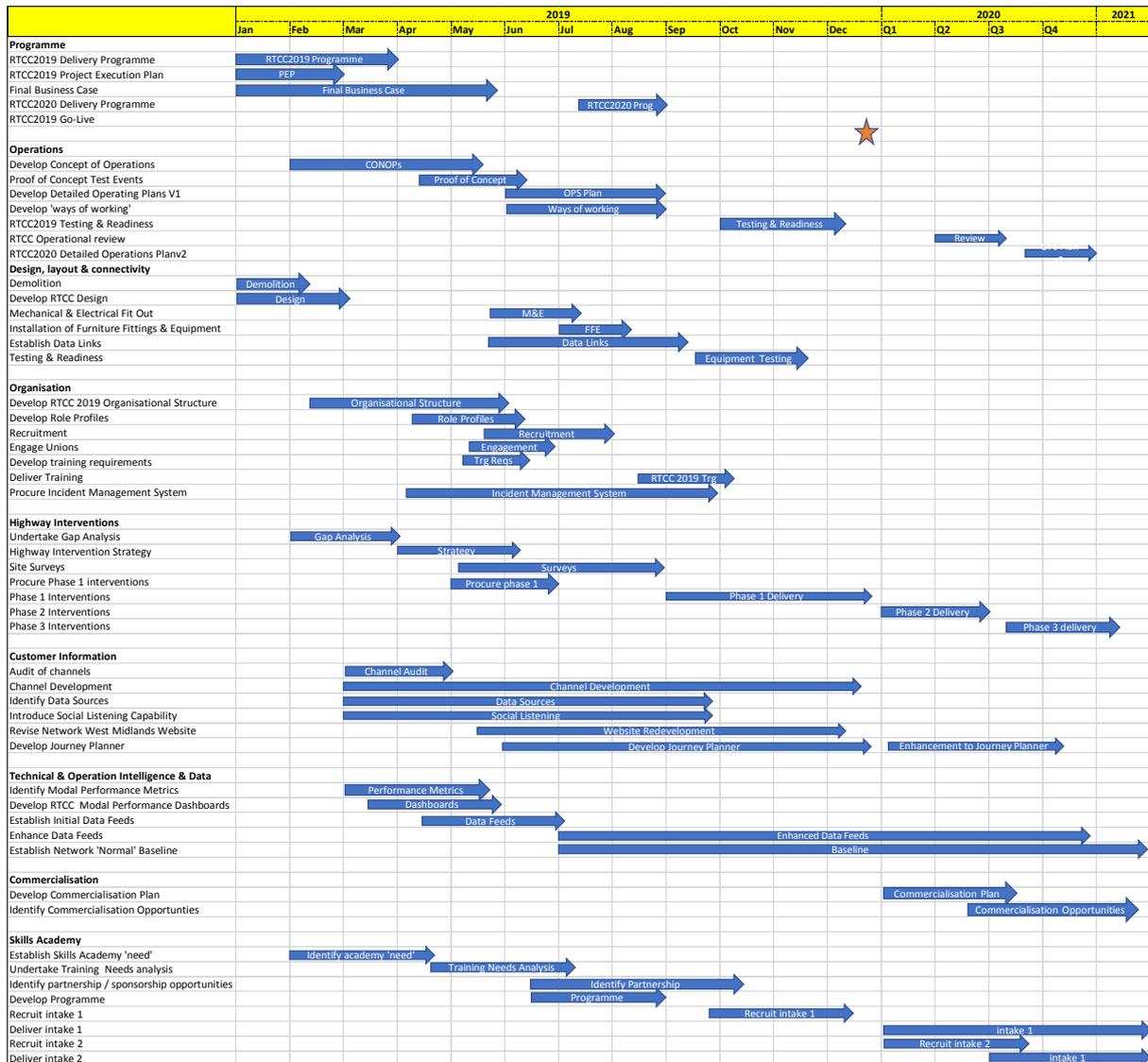
This Appendix sets out the project plan for the development of the RTCC up to December 2020.

Milestone	Expected programme
<b>Programme</b>	
Final Business Case	January 2019 - May 2019
RTCC2020 Delivery Programme	July 2019 - August 2019
RTCC2019 Go-Live	December 2019
<b>Operations</b>	
Develop Concept of Operations	February 2019 - May 2019
Proof of Concept Test Events	April 2019 - June 2019
Develop Detailed Operating Plans V1	June 2019 - August 2019
Develop 'ways of working'	June 2019 - August 2019
RTCC2019 Testing & Readiness	October 2019 - November 2019
RTCC Operational review	April 2020 - July 2020
RTCC2020 Detailed Operations Plan v2	September 2020 - December 2020
<b>Design, layout &amp; connectivity</b>	
Mechanical & Electrical Fit Out	May 2019 - July 2019
Installation of Furniture Fittings & Equipment	July 2019 - August 2019
Establish Data Links	May 2019 - September 2019
Testing & Readiness	September 2019 - November 2019
<b>Organisation</b>	
Develop RTCC 2019 Organisational Structure	February 2019 - May 2019
Develop Role Profiles	April 2019 - June 2019
Recruitment	May 2019 - July 2019
Engage Unions	May 2019 - June 2019
Develop training requirements	May 2019 - June 2019
Deliver Training	August 2019 - October 2019
Procure Incident Management System	April 2019 - September 2019
<b>Highway Interventions</b>	
Highway Intervention Strategy	April 2019 - June 2019
Site Surveys	May 2019 - August 2019
Procure Phase 1 interventions	May 2019 - June 2019
Phase 1 Interventions	September 2019 - December 2019
Phase 2 Interventions	January 2020 - June 2020
Phase 3 Interventions	July 2020 - December 2020
<b>Customer Information</b>	
Channel Development	March 2019 - December 2019

<b>Milestone</b>	<b>Expected programme</b>
Identify Data Sources	March 2019 - September 2019
Introduce Social Listening Capability	March 2019 - September 2019
Revise Network West Midlands Website	May 2019 - December 2019
Develop Journey Planner	May 2019 - December 2019
<b>Technical &amp; Operation Intelligence &amp; Data</b>	
Identify Modal Performance Metrics	March 2019 - May 2019
Develop RTCC Modal Performance Dashboards	March 2019 - May 2019
Establish Initial Data Feeds	April 2019 - July 2019
Enhance Data Feeds	July 2019 - December 2020
Establish Network 'Normal' Baseline	July 2019 - December 2020
<b>Commercialisation</b>	
Develop Commercialisation Plan	January 2020 - August 2020
Identify Commercialisation Opportunities	Ongoing
<b>Skills Academy</b>	
Undertake Training Needs analysis	April 2019 - July 2019
Identify partnership / sponsorship opportunities	June 2019 - October 2019
Develop Programme	June 2019 - August 2019
Recruit intake 1	September 2019 - December 2019
Deliver intake 1	January 2020 onwards
Recruit intake 2	January 2020 - August 2020
Deliver intake 2	July 2020 onwards
<b>Milestone</b>	<b>Expected programme</b>
<b>Programme</b>	
Final Business Case	January 2019 - May 2019
RTCC2020 Delivery Programme	July 2019 - August 2019
RTCC2019 Go-Live	December 2019
<b>Operations</b>	
Develop Concept of Operations	February 2019 - May 2019
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RTCC2020 Detailed Operations Plan v2	September 2020 - December 2020
<b>Design, layout &amp; connectivity</b>	
Mechanical & Electrical Fit Out	May 2019 - July 2019
Installation of Furniture Fittings & Equipment	July 2019 - August 2019
Establish Data Links	May 2019 - September 2019
Testing & Readiness	September 2019 - November 2019

<b>Milestone</b>	<b>Expected programme</b>
<b>Organisation</b>	
Develop RTCC 2019 Organisational Structure	February 2019 - May 2019
Develop Role Profiles	April 2019 - June 2019
Recruitment	May 2019 - July 2019
Engage Unions	May 2019 - June 2019
Develop training requirements	May 2019 - June 2019
Deliver Training	August 2019 - October 2019
Procure Incident Management System	April 2019 - September 2019
<b>Highway Interventions</b>	
Highway Intervention Strategy	April 2019 - June 2019
Site Surveys	May 2019 - August 2019
Procure Phase 1 interventions	May 2019 - June 2019
Phase 1 Interventions	September 2019 - December 2019
Phase 2 Interventions	January 2020 - June 2020
Phase 3 Interventions	July 2020 - December 2020
<b>Customer Information</b>	
Channel Development	March 2019 - December 2019
Identify Data Sources	March 2019 - September 2019
Introduce Social Listening Capability	March 2019 - September 2019
Revise Network West Midlands Website	May 2019 - December 2019
Develop Journey Planner	May 2019 - December 2019
<b>Technical &amp; Operation Intelligence &amp; Data</b>	
Identify Modal Performance Metrics	March 2019 - May 2019
Develop RTCC Modal Performance Dashboards	March 2019 - May 2019
Establish Initial Data Feeds	April 2019 - July 2019
Enhance Data Feeds	July 2019 - December 2020
Establish Network 'Normal' Baseline	July 2019 - December 2020
<b>Commercialisation</b>	
Develop Commercialisation Plan	January 2020 - August 2020
Identify Commercialisation Opportunities	Ongoing
<b>Skills Academy</b>	
Undertake Training Needs analysis	April 2019 - July 2019
Identify partnership / sponsorship opportunities	June 2019 - October 2019
Develop Programme	June 2019 - August 2019
Recruit intake 1	September 2019 - December 2019
Deliver intake 1	January 2020 onwards
Recruit intake 2	January 2020 - August 2020
Deliver intake 2	July 2020 onwards

A high-level gantt chart is shown below.



## **Appendix I6**

### **Risk and Issues Register**

This Appendix sets out the Risks and Issues Register for the RTCC at the time of submitting this Full Business Case.

Title	Risk Category	Risk Owner	Risk Description	Risk Problty	Risk Cost Impact	Schedule Impact	Reputn Impact	Risk RAG	Mitigation Plan
Delay in approval of either capital or revenue costs	Risk	TfWM	A <b>delay in approval of either capital or revenue costs</b> will impact how long it takes to finalise the precise scope of the RTCC and to make it operational. As described in Section C1, the benefits start accruing as soon as the RTCC is operational so any delay in opening will impact the realisation of the benefits and potentially impact those dependent activities which are on their own fixed timeline (for example, the 2022 Commonwealth Games).	2	2	4	2	Amber	TfWM project team to liaise with Strategic Transport Operator Group and Combined Authority Board to address any issues or concerns as they arise.
Lack of agreement between all core partners	Risk	TfWM	<b>Lack of agreement between all core partners</b> which will impact how long it takes to finalise the precise scope of the RTCC and potentially, the RTCC implementation programme.	2	2	4	2	Amber	RTCC Steering Group to continue through the development and implementation of the RTCC. TfWM to ensure close liaison between all core partners and to involve them in all the review and decision making processes.
Lack of cooperation with wider operational partners	Risk	TfWM	<b>Lack of cooperation with wider operational partners</b> which may not have a direct impact on the implementation of the RTCC but may impact its ability to realise the wider benefits identified in Section C1.	3	2	2	3	Amber	TfWM to ensure regular liaison with RTCC operational partners once funding is approved to carry out the detailed design.
Delays to the RTCC implementation programme	Risk	TfWM	<b>Delays to the RTCC implementation programme</b> which could impact its ability to deliver benefits relating to dependent activities on their own fixed timeline (for example, the 2022 Commonwealth Games).	4	3	4	3	Red	TfWM project team to liaise with Strategic Transport Operator Group and Combined Authority Board to address and mitigate any delays to the RTCC programme.
Changes in the timetable of dependent activities	Risk	TfWM	<b>Changes in the timetable of dependent activities</b> such as the HS2 construction programme or the 2022 Commonwealth Games will impact how and when the RTCC benefits can be realised.	4	2	2	2	Amber	TfWM project teams to ensure regular liaison to keep the separate initiatives aligned.
Timescales for funding	Issue	TfWM	Timescales for approval of funding for the RTCC given the need to mitigate the impacts of HS2 construction.	2	2	4	2	Amber	TfWM project team to liaise with Strategic Transport Operator Group and Combined Authority Board to address any issues or concerns as they arise.

Title	Risk Category	Risk Owner	Risk Description	Risk Problty	Risk Cost Impact	Schedule Impact	Reputn Impact	Risk RAG	Mitigation Plan
Impact of congestion on network performance	Issue	TfWM	Growing levels of congestion and journey time reliability on the West Midlands network and the effect on the WMCA's reputation.	4	2	2	4	Red	TfWM project teams to ensure regular liaison to keep the separate initiatives aligned.
Impact of construction and development on network capacity	Issue	TfWM	The agreed programme of works for HS2, other transport network developments and commercial/housing schemes result in an unsustainable reduction in network capacity.	4	2	2	4	Red	TfWM project teams to ensure regular liaison to keep the separate initiatives aligned.
Cooperation between all stakeholder	Issue	TfWM	The need for true partnership cooperation between all key stakeholders to deliver the level and quality of scheme and project development required to meet the aspirations of politicians and others.	4	2	2	4	Red	RTCC Steering Group to continue through the development and implementation of the RTCC. TfWM to ensure close liaison between all core partners and to involve them in all the review and decision making process.
Deliverability of commitments without RTCC	Issue	TfWM	The commitments given to Commonwealth Games, HS2 and various developments across the West Midlands are currently undeliverable without the RTCC, KRN monitoring and management and other actions in the Congestion Management Plan being successfully brought forward.	4	2	2	4	Red	TfWM project teams to ensure regular liaison to keep the separate initiatives aligned.

## Appendix I7

### Non-monetarised benefits

#### Benefits overview

Twelve quantifiable/non-quantifiable benefits have been defined for the RTCC as set out in Section F4. Of these, seven were considered to be quantifiable in a way suitable for monetarisation and were used as the basis for the Cost Benefit appraisal described in Section F5. (Note that although Benefit B1 was considered to be one of the seven quantifiable benefits, it was taken into account in determining a number of the other five quantifiable benefits so was not assessed on its own to avoid double counting).

The assessment of the five non-monetarised benefits carried out in the context of the six Business Case Objectives (described in Appendix I10) and insofar as they could be directly attributable to the RTCC is summarised in this Appendix. Note that there are strategic benefits that the RTCC will contribute to realising, but the precise contribution directly attributable to the implementation of the RTCC cannot be accurately determined at this stage.

**B1 – Capability to coordinate communication to the traveling public including advice on how to avoid delays through alternative routes, methods and modes supporting a move to more sustainable journeys [quantifiable but already taken into account in assessing the other quantifiable benefits];**

**B2 – Provision of a regional coordination umbrella across core partners [quantifiable but already taken into account in assessing a number of the other quantifiable benefits];**

**B3 – Capability to provide umbrella coordination of the region’s transport networks out of UTC Centre normal operating hours [quantifiable];**

**B4 – Capability to coordinate the development of regional operational plans [non-quantifiable];**

- Indicative measureable impacts:
  - On BCO5 - Providing 24/7 proactive liaison, communication and monitoring between TfWM and Highways England to manage the impact of unplanned events on the SRN or KRN which affect parts of the other network, and on BCO6 - Maintaining and strengthening operational partnerships to support regional network coordination by:
    - Reducing congestion on the SRN or KRN resulting from an unplanned event occurring on relevant parts of the other network by an average of 15 minutes per unplanned event which occurs overnight but continues into the peak hour of the next day; and
    - Increase in usage of travel information dissemination channels supported by the RTCC (metric to be established).
- Indicative measurement method:
  - Change in travel patterns consistent with advice provided by TfWM, Highways England and other core partners for journeys on the SRN or the KRN (eg time of travel, route taken) when there are issues impacting performance of relevant parts of the other network;
  - Awareness of travel information dissemination channels supported by the RTCC (likely to be measured via customer feedback surveys); and
  - Change in use of travel information dissemination channels supported by the RTCC before and after it becomes operational (likely to be measured by change in hits on relevant pages on websites, etc).
- Timeframe for accrual – Benefits will begin to accrue as soon as the RTCC is operational.

**B5 - Capability to coordinate interventions in day-to-day network operations (based on agreed operational plans) to improve regional network performance [quantifiable but already taken into account in assessing a number of the other quantifiable benefits];**

**B6 – Capability to coordinate the development of contingency plans to mitigate the impact of unplanned events [quantifiable but already taken into account in assessing B7];**

**B7 – Capability to coordinate the regional response to unplanned events (based on agreed contingency plans) [quantifiable];**

**B8 – Capability to coordinate the development of plans to mitigate the impact of planned roadworks on regional transport networks [quantifiable];**

**B9 – Capability to coordinate with Highways England on issues impacting the performance of the SRN and the KRN [non-quantifiable];**

- Indicative measureable impacts:
  - On BCO3 - Supporting local authorities' management of the KRN through regional liaison and coordination and BCO6 - Maintaining and strengthening operational partnerships to support regional network coordination by;
    - Agreeing a baseline network performance of the SRN and the KRN with partners;
    - Monitoring the operational status of the KRN and advising appropriate partners of changes in operational status within 3 minutes of it being identified (and confirmed) by the RTCC;
    - Reducing congestion on the SRN or KRN resulting from an unplanned event occurring on relevant parts of the other network by an average of 15 minutes per unplanned event which occurs overnight but continues into the peak hour of the next day; and
    - Increase in usage of travel information dissemination channels supported by the RTCC (metric to be established);
- Indicative measurement method:
  - Change in travel patterns consistent with advice provided by TfWM, Highways England and other core partners for journeys on the SRN or the KRN (eg time of travel, route taken) when there are issues impacting performance of relevant parts of the other network;
  - Awareness of travel information dissemination channels supported by the RTCC (likely to be measured via customer feedback surveys); and
  - Change in use of travel information dissemination channels supported by the RTCC before and after it becomes operational (likely to be measured by change in hits on relevant pages on websites, etc).
- Timeframe for accrual – Benefits will begin to accrue as soon as the RTCC is operational.

**B10 – Establishment and sharing of one version of the truth across the region [non-quantifiable];**

- Indicative measureable impacts:
  - On Business Case Objective BC01 - Providing stakeholders with a real-time, common view of the operation of transport networks across the region by:
    - Reducing time to implement an agreed intervention in response to unplanned events taking place overnight by an average of 15 minutes per unplanned event;

- Reducing congestion by an average of 15 minutes per unplanned events which occurs overnight but continues into the peak hour of the next day; and
- Reduction in the time taken to identify an unplanned event with cross-boundary or regional impact and to implement measures to mitigate such an event by an average of 10 minutes.
- Indicative measurement method:
  - Time between identification of an unplanned event with cross-boundary or regional impact and mitigating actions being agreed and implemented;
  - Differences in journey time on directly comparable parts of the KRN and on directly comparable public transport routes/services before and after the RTCC becomes operational; and
  - Journey time reliability on directly comparable parts of the KRN and on directly comparable public transport routes/services before and after the RTCC becomes operational.
- Timeframe for accrual – Benefits will begin to accrue as soon as the RTCC is operational.

**B11 – Capability to coordinate the development of plans to mitigate the impact of construction works (such as HS2) on regional transport networks [non-quantifiable];**

- Indicative measureable impacts:
  - On BCO2 - Minimising the cumulative impact of infrastructure construction and maintenance on network operation by;
    - Reducing disruption caused by construction works (impact to be defined on a case-by-case basis depending on the nature, duration and location of the construction works);
    - Reducing the change in transport network performance during construction works (impact to be defined on a case-by-case basis depending on the nature, duration and location of the construction works); and
    - Increase in the use of travel information channels supported by the RTCC during construction works (impact to be defined on a case-by-case basis depending on the nature, duration and location of the construction works).
- Indicative measurement method:
  - Differences in journey time on directly comparable parts of the KRN and on directly comparable public transport routes/services before and during construction works;
  - Journey time reliability on directly comparable parts of the KRN and on directly comparable public transport routes/services before and during construction works;
  - Awareness of travel information dissemination channels supported by the RTCC (likely to be measured via customer feedback surveys);
  - Changes in public transport patronage which can be attributed to travel information and advice relating to disruption due to construction works (likely to be measured via customer feedback surveys); and
  - Change in use of travel information dissemination channels support by the RTCC before and during construction works (likely to be measured by change in hits on relevant pages on website, etc).
- Timeframe for accrual – Benefits will begin to accrue as soon as the RTCC is operational and in conjunction with construction works programmes.

**B12 – Capability to act as the transport coordination hub for major events [non-quantifiable];**

- Indicative measureable impacts:
  - On BCO4 - Improving the management of transport networks during major events by;
    - Increased use of travel information channels supported by the RTCC during events (impact to be defined based on nature and extent of specific travel information services to be implemented for major events alongside business-as-usual travel information services);
    - Change in travel patterns (eg time of travel, mode of travel, route taken) during events consistent with advice provided by TfWM and core partners (impact to be defined subject to progress of transport modelling work carried out in relation to major events); and
    - Reducing the change in transport network performance during events (impact to be defined subject to progress of transport modelling work carried out in relation to major events).
- Indicative measurement method:
  - Differences in journey time on directly comparable parts of the KRN and on directly comparable public transport routes/services before and during each event;
  - Journey time reliability on directly comparable parts of the KRN and on directly comparable public transport routes/services before and during each major event;
  - Awareness of travel information dissemination channels supported by the RTCC (likely to be measured via customer feedback surveys);
  - Change in use of travel information dissemination channels supported by the RTCC before and during each major event (likely to be measured by change in hits on relevant pages on website, etc); and
  - Increase in patronage of public transport services consistent with advice provided by TfWM and core partners.
- Timeframe for accrual – Benefits will begin to accrue as soon as the RTCC is operational and in conjunction with the timetable for each major event.

## Appendix I8

### Benefits Realisation Plan

#### Introduction

Twelve quantifiable and non-quantifiable benefits have been defined based on the proposed RTCC capabilities. These are as follows:

- B1 – Capability to coordinate communication to the traveling public including advice on how to avoid delays through alternative routes, methods and modes supporting a move to more sustainable journeys [quantifiable but already taken into account in assessing a number of the other quantifiable benefits];
- B2 – Provision of a regional coordination umbrella across core partners [quantifiable but already taken into account in assessing a number of the other quantifiable benefits];
- B3 – Capability to provide umbrella coordination of the region’s transport networks out of UTC Centre normal operating hours [quantifiable];
- B4 – Capability to coordinate the development of regional operational plans [non-quantifiable];
- B5 - Capability to coordinate interventions in day-to-day network operations (based on agreed operational plans) to improve regional network performance [quantifiable but already taken into account in assessing a number of the other quantifiable benefits];
- B6 – Capability to coordinate the development of contingency plans to mitigate the impact of unplanned events [quantifiable but already taken into account in assessing B7];
- B7 – Capability to coordinate the regional response to unplanned events (based on agreed contingency plans) [quantifiable];
- B8 – Capability to coordinate the development of plans to mitigate the impact of planned roadworks on regional transport networks [quantifiable];
- B9 – Capability to coordinate with Highways England on issues impacting the performance of the SRN and the KRN [non-quantifiable];
- B10 – Establishment and sharing of one version of the truth across the region [non-quantifiable]
- B11 – Capability to coordinate the development of plans to mitigate the impact of construction works (such as HS2) on regional transport networks [non-quantifiable]; and
- B12 – Capability to act as the transport coordination hub for major events [non-quantifiable].

#### Benefits profile

The assumed profile for the realisation of the benefits of the RTCC is set out in Appendix I2 of this Full Business Case.

#### Monitoring and evaluation

The indicative approach to monitoring and evaluation is defined in Section J of this Full Business Case.

#### Benefits RACI matrix

The following table presents the RACI (Responsible – Accountable – Consulted – Informed) matrix for the RTCC. Note that in typical RACI matrices, there is only a single accountable approver or final approving authority for each benefit. Due to the nature of some of the RTCC benefits, multiple approvers have been defined to ensure that there is appropriate ownership of each action which will lead to realisation of the benefits.

<b>Benefit</b>	<b>Responsible</b>	<b>Accountable</b>	<b>Consulted</b>	<b>Informed</b>
B1 – Capability to coordinate communication to the traveling public including advice on how to avoid delays through alternative routes, methods and modes supporting a move to more sustainable journeys [quantifiable but already taken into account in assessing a number of the other quantifiable benefits]	<ul style="list-style-type: none"> <li>TfWM responsible for ensuring the RTCC capabilities are delivered and become operational on schedule</li> </ul>	<ul style="list-style-type: none"> <li>TfWM accountable for ensuring the RTCC capabilities are delivered and become operational on schedule</li> <li>Core partners and any other organisations who commit to work with TfWM in respect of providing data to contribute to the RTCC’s one version of the truth</li> </ul>	<ul style="list-style-type: none"> <li>Core partners</li> <li>Operational partners</li> <li>Department for Transport</li> <li>Neighbouring local authorities</li> <li>Innovation partners</li> </ul>	<ul style="list-style-type: none"> <li>Public</li> </ul>
B2 – Provision of a regional coordination umbrella across core partners [quantifiable but already taken into account in assessing a number of the other quantifiable benefits]	<ul style="list-style-type: none"> <li>TfWM responsible for securing funding and establishing the RTCC capabilities</li> </ul>	<ul style="list-style-type: none"> <li>TfWM accountable for securing funding and establishing the RTCC capabilities</li> </ul>	<ul style="list-style-type: none"> <li>Core partners</li> <li>Operational partners</li> <li>Department for Transport</li> <li>Neighbouring local authorities</li> <li>Innovation partners</li> </ul>	<ul style="list-style-type: none"> <li>Public</li> </ul>
B3 – Capability to provide umbrella coordination of the region’s transport networks out of UTC Centre normal operating hours [quantifiable]	<ul style="list-style-type: none"> <li>TfWM responsible for ensuring the RTCC capabilities are provided on a 24/7 basis</li> </ul>	<ul style="list-style-type: none"> <li>TfWM accountable for delivering RTCC capabilities on a 24/7 basis</li> </ul>	<ul style="list-style-type: none"> <li>Core partners</li> <li>Operational partners</li> <li>Department for Transport</li> <li>Neighbouring local authorities</li> </ul>	<ul style="list-style-type: none"> <li>Innovation partners</li> </ul>
B4 – Capability to coordinate the development of regional operational plans [non-quantifiable]	<ul style="list-style-type: none"> <li>TfWM and core partners will work together to develop effective regional operational plans</li> </ul>	<ul style="list-style-type: none"> <li>TfWM accountable for delivery of RTCC capabilities</li> <li>Core partners accountable for integrating RTCC capabilities into their business-as-usual operations as appropriate to realise the benefit for regional transport network management</li> </ul>	<ul style="list-style-type: none"> <li>Core partners</li> <li>Operational partners</li> <li>Department for Transport</li> <li>Neighbouring local authorities</li> </ul>	<ul style="list-style-type: none"> <li>Innovation partners</li> </ul>
B5 - Capability to coordinate interventions in day-to-day network operations (based on agreed operational plans) to improve regional network performance [quantifiable but already taken into account in	<ul style="list-style-type: none"> <li>TfWM responsible for delivery of RTCC umbrella coordination capabilities</li> <li>Core partners responsible for working with RTCC to integrate operational plans into their</li> </ul>	<ul style="list-style-type: none"> <li>TfWM accountable for delivery of RTCC capabilities</li> <li>Core partners accountable for integrating RTCC operational intervention capabilities into their business-as-usual operations as appropriate to realise the</li> </ul>	<ul style="list-style-type: none"> <li>Core partners</li> <li>Operational partners</li> <li>Department for Transport</li> <li>Neighbouring local authorities</li> </ul>	<ul style="list-style-type: none"> <li>Public</li> <li>Innovation partners</li> </ul>

<b>Benefit</b>	<b>Responsible</b>	<b>Accountable</b>	<b>Consulted</b>	<b>Informed</b>
assessing a number of the other quantifiable benefits]	business-as-usual operations as appropriate	benefit for regional transport network management		
B6 – Capability to coordinate the development of contingency plans to mitigate the impact of unplanned events [quantifiable but already taken into account in assessing B7]	<ul style="list-style-type: none"> <li>TfWM and core partners will work together to develop effective contingency plans for unplanned events</li> </ul>	<ul style="list-style-type: none"> <li>TfWM accountable for delivery of RTCC capabilities</li> <li>Core partners accountable for integrating RTCC capabilities into their business-as-usual operations as appropriate to realise the benefit for regional transport network management</li> </ul>	<ul style="list-style-type: none"> <li>Core partners</li> <li>Operational partners</li> <li>Department for Transport</li> <li>Neighbouring local authorities</li> <li>Fire and Rescue Service</li> <li>Ambulance Service</li> </ul>	<ul style="list-style-type: none"> <li>Innovation partners</li> </ul>
B7 – Capability to coordinate the regional response to unplanned events (based on agreed contingency plans) [quantifiable]	<ul style="list-style-type: none"> <li>TfWM responsible for delivery of RTCC umbrella coordination capabilities</li> <li>Core partners responsible for working with RTCC to integrate response plans into their business-as-usual operations as appropriate</li> </ul>	<ul style="list-style-type: none"> <li>TfWM accountable for delivery of RTCC capabilities</li> <li>Core partners accountable for integrating RTCC response coordination capabilities into their business-as-usual operations as appropriate to realise the benefit for regional transport network management</li> </ul>	<ul style="list-style-type: none"> <li>Any core partners not involved in planning for a specific unplanned event</li> <li>Fire and Rescue Service</li> <li>Ambulance Service</li> </ul>	<ul style="list-style-type: none"> <li>Public</li> <li>Innovation partners</li> </ul>
B8 – Capability to coordinate the development of plans to mitigate the impact of planned roadworks on regional transport networks [quantifiable]	<ul style="list-style-type: none"> <li>TfWM, core partners and operational partners will work together to develop effective plans to mitigate the impact of roadworks</li> <li>Client authorities/companies and contractors responsible for coordinating with RTCC and core partners to support the development of plans to mitigate the impact of roadworks</li> </ul>	<ul style="list-style-type: none"> <li>TfWM accountable for delivery of RTCC capabilities</li> <li>Core partners accountable for integrating RTCC roadwork mitigation capabilities into their business-as-usual operations as appropriate to realise the benefit for regional transport network management</li> <li>client authorities/companies and Contractors responsible for coordinating with RTCC and core partners to support plans to mitigate the impact of roadworks</li> </ul>	<ul style="list-style-type: none"> <li>Client authorities/companies and contractors</li> <li>Core partners</li> <li>Operational partners</li> </ul>	<ul style="list-style-type: none"> <li>Public</li> <li>Innovation partners</li> </ul>
B9 – Capability to coordinate with Highways England on issues impacting the performance of the SRN and the KRN [non-quantifiable]	<ul style="list-style-type: none"> <li>TfWM and Highways England responsible for coordinating on issues impacting the SRN and KRN and for advising core partners of the issues and their wider impacts</li> </ul>	<ul style="list-style-type: none"> <li>TfWM and Highways England accountable for delivering a coordinated view of issues on the SRN and KRN to core partners</li> </ul>	<ul style="list-style-type: none"> <li>Core partners</li> <li>Operational partners</li> <li>Department for Transport</li> <li>Neighbouring local authorities</li> </ul>	<ul style="list-style-type: none"> <li>Public</li> <li>Innovation partners</li> </ul>
B10 – Establishment and sharing of one version of the	<ul style="list-style-type: none"> <li>TfWM responsible for delivering the RTCC's capability to provide one</li> </ul>	<ul style="list-style-type: none"> <li>TfWM accountable for delivering the regional common operating picture</li> </ul>	<ul style="list-style-type: none"> <li>Core partners</li> <li>Operational partners</li> <li>Department for Transport</li> </ul>	<ul style="list-style-type: none"> <li>Public</li> <li>Innovation partners</li> </ul>

Benefit	Responsible	Accountable	Consulted	Informed
truth across the Region [non-quantifiable]	version of the truth across the Region <ul style="list-style-type: none"> <li>Core partners responsible for sharing information to with RTCC to inform the regional common operating picture and for integrating its into their business-as-usual operations</li> </ul>	<ul style="list-style-type: none"> <li>Core partners accountable for sharing information to with RTCC to inform the regional common operating picture</li> </ul>	<ul style="list-style-type: none"> <li>Neighbouring local authorities</li> </ul>	
B11 – Capability to coordinate the development of plans to mitigate the impact of construction works (such as HS2) on regional transport networks [non-quantifiable]	<ul style="list-style-type: none"> <li>TfWM, core partners and operational partners will work together to develop effective plans to mitigate the impact of major construction projects</li> <li>Project sponsors and contractors responsible for coordinating with RTCC and core partners to support the development of plans to mitigate the impact of major construction projects</li> </ul>	<ul style="list-style-type: none"> <li>TfWM accountable for delivery of RTCC capabilities and implementing plans to mitigate the impact of major construction projects</li> <li>Core partners accountable for implementing plans to mitigate the impact of major construction projects into their business-as-usual operations as appropriate to realise the benefit for regional transport network management</li> </ul>	<ul style="list-style-type: none"> <li>Major project sponsors and contractors</li> <li>Core partners</li> <li>Operational partners</li> </ul>	<ul style="list-style-type: none"> <li>Public</li> <li>Innovation partners</li> </ul>
B12 – Capability to act as the transport coordination hub for major events [non-quantifiable]	<ul style="list-style-type: none"> <li>TfWM responsible for ensuring the RTCC can be a transport coordination hub for major events Depending on the nature of each major event, core partners will be responsible for working with the RTCC to plan for and to support the operation of the RTCC as a transport coordination hub for major events</li> <li>Other stakeholders involved in each major event will have different degrees of responsibility for supporting the RTCC as a transport coordination hub</li> </ul>	<ul style="list-style-type: none"> <li>TfWM accountable for ensuring the RTCC can be a transport coordination hub for major events</li> </ul>	<ul style="list-style-type: none"> <li>Any core partners not involved in any one specific major event</li> <li>Operational partners</li> <li>Department for Transport</li> <li>Neighbouring local authorities</li> </ul>	<ul style="list-style-type: none"> <li>Public</li> <li>Innovation partners</li> </ul>

## Appendix I9

### Summary of Deliverable 1 - Preliminary Strategic Case

The West Midlands Combined Authority has set out an ambitious programme to transform the economic and social fortunes of the region over the next 15 years. This includes rapid growth in population, jobs and housing, resulting in improved earnings, social and physical well-being and economic performance of the region. The strategy is based on the traditional and advanced manufacturing industries of the region and its physical location in the centre of the UK. These advantages are enhanced by the advent of HS2, opening in 2026 with two new West Midlands stations in Birmingham City Centre and at UK Central, adjacent to the NEC and Birmingham International Airport and also by the rejuvenation of the UK automotive industry, including connected and autonomous vehicles, centred on East Coventry and in the centre of the region.

Transport is a key enabler to facilitate this growth, including the construction of HS2, improvements to the Strategic Road Network and the existing rail network and regional enhancements to the public transport, road and walking/cycling networks. These enhancements will enable improved mobility within and across the region and also to and from neighbouring authorities and finally for traffic passing through the region on the national networks.

Currently much of the road and public transport network in the region is operating at capacity during peak periods, and if nothing changes the increased demands on the network from the rise in population and business will result in even more congestion, more unreliable journeys for workers and businesses and increased levels of harmful emissions, which are already frequently above safe target levels. To add to these challenges, it is estimated that transport and development construction work may reduce existing network capacity by up to 25% in key locations during the period of the works.

This study examined how this situation could be addressed by improving regional coordination and overview capabilities through the establishment of a RTCC. A number of potential options for providing such a facility were identified together with range of functional and operational capabilities. The proposed RTCC will be designed to assist in:

- Reducing the impacts resulting from current and future traffic conditions;
- Supporting the region's wider economic and transport policy ambitions;
- Addressing the need to manage reputational risk; and
- Correcting the effects of chronic underinvestment in local transport management capabilities and operations.

The scope of the RTCC was set out in the form of an Operational Model, developed following extensive stakeholder consultations. The overall operational model for the RTCC comprised the following elements, including:

- Vision – the high level goals of the RTCC;
- Operational Philosophy – the approach to the non-technical aspects of RTCC operations, e.g. policy, leadership;
- Functional Scope – the activities the RTCC will perform;
- Organisational Scope – the bodies involved in delivering the functions; and
- Operational Capabilities/Services – the capability the RTCC will need in order to deliver the functions described in terms of provision of specific services.

Deliverable 2 used this output from Deliverable 1 as a basis for defining the transport objectives that will solve the problems identified in the Strategic Case and verifies and expanded on the long list of options identified in the SOBC which could meet the transport objectives.

Deliverable 1 is available for review via TfWM.

## Appendix I10

### Summary of Deliverable 2 - Objectives and Long List of Options

Deliverable 2 defined the transport objectives that will solve the problems identified in the Strategic Case (Deliverable 1). It also verified the list of options identified in the SOBC which could meet the transport objectives and expanded on the verified SOBC options to define a long list of options for further consideration.

The derivation of the transport objectives was based on the over-arching longer-term objectives set out in the SOBC. These were translated into a number of specific “Business Case Objectives”, each defined using SMART approach – specific, measurable, achievable, realistic, time-limited – in accordance with the HM Treasury’s Green Book. Six Business Case Objectives were defined as follows:

- BCO1 - Providing stakeholders with a real-time, common view of the operation of transport networks across the region;
- BCO2 - Minimising the cumulative impact of infrastructure construction and maintenance on network operation;
- BCO3 - Supporting local authorities’ management of the West Midlands Key Route Network (KRN) through regional liaison and coordination;
- BCO4 - Improving the management of transport networks during major events;
- BCO5 - Providing 24/7 proactive liaison, communication and monitoring between stakeholders to manage the impacts of unplanned events affecting the transport network; and
- BCO6 - Maintaining and strengthening operational partnerships to support regional network coordination.

Using these Business Case Objectives and the five options for the RTCC defined in the SOBC, an expanded long list of options was defined using a process adapted from the Green Book’s Options Framework. Seven long list options were defined as follows:

- Long List Option 1 – Do nothing;
- Long List Option 2 – Operational liaison;
- Long List Option 3 – Operational liaison, coordination and support;
- Long List Option 4a, b, c – Coordinating major planned events;
- Long List Option 5a, b, c – 24/7 incident management and coordination (i.e. emergency services co-located in RTCC on an as-needed basis);
- Long List Option 6a, b, c – 24/7 incident control (i.e. control of transport networks from RTCC, emergency services embedded in RTCC); and
- Long List Option 7 – Centralised management and control from RTCC.

Using both the Green Book Critical Success Factors and the WebTag Early Assessment and Sifting Tool process, the long list of options was assessed in order to produce a short list of options for detailed consideration. This analysis was documented in Deliverable 2a.

Deliverable 2 is available for review via TfWM.

## **Appendix I11**

### **Summary of Deliverable 2a - Initial Sifting of the Options**

Deliverable 2 set out how the over-arching longer-term objectives defined in the SOBC were translated into a number of specific “Business Case Objectives” using SMART approach – specific, measurable, achievable, realistic, time-limited – consistent with the HM Treasury’s Green Book.

Using the Business Case Objectives and the five options for the RTCC defined in the SOBC, Deliverable 2 also set out an expanded long list of seven options defined using a process adapted from the HMT Green Book’s Options Framework.

Deliverable 2a described how these seven long list options were reduced to a short list of three options for detailed consideration using the Green Book Critical Success Factors and the WebTag Early Assessment and Sifting Tool processes. The three short-listed options were as follows:

- Short List Option A (Long List Option 1) – Do nothing;
- Short List Option B (Long List Option 3) – Operational liaison, coordination and support; and
- Short List Option C (Long List Option 6) – Major planned event and 24/7 incident coordination and management (i.e. coordination and management of transport networks from RTCC, emergency services embedded in RTCC).

The detailed assessment of these three shortlisted options was documented in Deliverable 3.

Deliverable 2a is available for review via TfWM.

## Appendix I12

### Summary of Deliverable 3 – Preferred Option

#### Introduction

Deliverable 3 provided a synopsis of the costs and benefits of the three shortlisted options set out in Deliverable 2a. It used these to make a recommendation for a preferred option to be funded to deliver the benefits of the RTCC.

#### Costs

In order to define the costs in a consistent manner, sixteen cost categories were defined. The costs in each Cost Category were assessed for Option 3 and 6 based on guidance from the HMT Green Book and using a contingency of 25% for capital costs and 15% revenue costs to account for pre-design uncertainties and risk mitigation. (The costs for Option 1 were not assessed as this option represents the “Do Nothing” scenario so there would be no appreciable additional costs arising). The ten-year costs for Option 3 and 6 are summarised below:

<b>Option 3</b>		
	Capital	Revenue
Total (£M, actual prices)	£20.73	£9.72
Total (£M, PV prices)	£19.76	£8.17
<b>Total cost (£M, PV prices)</b>	<b>£27.93</b>	
<b>Option 6</b>		
	Capital	Revenue
Total (£M, actual prices)	£21.53	£10.75
Total (£M, PV prices)	£20.54	£9.05
<b>Total cost (£M, PV prices)</b>	<b>£29.59</b>	

Optimism bias was applied as part of the appraisal of the options using HMT Green Book guidance. Optimism bias applied for capital costs was 41% and for revenue costs, was 25%. The same optimism bias was applied to both options under consideration. Given the commonalities between the options, the application of optimism bias had limited impact on relative weightings of each option. Both were considered to be within the affordability envelope of costs increased up to the ceiling defined by the application of optimism bias.

#### Benefits

Twelve quantifiable/non-quantifiable benefit categories were identified for the RTCC. The benefits in each Benefit Category were assessed for Option 3 and 6 for the period 2019/20 to 2028/29.

A summary of seven quantifiable benefits for each option is shown below.

Option	Total coordination Benefits (non-profiled) (£M, actual prices)	Realised(profiled) benefits (£M, actual prices)	Realised (profiled) benefits (£M, PV prices)
3	£166.23	£143.83	£119.86
6	£345.49	£283.17	£234.15

These benefits were profiled for each option to give a more realistic assessment of when they will actually accrue given a planned opening date for the RTCC of December 2019.

In addition to the seven quantifiable benefits, the five non-quantifiable impacts were assessed and a Benefits Realisation Plan prepared.

### **Benefit : cost assessment**

On the basis of the assessment of the costs and benefits for each of the options under consideration, the following conclusions were made. These conclusions were based on present value prices for all costs and benefits to allow for a fair comparison.

<b>Option</b>	<b>Present Value Costs (£M)</b>	<b>Present Value Benefits (£M)</b>	<b>BCR</b>
Option 3	£27.93	£119.86	4 : 1
Option 6	£29.59	£234.15	7 : 1

### **Preferred option**

On the basis of the outcome of the cost and benefit appraisal, **Short List Option 6** – “Major planned event and 24/7 incident coordination (i.e. coordinating the management of transport networks from RTCC, emergency services embedded in RTCC”) is recommended as the preferred option for the RTCC.

Deliverable 3 is available for review via TfWM.

## **Appendix I13**

### **Indicative logic model for the Monitoring and Evaluation Plan**

The following table sets out the indicative Logic Model for the RTCC.

This will be refined and expanded on in the Monitoring and Evaluation Plan to be developed during the detailed design phase.

Inputs	Activities	Outputs	Outcomes
<p>National transport strategies</p> <p>Regional transport strategies</p> <p>Core partner's transport strategies</p> <p>Inputs from core partners</p> <p>Data from enhanced UTC systems and other ITS infrastructure</p> <p>Real-time engagement</p>	<p>Developing a common operating picture of transport networks across the region</p>	<p>Sharing knowledge on transport network status with core partners and others</p>	<p>Consistent travel information disseminated to travellers</p> <p>Better informed travellers with access to more reliable and accurate travel information</p>
	<p>Monitoring transport networks across the region</p>		
	<p>Identifying any disruptions to transport networks including unplanned events</p>	<p>Enhanced overview of network performance</p>	<p>Travellers have ready access to all information necessary to make informed travel choices on time, route and mode of their journeys</p>
	<p>Coordinating operational planning with core partners</p>	<p>Early alerts to core partners (and others) relating to any issues or disruption affecting the transport network</p>	
	<p>Coordinating the implementation of operational plans</p>	<p>Regional operational plans focusing specifically on regional and cross-boundary issues</p>	<p>Early sight of any disruptions to transport networks and alerting core partners (and others) to allow early interventions to be made</p>
		<p>Improvements to the implementation of agreed operational plans focusing specifically on regional and cross-boundary issues</p>	

Inputs	Activities	Outputs	Outcomes
with core partners (and others)	Coordinating development of plans to respond to unplanned events	Regional plans to respond to unplanned events focusing specifically on regional and cross-boundary issues	<p>Optimised use of core partners' resources to address disruptions to the transport network</p> <p>Impact of roadworks, construction works and unplanned events on the rest of the transport network and on travellers is minimised</p> <p>Journey times across the region are more reliable</p> <p>Improved reporting on transport network performance to allow informed decisions on operational improvements to be made</p> <p>Continuous improvement of plans based on evaluation and</p>
	Coordinating the implementation of plans to respond to unplanned events	Improvements to the implementation of responses to unplanned events focusing specifically on regional and cross-boundary issues	
	Coordinating development of plans to mitigate the impacts of roadworks with core partners	Regional plans to mitigate the impact of roadworks focusing specifically on regional and cross-boundary issues	
	Coordinating the implementation of plans to mitigate the impact of roadworks	Improvements to the implementation of agreed plans to mitigate the effect of roadworks focusing specifically on regional and cross-boundary issues	
	Coordinating development of plans to mitigate the impacts of major construction works with core partners	Regional plans to mitigate the effect of major construction works	
	Coordinating the implementation of plans to mitigate the impact of major construction works	Improvements to the implementation of agreed plans to mitigate the impact of major construction works	

Inputs	Activities	Outputs	Outcomes
	Acting as a Regional Transport Coordination Hub for major events	A fully-equipped facility set up to act to coordinate transport across the region during major events	feedback to optimise future responses
	Reporting on network performance	Comprehensive reports on network performance to inform a range of stakeholders, political leaders and the public	Single facility set up to coordinate of transport during major events
	Evaluation of network performance and response plans	Information to be used to optimise business-as-usual operations and response plans	
	Providing feedback for refinement and improvements of operations	Better trained transport professionals	
	Training operators and future transport professionals in a real-world environment	A Skills Academy which will be recognised as a Centre of Excellence for operational training	

## Monitoring and Evaluation Plan

### Section J: Monitoring and Evaluation Plan

**26. Please outline your proposed monitoring and evaluation arrangements to assess whether the project is on track to achieving its objectives and outputs, and to check to what extent the actual costs/benefits are matching the expected costs/benefits.**

A detailed Monitoring and Evaluation Plan will be prepared once the detailed design of the RTCC has been undertaken and can inform the precise scope and nature of the monitoring and evaluation activities required. For the purposes of this FBC, an indication of what is anticipated to be included within the Monitoring and Evaluation Plan is set out below.

#### **Logic model or impact pathway**

An indicative logic model is set out in Appendix I13. This will be refined and expanded on in the Monitoring and Evaluation Plan to be developed during the detailed design phase.

#### **Key metrics on actual costs and benefits**

Proposed metrics to be used to assess the non-monetarised benefits are set out in Appendix I7. Monetarised benefits will be assessed using the principles set out in Deliverable 3 (Appendix I12).

The Monitoring and Evaluation Plan to be developed during the detailed design phase will set out all metrics, measurement methods and recording tools to be used to carry out these assessments.

#### **Frequency of data collection**

The frequency and methods for collecting data to be used to assess the impact of the RTCC will be defined in detail in the Monitoring and Evaluation Plan.

The nature of some of the benefits accrued through the implementation and operation of the RTCC will require a “before implementation” and “after implementation” analysis. In order to do this, baseline data derived from current operations will be required. Gathering this data will need to be undertaken before the RTCC is fully operational in December 2019. The process for gathering this baseline data will be defined in the Monitoring and Evaluation Plan.

#### **Feedback loops/continuous improvement**

The Monitoring and Evaluation Plan will include a regular review and assessment of how the evaluation is proceeding so that lessons learnt as the RTCC begins operation can be incorporated. This review and assessment process will include:

- Regular review of outcomes by members of staff independent from the implementation and operation of the RTCC;
- Regular reporting of evaluation outcomes to senior staff at TfWM and core partners;
- Periodic cross-referencing of the measured outcomes to the expected outcomes of the initiative with an assessment of the basis for any significant differences; and
- Recommendations for change to improve the benefits being realised from the initiative.

#### **Ownership of the M&E**

TfWM will own the Monitoring and Evaluation Plan and will be responsible for ensuring it is implemented as agreed and that the outcomes are reported and fed back into the RTCC operation to maximise the benefits accrued.

## Appendix I14

### Calculation of benefits

#### Benefits

The RTCC impacts come from improved planning, co-ordination and management of the transport network, principally the road network. However, the RTCC is not directly responsible for operating the transport network so it realises its benefits through improving the effectiveness of the operational partners who do directly control or influence the behaviour of the travelling public. Because the RTCC acts at “one remove” this makes attribution of benefits difficult because the link between cause and effect is indirect. The difference between “advise” and “direct” will change the magnitude of any impact because advice may only be followed partially or not at all by the operational partners involved.

The sources of quantifiable benefits are changes in societal costs in the area of safety, improvements in public health or the environment and reduction of lost travel time through congestion. In respect of the first three elements the connection between cause and effect is not certain and hence it is inappropriate to try and allocate benefits in these areas to the RTCC, although we can expect the actions of the RTCC to have some impact on these areas.

We think it is possible to make a reasonable estimate of the impact on the RTCC on congestion caused by unplanned events and roadworks. The method we have used is set out below and is based on results reported in the literature, DfT statistics and monetary values and our professional judgement on the assumptions. Clearly the values calculated are estimates of the potential magnitude of the benefits and need to be treated with some level of caution. However, it does allow the economic value of the RTCC to be assessed alongside the substantial qualitative benefits identified elsewhere.

#### **B7 – Capability to coordinate the regional response to unplanned events (based on agreed contingency plans) [quantifiable]**

Unplanned events comprise road traffic accidents and other unforeseen occurrences that reduce the road capacity at some point, e.g. broken down vehicle, illegal parking and emergency access to a non-transport incident.

The size of the impact on traffic of an unplanned event depends on the amount of capacity lost, the time of day and the duration of the incident, i.e. the time from the incident occurring to traffic returning to its normal pattern for that time of day.

Research into the impact of a loss of capacity by Jeihani (2015)<sup>12</sup> using simulation models shows that congestion increases with both incident duration and with traffic intensity, the ratio between traffic demand and the road capacity. As demand reaches capacity the delay starts to increase exponentially and this in turn impacts on the time for traffic to return to normal.

A study in the Netherlands (Adler 2013<sup>13</sup>) examined highway incidents from five types of road service providers (i.e. incident management organisations, towing companies, medical response teams,

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<sup>12</sup> Traffic recovery time estimation under different flow regimes in traffic simulation, Mansoureh Jeihani\*, Petronella James, Anthony A. Saka, Anam Ardeshiri, Department of Transportation and Urban Infrastructure Studies, Morgan State University, Baltimore, MD 21251, USA Journal of Traffic and Transportation Engineering (English Edition) Volume 2, Issue 5, October 2015, Pages 291-300

<sup>13</sup> Road Congestion and Incident Duration, Martin W. Adler, Jos van Ommeren and Piet Rietveld, Faculty of Economics and Business Administration, VU University Amsterdam, and Tinbergen Institute, TI 2013-089/III

police and fire departments) for the years 2007 to 2009 for the entire country. From this they identified a set of more than 9000 incidents where details of incident duration and levels of congestion were known. The average incident duration was found to be around 47 minutes although the distribution is skewed and durations up to 100 minutes were common. Accident and non-accident incidents had a similar average duration.

The Dutch study outcome was an estimate of the cost of each minute of congestion of 3 x the hourly value of time for a vehicle (VoT) at locations and times where recurrent congestion was not present, and 25 x VoT when there was recurrent traffic congestion, i.e. the road was usually congested even when no incident was present.

WebTAG gives a value of time of £13.87 per vehicle hour at 2010 prices<sup>14</sup>.

Using data from TAG data book May 18, Table A 1.3.6: Market Price Values of Time per Vehicle based on distance travelled (£ per hour, 2010 prices) we can estimate the future VoT for the business case evaluation period as shown in the Figure I14.1.

Using the Values from Adler 2013 we can then calculate a value for each minute of congestion for peak periods when recurrent congestion is present and inter-peak and weekend daytime periods when there is not usual congestion but traffic intensity is such that an incident is likely to result in some congestion. The right hand columns in Figure I14.1 give these values.

Year	VOT Weekdays Work 7:00 - 10:00	Ratio to 2010	Average VOT at 2010 prices	Peak hour cost per minute of incident congestion (factor = 25, 2010 prices)	Inter-peak and daytime weekend cost per minute of congestion (factor = 3, 2010 prices)
2010	20.00		£13.87		
2019/20	22.19	1.109508808	£15.39	£384.72	£46.17
2020/21	22.35	1.117343144	£15.50	£387.44	£46.49
2021/22	22.53	1.126472815	£15.62	£390.60	£46.87
2022/23	22.74	1.137019969	£15.77	£394.26	£47.31
2023/24	23.00	1.150048993	£15.95	£398.78	£47.85
2024/25	23.29	1.164703827	£16.15	£403.86	£48.46
2025/26	23.63	1.181268131	£16.38	£409.60	£49.15
2026/27	23.99	1.199516692	£16.64	£415.93	£49.91
2027/28	24.39	1.219378403	£16.91	£422.82	£50.74
2028/29	24.82	1.240818161	£17.21	£430.25	£51.63
2019/20	25.26	1.263213905	£17.52	£438.02	£52.56
2030	25.74	1.287207569	£17.85	£446.34	£53.56

**Figure I14.1 Estimate of Average VoT for 2019/20-2028/29**

From STATS19 we know that there were 5392 fatal and injury (all severity) accidents in the West Midlands region in 2016.

Tinbergen Institute Discussion Paper. <http://www.ieb.ub.edu/files/van%20Ommeren,%20Jos.pdf>  
<sup>14</sup> Values of Time and Vehicle Operating Costs, TAG Unit 3.5.6, para 2.5.8, January 2014, Department for Transport Analysis Guidance (TAG).

Figure I14.2 shows the split between different times of day and between weekend and weekday in terms of percentage.

Time Period	KSI Incidents (from Stats 19)	%	Weekday	%	Weekend
Overnight	1045	19%	671	12%	374
Pre-peak	282	5%	246	5%	36
Morning peak	601	11%	527	10%	74
Inter-peak	1823	34%	1374	25%	449
Evening peak	893	17%	720	13%	173
Post-peak	748	14%	564	10%	184
	<b>5392</b>		<b>4102</b>		<b>1290</b>

**Figure I14.2 Accident data by time of day for West Midlands region**

We assume that all fatal and injury accidents caused some congestion.

We assume that the number of unplanned events causing congestion is 5 times the number of fatal and injury accidents. This allows us to take into account damage only accidents, broken down vehicles, illegal parking or loading and non-traffic related incidents that affect the roads. This gives a total of 26,690 unplanned events where the RTCC can have an effect. This is a very conservative estimate. A 2011<sup>15</sup> report estimates that there were 2.3 million damage-only accidents compared to 151,474 reported injury accidents, a ratio of more than 15:1. Many of these may not be on the road (e.g. in a car park) and many may be resolved very quickly with minimal effect on the traffic. In the light of this a factor of 3 to take into account unreported unplanned events can be seen as a very conservative approach.

Department for Transport data<sup>16</sup> indicates that the long term trend on accidents has been down, with a decrease rate of around 1.85% from 2016. Trends in other types of unplanned events are unknown. However, recent data suggest this long term trend has stalled and at the same time the volume of traffic is growing. As unplanned incidents generally increase linearly with traffic growth and traffic is expected to grow by 46% by 2040<sup>17</sup>, an annual growth of 1.5%, we have assumed that unplanned incidents will grow at the same rate.

We assume that improved co-ordination (i.e. the RTCC provides advice to operational partners) will reduce the congestion for events by 4 minutes on average. Co-ordination will take place on a wide range of events. The actual impact will vary and the distribution of impacts is likely to be highly skewed with minimal impact on a lot of events and a significant contribution to a small number. This will give a small average effect.

The benefit of improved co-ordination is calculated from the proportion of unplanned events in the peak hours multiplied by the peak hour cost from table 1 (adjusted to 2018 prices using the ONS values for inflation) plus the proportion of unplanned events in the inter-peak and during daytime at weekend multiplied by the inter-peak cost from table 1 (adjusted to 2018 prices), all multiplied by the average number of minutes that congestion has been reduced by.

<sup>15</sup> Reported Road Casualties in Great Britain: 2011 Annual Report, A valuation of road accidents and casualties in Great Britain in 2011, Department for Transport,

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/9275/rrcgb2011-02.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/9275/rrcgb2011-02.pdf)

<sup>16</sup> RAS40007, Reported road accidents and casualties, Great Britain, 1950-2016,

<https://www.gov.uk/government/statistics/reported-road-casualties-great-britain-annual-report-2016>

<sup>17</sup> MOVEMENT FOR GROWTH:2026 Delivery Plan for Transport

For example:

	Year	2023
a	Number of injury accidents in 2016	5392
b	Ppn of injury accidents in peak hours	23.13%
c	Ppn of injury accidents in inter-peak and daytime weekend hours	27.69%
d	Number of unplanned events in peak hours = $5 \times a \times b \times (1.015)^7$	6920
e	Number of unplanned events in inter-peak and daytime weekend hours =	8285
	$5 \times a \times c \times (1.015)^7$	
f	Peak hour cost per minute of incident congestion (factor = 25, 2010 prices)	£398.78
g	Inter-peak and daytime weekend cost per minute of congestion (factor = 3, 2010 prices)	£47.85
h	Average number of minutes congestion reduced per event	4
i	Factor to adjust to 2018 prices from ONS inflation data	1.25
	Benefit (2010 prices) = $(d \times f) + (e \times g) \times h \times i$	£15.78M

This represents the benefits for Option 3 for unplanned events in 2023 (at 2019/20 prices).

Intervention is likely to have a substantial impact but only on a proportion of the events and not all of them. We assume that pro-active intervention (i.e. the RTCC decides on course of action and instructs operational partners) will reduce the congestion for around 20% of peak hour unplanned events by 20 minutes on average and around 20% of inter-peak and weekend unplanned events by 15 minutes on average. We consider this a conservative estimate of this percentage. The benefits of intervention are additional to the benefits from improved co-ordination.

The benefit of improved intervention is calculated from the number of unplanned events in the peak hours where intervention has an impact multiplied by the peak hour cost from table 1 (adjusted to 2018 prices using the ONS values for inflation) multiplied by the average number of minutes reduction in congestion plus the number of unplanned events in the inter-peak and during daytime at weekend where intervention has an impact multiplied by the inter-peak cost from table 1 (adjusted to 2018 prices) multiplied by the average number of minutes that congestion has been reduced by.

For example:

	Year	2023
a	Number of injury accidents	5392
b	Ppn of injury accidents in peak hours	23.13%
c	Ppn of injury accidents in inter-peak and daytime weekend hours	52.93%
d	Number of unplanned events in peak hours = $5 \times a \times b \times (1.015)^7$	6920
e	Number of unplanned events in inter-peak and daytime weekend hours =	15837
	$5 \times a \times c \times (1.015)^7$	
f	Number of unplanned events in peak hours where intervention has impact = $0.2 \times d$	1384
g	Number of unplanned events in inter-peak and daytime weekend hours where intervention has impact = $0.2 \times e$	3167

h	Peak hour cost per minute of incident congestion (factor = 25, 2010 prices)	£398.78
i	Inter-peak and daytime weekend cost per minute of congestion (factor = 3, 2010 prices)	£47.85
j	Average number of minutes congestion reduced in peak hours	20
k	Average number of minutes congestion reduced in inter-peak and daytime weekend hours	15
l	Factor to adjust to 2018 prices from ONS inflation data	1.25
	Benefit of intervention at 2018 prices = ((f x h x j) + (g x i x k)) x l	£16.64M

This is added to the benefit of co-ordination calculated for Option 3 to give the benefit from Option 6 for unplanned events. For this example that estimates a total benefit in respect of unplanned events of £32.90M in 2023 at 2019/20 prices.

### **B8 – Capability to coordinate the development of plans to mitigate the impact of planned roadworks on regional transport networks [quantifiable]**

Roadworks reduce the capacity of the network each day they are in place. Overnight roadworks do not usually cause congestion, although closures can cause increased journey times because of the diversion route being longer. However, this is very difficult to quantify.

Major roadworks that are in place for days or weeks on-end cause congestion in both the peak and interpeak hours, and if they involve signal controlled two-way working may cause delay at all times.

The Department for Transport has established a cost per day for roadworks by utilities as a result of a study that was published in 2004<sup>18</sup>. Volume 3 of the report contains the table 3 that relates AADT and length of works to a cost per day of disruption. Volume 2, table 13 of the same report also gives an estimate of the average duration of roadworks as six days although the distribution is highly skewed with a large number only lasting a day and a few roadworks lasting for months. In order to gain an estimate of the number of roadworks days for the West Midlands region we have examined the roadworks data displayed via ELGIN for Coventry for June to September 2018. This includes highway based works as well as works by utilities.

Urban		10m	50m	100m	200m
Reinstatement category	Typical AADT flow				
0=5	40,000	£25,000	£25,000	£25,000	£25,000
1	24,000	£9,000	£12,000	£15,000	£17,000
2	16,000	£3,450	£5,150	£7,000	£8,800
3	10,000	£385	£535	£710	£1,025
4	6,000	£200	£280	£375	£550

**Figure I14.3 Extract from DfT report vol3, table 5 at 2004 prices**

Using the data from in ELGIN there were 88,423 roadwork-days in a 12 month period from June 2017 to May 2018 on the KRN and 529,902 roadwork-days on other roads.

<sup>18</sup> Assessing the extent of Street Works and monitoring the effectiveness of Section 74 in reducing disruption, Department for Transport, July 2004, <https://www.gov.uk/government/publications/extent-of-road-works-and-monitoring-disruption>

The DfT report estimated that there were on average 520,000 roadwork-days each month, across England, based on April 2001 to Mar 2004, yielding an annual figure of 6,240,000 roadwork-days in 2003. Given the size of the West Midlands, and that our estimate includes highways works as well as utilities, the figure of 10% of the national value seems consistent.

Using the KRN baseline studies to determine the AADT and combining it with the values for 10m length of works in Figure I14.3, we estimate a weighted value, based on the relative length of each route, for the daily cost of roadworks of £6,815 at 2004 prices. Bringing this up to 2018 prices using ONS inflation data gives an estimated daily cost value of £9,677. The data is shown in Figure I14.4.

Better planning of roadworks can be used to combine works to reduce the number of roadwork-days. Improved monitoring can identify where works are not being completed right first time and hence additional roadwork-days are required for remedial works.

In our view it is reasonable to assume that improved co-ordination of roadworks planning (Option 3) will save 50 roadwork-days per year. With more proactive management in roadworks planning and monitoring (Option 6) this will rise to 150 roadwork-days per year, i.e. management reduces the number of roadwork-days by an additional 100 over co-ordination. These numbers are very conservative when set against the estimated range of 18,396 to 99,645 roadwork days for the West Midlands.

Hence, Option 3 may provide a benefit of £0.48M per annum in respect of roadworks (at 2018 prices) and Option 6 a further benefit of £0.97M per annum (at 2018 prices).

We have assumed that the number of roadworks and average duration remain constant. This is a conservative approach as large scale projects such as HS2 will impact on the road network. Also, we have not attempted to adjust the daily cost value for changes in the value of time as we have done for unplanned events. This will make this a conservative estimate.

Route ID	Route Name	AADF Average (2016)	10m Length cost	Weight	Weight x Cost
1	Birmingham Cross City	33,600	£9,000	7%	£591
2	Birmingham Outer Circle	16,600	£3,450	3%	£112
3	Birmingham to Stafford	22,600	£3,450	4%	£152
4	Black Country Route	25,700	£9,000	5%	£452
5	Black Country to Birmingham	22,700	£3,450	4%	£153
6	Coventry to Birmingham	40,500	£25,000	8%	£1,977
7	East of Coventry	25,700	£9,000	5%	£452
8	East of Walsall	11,500	£385	2%	£9
9	Kingswinford to Halesowen	17,200	£3,450	3%	£116
10	Lichfield to Wednesbury	22,000	£3,450	4%	£148
11	North and South Coventry	38,100	£9,000	7%	£670
12	Northfield to Wolverhampton	25,100	£9,000	5%	£441
13	Pensnett to Oldbury	17,900	£3,450	3%	£121
14	Sedgeley to Birmingham	19,100	£3,450	4%	£129
15	Solihull to Birmingham	22,400	£3,450	4%	£151
16	Stourbridge to Wednesbury	20,700	£3,450	4%	£139

Route ID	Route Name	AADF Average (2016)	10m Length cost	Weight	Weight x Cost
17	Stourbridge to North of Wolverhampton	25,700	£9,000	5%	£452
18	UK Central to Brownhills	22,000	£3,450	4%	£148
19	West Bromwich Route	17,000	£3,450	3%	£115
20	West of Birmingham	23,300	£3,450	5%	£157
21	Wednesfield to Wednesbury	11,600	£385	2%	£9
22	Wolverhampton to Brownhills	16,800	£3,450	3%	£113
23	Wolverhampton to Halesowen	14,300	£385	3%	£11
<b>Total</b>		<b>512,100</b>	<b>Cost per roadwork day</b>	<b>2004 price</b>	<b>£6,815</b>
<b>Average</b>		<b>22,265</b>	<b>Cost per roadwork day</b>	<b>2018 price</b>	<b>£9,677.50</b>

*Figure I14.4 Weighted daily cost of delay due to roadworks in 2004 prices*

### **B3 – Capability to provide umbrella coordination of the region’s transport networks out of UTC Centre normal operating hours [quantifiable]**

The benefits estimated in respect of unplanned events and roadworks can be achieved through 07:00-21:00 operation during the week plus 08:00 to 18:00 at weekends. In terms of quantifiable benefits, 24 hour operations are beneficial in preventing unplanned events that happen overnight continuing into the peak hour of the next day.

Option 6 envisages 24/7 operations so we should estimate any quantifiable benefit from reducing the congestion in the peak hour by earlier interventions in the overnight and, more importantly, the pre a.m. peak period (06:00-08:00).

A reasonable assumption is that 10% of the pre-a.m. peak hours unplanned events will run into the peak period unless intervention is made. The RTCC should pay particular attention to this problem and ought to be able to reduce the overrun into the peak period by, on average, 15 minutes.

Using the same logic as we have used for unplanned events we can estimate the benefits by multiplying the number of events impacted, the number of minutes of congestion saved and the peak hour cost value.

#### **Realisation of benefits over time**

Not all available benefits will be realised in the early years as the capability and expertise will not be fully implemented. We anticipate the ramp up of benefits to be as follows

Option	2019/20	2020/21	2021/22	2022 onwards
Option 3	0%	50%	100%	100%
Option 6	0%	30%	70%	100%

**Benefits profiles for Options 3 and 6.**

The following tables show the potential quantifiable benefits for the RTCC Options 3 and 6 for the period 2019/20 to 2028/29. These have been created using the methodology created above. These values will be used in the economic case NPV calculations.

**Table of benefits over time Option 3**

Year	Peak Benefits (Weekday 8am-10am + 4pm-6pm)	Weekend and IP Benefits (Weekday 10am-4pm + Weekend + Overnight)	Roadworks co-ordination	Total Co-ordination Benefits	% of benefits realised in year	Realised benefits for Option 3	2019/20 prices (present value)
2019/20	£12.54	£1.80	£0.48	£14.83	0%	<b>£0.00</b>	£0
2020/21	£12.82	£1.84	£0.48	£15.15	50%	<b>£7.57</b>	£7.32
2021/22	£13.12	£1.89	£0.48	£15.49	100%	<b>£15.49</b>	£14.46
2022/23	£13.44	£1.93	£0.48	£15.86	100%	<b>£15.86</b>	£14.30
2023/24	£13.80	£1.98	£0.48	£16.26	100%	<b>£16.26</b>	£14.17
2024/25	£14.18	£2.04	£0.48	£16.71	100%	<b>£16.71</b>	£14.07
2025/26	£14.60	£2.10	£0.48	£17.18	100%	<b>£17.18</b>	£13.98
2026/27	£15.05	£2.16	£0.48	£17.70	100%	<b>£17.70</b>	£13.91
2027/28	£15.53	£2.23	£0.48	£18.24	100%	<b>£18.24</b>	£13.85
2028/29	£16.04	£2.31	£0.48	£18.83	100%	<b>£18.83</b>	£13.81
<b>Total</b>	<b>£141.12</b>	<b>£20.28</b>	<b>£4.84</b>	<b>£166.23</b>		<b>£143.83</b>	<b>£119.86</b>

Values are in £M

**Table of benefits over time Option 6**

Year	Total Co-ordination Benefits	24/7 operation Benefits (Weekday 6am-8am)	Peak Benefits (Weekday 8am-10am + 4pm-6pm)	IP Benefits (Weekday 10am-4pm + Weekend + Overnight)	Roadworks management	Total Management Benefits	Total co-ordination and management Benefits	% of benefits realised in year	Realised benefits for Option 6	2019/20 prices (present value)
2019/20	£14.83	£1.24	£12.54	£2.58	£0.97	£17.33	£30.71	0%	<b>£0.00</b>	£0.00
2020/21	£15.15	£1.27	£12.82	£2.64	£0.97	£17.69	£31.39	30%	<b>£9.42</b>	£9.10
2021/22	£15.49	£1.29	£13.12	£2.70	£0.97	£18.08	£32.12	70%	<b>£22.48</b>	£20.99
2022/23	£15.86	£1.33	£13.44	£2.77	£0.97	£18.50	£32.90	100%	<b>£32.90</b>	£29.68
2023/24	£16.26	£1.36	£13.80	£2.84	£0.97	£18.97	£33.78	100%	<b>£33.78</b>	£29.44
2024/25	£16.71	£1.40	£14.18	£2.92	£0.97	£19.47	£34.72	100%	<b>£34.72</b>	£29.24
2025/26	£17.18	£1.44	£14.60	£3.01	£0.97	£20.02	£35.75	100%	<b>£35.75</b>	£29.08
2026/27	£17.70	£1.49	£15.05	£3.10	£0.97	£20.60	£36.84	100%	<b>£36.84</b>	£28.96
2027/28	£18.24	£1.53	£15.53	£3.20	£0.97	£21.23	£38.02	100%	<b>£38.02</b>	£28.87
2028/29	£18.83	£1.58	£16.04	£3.30	£0.97	£21.89	£39.26	100%	<b>£39.26</b>	£28.81
<b>Total</b>	<b>£166.23</b>	<b>£13.92</b>	<b>£141.12</b>	<b>£29.07</b>	<b>£9.68</b>	<b>£193.78</b>	<b>£345.49</b>		<b>£283.17</b>	<b>£234.15</b>

Values are in £M

## Appendix I15

### Derivation of the long list of options

#### Long list of options from the Strategic Outline Business Case

A long list of five options for the RTCC was defined in the SOBC as follows:

- do-nothing;
- a “virtual” RTCC;
- a physical RTCC;
- a temporary low cost centre with no legacy benefits; and
- a permanent facility with real legacy benefits.

This list was considered to be a valid starting point for more detailed analysis but needed further enhancement to ensure that other, non-location criteria are taken into account when defining the options for consideration.

#### Updating the long list of options

The HM Treasury’s Green Book sets out an approach for defining a long list based on the use of an Options Framework<sup>19</sup>. The Framework uses a number of “categories of choice” formulated around the “who”, the “what”, the “when”, the “where” and the “how” to provide the basis for a long list of options as follows:

- Scoping options including levels of functionality; geographic scope; population/user base, organisation, etc;
- Service solution options including what forms the scheme could take;
- Service delivery options for scheme delivery including in-house delivery, outsourcing, delivery through a PPP, etc;
- Implementation options including big bang implementation, phased implementation, modular delivery, etc; and
- Funding options for the scheme.

In the case of the RTCC, the service delivery options and funding options are primarily the same regardless of any other considerations. In order to keep the process for deriving the long list manageable, these were therefore excluded from further consideration at this stage (although they were used as part of the assessment of the short list of options).

The scoping options, service solution options and implementation options were each expanded into a series of criteria specific to the RTCC which could be used as the basis for defining different long list options as follows:

Options Framework categories of choice	Criteria used to define long list options
Scoping options	<ul style="list-style-type: none"> <li>• Functional scope</li> <li>• Hours of operation</li> <li>• Geography</li> </ul>
Service solution options	<ul style="list-style-type: none"> <li>• Capability</li> <li>• Physical space</li> <li>• Permanency</li> <li>• Organisation</li> <li>• Resourcing</li> </ul>

Options Framework categories of choice	Criteria used to define long list options
Implementation options	<ul style="list-style-type: none"> <li>• The timeline implied by different combinations of profile elements leading to the BCOs being realised</li> <li>• The timeline for elements under the criteria “Capability” and “Permanency” which refer to major events driven by Coventry as the UK City of Culture in 2021 and the 2022 Commonwealth Games, and influenced by completion of major works such as HS2 opening scheduled for 2026</li> </ul>

**Figure I15.1 Relationship between Green Book Options Framework and criteria used to define long list options**

Each of the criteria was further sub-divided into elements which could be combined in different ways to form the long list of options. The possible combinations of elements within each of the criteria formed a matrix (see Figure I15.2). While the nature of the matrix meant that there were numerous combinations of criteria and elements, discussions with stakeholders, the preliminary Strategic Case and the Operational Model set out in Deliverable 1 and the SOBC made it clear that many combinations were either impractical or would not be politically acceptable. These were discounted from further analysis.

Some of the elements were also kept deliberately generic. For example, elements under the criteria “physical space” refer to an “existing centre”. In principle, this could be one of several existing UTC centres across the region but the specifics were not defined at this stage in order to keep the number of long list options manageable.

<b>Criteria</b>	<b>Do nothing</b>	<b>Elements used to form long list options</b>					
<b>Functional scope</b>	<ul style="list-style-type: none"> <li>As existing</li> </ul>	<ul style="list-style-type: none"> <li>Management of people and business movements:               <ul style="list-style-type: none"> <li>Surface operations – private car, delivery/freight and bus</li> <li>Pedestrians and cyclists</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Contingency planning:               <ul style="list-style-type: none"> <li>Initiating region-wide response to incidents</li> <li>Informed by intelligence-led scenario planning and simulated decision support</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Management of people and business movements:               <ul style="list-style-type: none"> <li>Surface operations - rail and tram operations</li> <li>“Street” activities (e.g. refuse collection, deliveries, etc)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Safety and security:               <ul style="list-style-type: none"> <li>Support for police coordination of events</li> <li>“Blue light” routes</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Safety and security:               <ul style="list-style-type: none"> <li>Crime and anti-social behaviour monitoring at transport facilities/routes</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Environmental management:               <ul style="list-style-type: none"> <li>Clean air zone monitoring</li> <li>Noise monitoring</li> <li>Initiating mitigating actions and citizen information</li> </ul> </li> </ul>
<b>Capability</b>	<ul style="list-style-type: none"> <li>As existing</li> </ul>	<ul style="list-style-type: none"> <li>Roadworks coordination</li> <li>Single view of network</li> <li>Output to “Travel Information Service”</li> </ul>	<ul style="list-style-type: none"> <li>Incident planning</li> <li>Incident response coordination</li> <li>Network monitoring and reporting</li> </ul>	<ul style="list-style-type: none"> <li>Major events management and control</li> </ul>	<ul style="list-style-type: none"> <li>Incident management and control (e.g. Gold and/or Silver control)</li> </ul>	<ul style="list-style-type: none"> <li>As-needed control of all management and control of all transport networks/services (e.g. for major events, etc)</li> </ul>	<ul style="list-style-type: none"> <li>Permanent management and control of all transport networks/services</li> </ul>
<b>Hours of operation</b>	<ul style="list-style-type: none"> <li>As existing</li> </ul>	<ul style="list-style-type: none"> <li>Weekends 24/7</li> <li>Weekdays out of UTC operational hours</li> </ul>	<ul style="list-style-type: none"> <li>Time-limited 24/7</li> </ul>	<ul style="list-style-type: none"> <li>Permanent 24/7</li> </ul>			
<b>Geography</b>	<ul style="list-style-type: none"> <li>As existing</li> </ul>	<ul style="list-style-type: none"> <li>TfWM Key Route Network</li> </ul>	<ul style="list-style-type: none"> <li>HE Strategic Road Network</li> </ul>	<ul style="list-style-type: none"> <li>All roads within WMCA region</li> </ul>	<ul style="list-style-type: none"> <li>All modes within WMCA region</li> </ul>		
<b>Physical space</b>	<ul style="list-style-type: none"> <li>As existing</li> </ul>	<ul style="list-style-type: none"> <li>Virtual connectivity between existing centres</li> </ul>	<ul style="list-style-type: none"> <li>Existing space in existing building</li> </ul>	<ul style="list-style-type: none"> <li>Expand one of existing centres</li> </ul>	<ul style="list-style-type: none"> <li>New building/centre retaining all existing facilities</li> </ul>	<ul style="list-style-type: none"> <li>New building/centre replacing all existing facilities</li> </ul>	
<b>Permanency</b>	<ul style="list-style-type: none"> <li>As existing</li> </ul>	<ul style="list-style-type: none"> <li>Time-limited temporary capability</li> </ul>	<ul style="list-style-type: none"> <li>Permanent capability with ability to scale for special events and future demands</li> </ul>	<ul style="list-style-type: none"> <li>Permanent capability with space to manage special events and future demands</li> </ul>	<ul style="list-style-type: none"> <li>Permanent capability fully equipped to manage special events and future demands</li> </ul>		
<b>Organisation</b>	<ul style="list-style-type: none"> <li>As existing</li> </ul>	<ul style="list-style-type: none"> <li>Seven authorities</li> <li>Highways England</li> <li>WMCA/TfWM</li> </ul>	<ul style="list-style-type: none"> <li>Police</li> <li>Warwickshire and surrounding Shire Counties</li> </ul>	<ul style="list-style-type: none"> <li>Multi-agency response teams (i.e. including Fire and Rescue Service, Ambulance, British Transport Police, etc)</li> </ul>	<ul style="list-style-type: none"> <li>Public transport service operators</li> </ul>	<ul style="list-style-type: none"> <li>Other service providers, e.g. Inrix</li> </ul>	
<b>Resourcing</b>	<ul style="list-style-type: none"> <li>As existing</li> </ul>	<ul style="list-style-type: none"> <li>Existing personnel in current roles</li> </ul>	<ul style="list-style-type: none"> <li>Core Liaison Team</li> </ul>	<ul style="list-style-type: none"> <li>Core Coordination Team</li> </ul>	<ul style="list-style-type: none"> <li>Time-limited 24/7 operational resources</li> </ul>	<ul style="list-style-type: none"> <li>24/7 operational resources</li> </ul>	

**Figure I15.2 Long list option definition matrix**

Using different combinations of elements against each of the criteria, seven long list options (three of which have further sub-options) have been defined for further consideration as follows:

- Long List Option 1 – Do nothing;
- Long List Option 2 – Operational liaison;
- Long List Option 3 – Operational liaison, coordination and support;
- Long List Option 4a, b, c – Major planned events coordination<sup>20</sup>;
- Long List Option 5a, b, c – 24/7 incident coordination and management (i.e. emergency services co-located in RTCC on an as-needed basis);
- Long List Option 6a, b, c – Major planned event and 24/7 incident coordination and management (i.e. coordination and management of transport networks from the RTCC, emergency services embedded in the RTCC); and
- Long List Option 7 – Centralised coordination and management from the RTCC.

These are described in more detail below.

### Description of each long list option

Key features of each of the long list options are as follows.

	<b>Long List Option 1 – Do Nothing</b>
<i>Functional scope</i>	<ul style="list-style-type: none"> <li>• As existing</li> </ul>
<i>Capability</i>	
<i>Hours of operation</i>	
<i>Geography</i>	
<i>Physical space</i>	
<i>Permanency</i>	
<i>Organisation</i>	
<i>Resourcing</i>	

**Figure I15.3 Long list option 1**

	<b>Long List Option 2 – Operational Liaison</b>
<i>Functional scope</i>	<ul style="list-style-type: none"> <li>• Management of people and business movements:               <ul style="list-style-type: none"> <li>- Surface operations – private car, delivery/freight and bus</li> <li>- Pedestrians and cyclists</li> </ul> </li> </ul>
<i>Capability</i>	<ul style="list-style-type: none"> <li>• Roadworks coordination</li> <li>• Single view of network</li> <li>• Output to “Travel Information Service”</li> </ul>
<i>Hours of operation</i>	<ul style="list-style-type: none"> <li>• Weekends 24/7</li> <li>• Weekdays out of UTC operational hours</li> </ul>
<i>Geography</i>	<ul style="list-style-type: none"> <li>• TfWM Key Route Network</li> </ul>

<sup>20</sup> References to sub-options “a”, “b” and “c” refer to long list options where the physical space could be either be expanding one of existing centres, developing a new building/centre which retains all existing facilities or a new building/centre which replaces all existing facilities respectively

<b>Long List Option 2 – Operational Liaison</b>	
	<ul style="list-style-type: none"> <li>• HE Strategic Road Network</li> </ul>
<i>Physical space</i>	<ul style="list-style-type: none"> <li>• Virtual connectivity between existing centres</li> <li>• Existing space in existing building for Core Liaison Team</li> </ul>
<i>Permanency</i>	<ul style="list-style-type: none"> <li>• As existing</li> </ul>
<i>Organisation</i>	<ul style="list-style-type: none"> <li>• Seven authorities</li> <li>• Highways England</li> <li>• WMCA/TfWM</li> </ul>
<i>Resourcing</i>	<ul style="list-style-type: none"> <li>• Existing personnel in current roles</li> <li>• Core Liaison Team in one location</li> </ul>

**Figure I15.4 Long list option 2**

<b>Long List Option 3 – Operational liaison, coordination and support</b>	
<i>Functional scope</i>	<ul style="list-style-type: none"> <li>• Management of people and business movements:               <ul style="list-style-type: none"> <li>- Surface operations – private car, delivery/freight and bus</li> <li>- Pedestrians and cyclists</li> </ul> </li> <li>• Contingency planning:               <ul style="list-style-type: none"> <li>- Initiating region-wide response to incidents</li> <li>- Informed by intelligence-led scenario planning and simulated decision support</li> </ul> </li> </ul>
<i>Capability</i>	<ul style="list-style-type: none"> <li>• Roadworks coordination</li> <li>• Single view of network</li> <li>• Output to “Travel Information Service”</li> <li>• Incident planning</li> <li>• Incident response coordination</li> <li>• Network monitoring and reporting</li> </ul>
<i>Hours of operation</i>	<ul style="list-style-type: none"> <li>• Weekends 24/7</li> <li>• Weekdays out of UTC operational hours</li> </ul>
<i>Geography</i>	<ul style="list-style-type: none"> <li>• TfWM Key Route Network</li> <li>• HE Strategic Road Network</li> </ul>
<i>Physical space</i>	<ul style="list-style-type: none"> <li>• Virtual connectivity between existing centres</li> <li>• Existing space in existing building for Core Coordination Team</li> </ul>
<i>Permanency</i>	<ul style="list-style-type: none"> <li>• Permanent capability with ability to scale for special events and future demands</li> </ul>
<i>Organisation</i>	<ul style="list-style-type: none"> <li>• Seven authorities</li> <li>• Highways England</li> <li>• WMCA/TfWM</li> </ul>
<i>Resourcing</i>	<ul style="list-style-type: none"> <li>• Existing personnel in current roles</li> <li>• Core Coordination Team in one location</li> </ul>

**Figure I15.5 Long list option 3**

<b>Long List Option 4a, b, c – Coordinating major planned events</b>	
<i>Functional scope</i>	<ul style="list-style-type: none"> <li>• Management of people and business movements:               <ul style="list-style-type: none"> <li>- Surface operations – private car, delivery/freight and bus</li> <li>- Pedestrians and cyclists</li> </ul> </li> </ul>

<b>Long List Option 4a, b, c – Coordinating major planned events</b>	
	<ul style="list-style-type: none"> <li>- Surface operations - rail and tram operations</li> <li>- “Street” activities (e.g. refuse collection, deliveries, etc)</li> <li>• Contingency planning:               <ul style="list-style-type: none"> <li>- Initiating region-wide response to incidents</li> <li>- Informed by intelligence-led scenario planning and simulated decision support</li> </ul> </li> <li>• Safety and security:               <ul style="list-style-type: none"> <li>- Support for Police coordination of events</li> <li>- “Blue light” routes</li> </ul> </li> </ul>
<i>Capability</i>	<ul style="list-style-type: none"> <li>• Roadworks coordination</li> <li>• Single view of network</li> <li>• Output to “Travel Information Service”</li> <li>• Incident planning</li> <li>• Incident response coordination</li> <li>• Network monitoring and reporting</li> <li>• Major events management and control</li> </ul>
<i>Hours of operation</i>	<ul style="list-style-type: none"> <li>• Time limited 24/7</li> </ul>
<i>Geography</i>	<ul style="list-style-type: none"> <li>• All roads within the WMCA’s region</li> </ul>
<i>Physical space</i>	<ul style="list-style-type: none"> <li>• Option 4a - Expand one of existing centres</li> <li>• Option 4b - New building/centre retaining all existing facilities</li> <li>• Option 4c - New building/centre replacing all existing facilities</li> </ul>
<i>Permanency</i>	<ul style="list-style-type: none"> <li>• Permanent capability with space to manage special events and future demands</li> </ul>
<i>Organisation</i>	<ul style="list-style-type: none"> <li>• Seven authorities</li> <li>• Highways England</li> <li>• WMCA/TfWM</li> <li>• Police</li> <li>• Warwickshire and surrounding Shire Counties</li> <li>• Multi-agency response teams (i.e. including Fire and Rescue Service, Ambulance, British Transport Police, etc)</li> <li>• Public transport service operators</li> </ul>
<i>Resourcing</i>	<ul style="list-style-type: none"> <li>• Existing personnel in current roles</li> <li>• Core Coordination Team in one location</li> <li>• Time-limited 24/7 operational resources in same location</li> </ul>

**Figure I15.6 Long list option 4a, b and c**

<b>Long List Option 5a, b, c – 24/7 incident management and coordination (i.e. emergency services co-located in the RTCC on as-needed basis)</b>	
<i>Functional scope</i>	<ul style="list-style-type: none"> <li>• Management of people and business movements:               <ul style="list-style-type: none"> <li>- Surface operations – private car, delivery/freight and bus</li> <li>- Pedestrians and cyclists</li> <li>- Surface operations - rail and tram operations</li> <li>- “Street” activities (e.g. refuse collection, deliveries, etc)</li> </ul> </li> <li>• Contingency planning:               <ul style="list-style-type: none"> <li>- Initiating region-wide response to incidents</li> <li>- Informed by intelligence-led scenario planning and simulated decision support</li> </ul> </li> <li>• Safety and security:               <ul style="list-style-type: none"> <li>- Support for Police coordination of events</li> <li>- “Blue light” routes</li> </ul> </li> </ul>

<b>Long List Option 5a, b, c – 24/7 incident management and coordination (i.e. emergency services co-located in the RTCC on as-needed basis)</b>	
<i>Capability</i>	<ul style="list-style-type: none"> <li>• Roadworks coordination</li> <li>• Single view of network</li> <li>• Output to “Travel Information Service”</li> <li>• Incident planning</li> <li>• Incident response coordination</li> <li>• Network monitoring and reporting</li> <li>• Incident management and control (e.g. Gold and/or Silver control)</li> </ul>
<i>Hours of operation</i>	<ul style="list-style-type: none"> <li>• Time limited 24/7</li> </ul>
<i>Geography</i>	<ul style="list-style-type: none"> <li>• All roads within the WMCA’s region</li> </ul>
<i>Physical space</i>	<ul style="list-style-type: none"> <li>• Option 5a - Expand one of existing centres</li> <li>• Option 5b - New building/centre retaining all existing facilities</li> <li>• Option 5c - New building/centre replacing all existing facilities</li> </ul>
<i>Permanency</i>	<ul style="list-style-type: none"> <li>• Permanent capability fully equipped to manage special events and future demands</li> </ul>
<i>Organisation</i>	<ul style="list-style-type: none"> <li>• Seven authorities</li> <li>• Highways England</li> <li>• WMCA/TfWM</li> <li>• Police</li> <li>• Warwickshire and surrounding Shire Counties</li> <li>• Multi-agency response teams (i.e. including Fire and Rescue Service, Ambulance, British Transport Police, etc)</li> </ul>
<i>Resourcing</i>	<ul style="list-style-type: none"> <li>• Existing personnel in current roles</li> <li>• Core Coordination Team in one location</li> <li>• 24/7 operational resources in same location</li> </ul>

**Figure 115.7 Long list option 5a, b and c**

<b>Long List Option 6a, b, c – 24/7 incident control (i.e. control of transport networks from the RTCC, emergency services embedded in the RTCC)</b>	
<i>Functional scope</i>	<ul style="list-style-type: none"> <li>• Management of people and business movements: <ul style="list-style-type: none"> <li>- Surface operations – private car, delivery/freight and bus</li> <li>- Pedestrians and cyclists</li> <li>- Surface operations - rail and tram operations</li> <li>- “Street” activities (e.g. refuse collection, deliveries, etc)</li> </ul> </li> <li>• Contingency planning: <ul style="list-style-type: none"> <li>- Initiating region-wide response to incidents</li> <li>- Informed by intelligence-led scenario planning and simulated decision support</li> </ul> </li> <li>• Safety and security: <ul style="list-style-type: none"> <li>- Support for Police coordination of events</li> <li>- “Blue light” routes</li> <li>- Crime and anti-social behaviour monitoring at transport facilities/routes</li> </ul> </li> </ul>
<i>Capability</i>	<ul style="list-style-type: none"> <li>• Roadworks coordination</li> <li>• Single view of network</li> <li>• Output to “Travel Information Service”</li> <li>• Incident planning</li> <li>• Incident response coordination</li> <li>• Network monitoring and reporting</li> </ul>

<b>Long List Option 6a, b, c – 24/7 incident control (i.e. control of transport networks from the RTCC, emergency services embedded in the RTCC)</b>	
	<ul style="list-style-type: none"> <li>• Incident management and control (e.g. Gold and/or Silver control)</li> <li>• Major events management and control</li> <li>• As-needed control of all management and control of all transport networks/services (e.g. for major events, etc)</li> </ul>
<i>Hours of operation</i>	<ul style="list-style-type: none"> <li>• Everyday 24/7</li> </ul>
<i>Geography</i>	<ul style="list-style-type: none"> <li>• All roads within WMCA region</li> </ul>
<i>Physical space</i>	<ul style="list-style-type: none"> <li>• Option 6a - Expand one of existing centres</li> <li>• Option 6b - New building/centre retaining all existing facilities</li> <li>• Option 6c - New building/centre replacing all existing facilities</li> </ul>
<i>Permanency</i>	<ul style="list-style-type: none"> <li>• Permanent capability fully equipped to manage special events and future demands</li> </ul>
<i>Organisation</i>	<ul style="list-style-type: none"> <li>• Seven authorities</li> <li>• Highways England</li> <li>• WMCA/TfWM</li> <li>• Police</li> <li>• Warwickshire and surrounding Shire Counties</li> <li>• Multi-agency response teams (i.e. including Fire and Rescue Service, Ambulance, BT Police, etc)</li> <li>• Public transport service operators</li> </ul>
<i>Resourcing</i>	<ul style="list-style-type: none"> <li>• Existing personnel in current roles</li> <li>• Core Coordination Team in one location</li> <li>• 24/7 operational resources in same location</li> </ul>

**Figure I15.8 Long list option 6a, b and c**

<b>Long List Option 7 – Centralised management and control from the RTCC</b>	
<i>Functional scope</i>	<ul style="list-style-type: none"> <li>• Management of people and business movements:               <ul style="list-style-type: none"> <li>- Surface operations – private car, delivery/freight and bus</li> <li>- Pedestrians and cyclists</li> <li>- Surface operations - rail and tram operations</li> <li>- “Street” activities (e.g. refuse collection, deliveries, etc)</li> </ul> </li> <li>• Contingency planning:               <ul style="list-style-type: none"> <li>- Initiating region-wide response to incidents</li> <li>- Informed by intelligence-led scenario planning and simulated decision support</li> </ul> </li> <li>• Safety and security:               <ul style="list-style-type: none"> <li>- Support for Police coordination of events</li> <li>- “Blue light” routes</li> <li>- Crime and anti-social behaviour monitoring at transport facilities/routes</li> </ul> </li> <li>• Environmental management:               <ul style="list-style-type: none"> <li>- Clean air zone monitoring</li> <li>- Noise monitoring</li> <li>- Initiating mitigating actions and citizen information</li> </ul> </li> </ul>
<i>Capability</i>	<ul style="list-style-type: none"> <li>• Roadworks coordination</li> <li>• Single view of network</li> <li>• Output to “Travel Information Service”</li> <li>• Incident planning</li> <li>• Incident response coordination</li> </ul>

<b>Long List Option 7 – Centralised management and control from the RTCC</b>	
	<ul style="list-style-type: none"> <li>• Network monitoring and reporting</li> <li>• Incident management and control (e.g. Gold and/or Silver control)</li> <li>• Permanent management and control of all transport networks/services</li> </ul>
<i>Hours of operation</i>	<ul style="list-style-type: none"> <li>• Everyday 24/7</li> </ul>
<i>Geography</i>	<ul style="list-style-type: none"> <li>• All roads within the WMCA's region</li> </ul>
<i>Physical space</i>	<ul style="list-style-type: none"> <li>• New building/centre replacing all existing facilities</li> </ul>
<i>Permanency</i>	<ul style="list-style-type: none"> <li>• Permanent capability fully equipped to manage special events and future demands</li> </ul>
<i>Organisation</i>	<ul style="list-style-type: none"> <li>• Seven authorities</li> <li>• Highways England</li> <li>• WMCA/TfWM</li> <li>• Police</li> <li>• Warwickshire and surrounding Shire Counties</li> <li>• Multi-agency response teams (i.e. including Fire and Rescue Service, Ambulance, BT Police, etc)</li> <li>• Public transport service operators</li> </ul>
<i>Resourcing</i>	<ul style="list-style-type: none"> <li>• Core Coordination Team in one location</li> <li>• 24/7 operational resources in same location</li> </ul>

**Figure 1 Long list option 7**

Each long list option was assessed against each of the HM Treasury's Green Book Critical Success Factors (CSFs) as follows:

- CSF1: Business Needs;
- CSF2: Strategic Fit;
- CSF3: Benefits Optimisation;
- CSF4: Potential Achievability;
- CSF5: Supply Side Capacity and Capability; and
- CSF6: Potential Affordability.

The outcome of this assessment was as follows:

- For CSF1 to CSF5, the contribution of each option was scored using a 1 to 10 scoring system where 1 indicated minimal contribution to the Critical Success Factor in question and 10 indicated the highest contribution; and
- For CSF6, the relative affordability of each option compared with the Do Nothing option was scored using a 0 to -10 scoring system where minus figures indicated a relatively greater cost than continuing with the Do Nothing option.

Using this approach, a matrix was created which allocated scores to indicate the extent to which each criteria/element defined in the Long List Option Definition Matrix contributed to each CSF. The contribution of each criteria/element to the CSFs was assessed on the basis of the following factors:

- the SOBC for the RTCC published in October 2016;
- the transport objectives identified in the West Midlands Strategic Transport Plan, "Movement for Growth" as summarised in Section 2 of Deliverable 1;

- outcomes from discussions with stakeholders documented in Section 2 and Appendix A of Deliverable 1; and
- IBI's professional judgement based on experience of working on similar centres around the world.

Whilst the allocation of scores was methodical and consistent, by necessity, there was a degree of subjectivity in the process. Subjectivity was kept to a minimum by keeping the assessment of the contribution each criteria/element made to the six CSFs independent from the rest of the assessment. Sensitivity tests were also carried out which demonstrated that reasonable variations to the score allocation matrix consistent with the four factors listed above had no material impact on the outcome of the assessment.

The scores allocated to the combination of criteria/elements making up each long list option were then summed to give the total scores for each option.

A number of Long List Option have an "a", "b" or "c" variant as follows:

- Variant "a", refers to an option where the physical space could be created by expanding one of the existing centres;
- Variant "b" refers to an option which involves developing a new building/centre but retaining all existing facilities; and
- Variant "c" refers to an option to develop a new building/centre which replaces all existing facilities.

In the Critical Success Factor analysis, Variant "a" was assessed as the construction of a new facility is considered to be unlikely at this stage.

The results of the assessment of the long list of options against each of the Critical Success Factors is presented in Figure I15.10.

Critical Success Factor	Long List Options						
	1	2	3	4a	5a	6a	7
<i>CSF1 - Business needs</i>	0	79	112	137	126	145	145
<i>CSF2 - Strategic fit</i>	0	79	112	137	126	141	141
<i>CSF3 - Benefits optimisation</i>	0	82	109	158	147	181	182
<i>CSF4 - Potential Achievability</i>	0	68	95	118	114	131	135
<i>CSF5 - Supply side capacity and capability</i>	0	52	77	115	111	124	128
<i>CSF6 - Potential Affordability</i>	0	-8	-15	-66	-54	-106	-126
<b>Total</b>	<b>0</b>	<b>352</b>	<b>490</b>	<b>599</b>	<b>570</b>	<b>616</b>	<b>605</b>

**Figure I15.10 Summary of results of Critical Success Factor assessment**

The HMT Green Book requires further consideration of the Do Nothing/Minimum option at short list stage in order to provide a baseline against which other options can be assessed. Option 1 – Do Nothing was therefore retained on the short list.

In order to retain sufficient flexibility when considering short listed options, it was decided to retain at least one option which did not involve integration with the Police and emergency services and at least one option which did involve integration with the Police and emergency services.

On the basis of the Critical Success Factor assessment and using the rationale for the selection of the Short List Options set out above, it is recommended that Long List Options 1, 3 and 6 are taken forward as the short listed options for detailed assessment.

- Option 1 – Do Nothing is a requirement of the HMT Green Book in order to provide a baseline for comparison;
- Option 3 - Operational Liaison, Coordination and Support is the best scoring option which does not involve integration with the Police and emergency services; and
- Option 6 – Major Planned Event and 24/7 Incident Coordination and Management is the best scoring option which does involve integration with the Police and emergency services.

## Declaration

*To be completed by the Business Case Applicant:*

I hereby confirm that the information provided in this form is complete and, to the best of my knowledge, accurate.

I acknowledge that the West Midlands Combined Authority may seek to verify the information set forth herein, and agree to provide further information where it is available.

I acknowledge that any funding agreement reached with the WMCA is provisional until approved by the West Midlands Combined Authority Board and confirmed in writing.

Signed .....

Date .....

Name .....

Position .....

Organisation/Company .....

## Certificate of Approval

To be completed by WMCA staff:

I have read and understood the information provided by the applicant in this **Initial Proposal/Outline Business Case/Full Business Case** and confirm that the application has been evaluated in accordance with the West Midlands Combined Authority Assurance Framework and Project Lifecycle.

<p><b>Appraisal Panel</b></p>  <p>Decision: <b>Approve / Reject</b></p>  <p>Signed.....</p>  <p>Date .....</p>  <p>Name.....</p>  <p>Position.....</p>	<p><b>Investment Advisory Group</b></p>  <p>Decision: <b>Approve / Reject</b></p>  <p>Signed.....</p>  <p>Date .....</p>  <p>Name.....</p>  <p>Position.....</p>
<p><b>Management Board</b></p>	<p><b>Board</b></p>

<b>Decision: Approve / Reject</b>	<b>Decision: Approve / Reject</b>
Signed.....	Signed.....
Date .....	Date .....
Name.....	Name.....
Position.....	Position.....

This document has been prepared only for Wolverhampton City Council and the other Constituent Councils of the proposed West Midlands Combined Authority and solely for the purpose and on the terms agreed with Wolverhampton City Council. We accept no liability (including for negligence) to anyone else in connection with this document, and it may not be provided to anyone else. If you receive a request under freedom of information legislation to disclose any information we provided to you, you will consult with us promptly before any disclosure. © 2016 PricewaterhouseCoopers LLP. All rights reserved. In this document, "PwC" refers to the UK member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.



## WMCA Board

<b>Date</b>	24 May 2019
<b>Report title</b>	West Midlands Bus Byelaws Update
<b>Portfolio Lead</b>	TBC
<b>Accountable Chief Executive</b>	Deborah Cadman, West Midlands Combined Authority email: <a href="mailto:deborah.cadman@wmca.org.uk">deborah.cadman@wmca.org.uk</a> tel: (0121) 214 7552
<b>Accountable Employee</b>	Laura Shoaf, Managing Director, Transport for West Midlands email: <a href="mailto:laura.shoaf@tfwm.org.uk">laura.shoaf@tfwm.org.uk</a> tel: (0121) 214 7444
<b>Report has been considered by</b>	Transport for West Midlands Leadership Team – 15 April 2019 Programme Board – 10 May 2019

### Recommendation(s) for action or decision:

#### The WMCA Board is recommended to:

- (1) Note and comment as required on the results of the bus byelaws consultation exercise given in section 4;
- (2) Support the next stages of work described in section 5, in completing a 'Regulatory Assessment' of proportionality and impact of the byelaws taking account of stakeholder feedback and input from legal services; and
- (3) Approve the preparation and submission of the formal application to the relevant government department seeking approval for the byelaws to be made as detailed in section 6.

## **1. Purpose**

- 1.1 To update the WMCA Board on the results and feedback from the consultation exercise on the proposed set of bus byelaws.
- 1.2 To detail the next stage of work in completing an internal 'Regulatory Assessment' of each byelaw and how this forms part of the formal application to the relevant government department for approval to make the byelaws.
- 1.3 To provide the remaining key milestones and anticipated timescales in the application process up to implementation.

## **2. Background**

- 2.1 In January 2019 the WMCA Board approved the rationale, content and outline process for a proposed set of bus byelaws across the region.
- 2.2 Similar byelaws powers already exist on the rail and tram networks. However, there exist no such equivalent powers on the bus network, with staff relying on bus operators' own "Conditions of Carriage" not enforceable in criminal law. The Safer Travel Police team regularly indicated that they sometimes felt their hands were tied on the bus network when dealing with low level nuisance incidents, in comparison to other forms of public transport.
- 2.3 The proposed byelaws were drafted and tailored for the bus network using the three existing sets of rules and regulations described in point 2.2 for reference.
- 2.4 The Safer Travel Partnership understand the proposed byelaws would be a national first for bus related public transport.
- 2.5 The Mayor of the West Midlands and Police and Crime Commissioner (PCC) fully support the introduction of byelaws for the bus network. Adding further powers to tackle ASB on the bus network forms a deliverable within the PCC's Safer Travel Plan and therefore a deliverable within the WMCA's Annual Plan. The region's Congestion Management Plan also identified perception of safety on public transport as a barrier to more people using the bus and making more sustainable journeys. The introduction of bus byelaws will help remove this barrier. The byelaws have been considered and endorsed through the West Midlands Bus Alliance Board who fully support the introduction of the bus byelaws. The Alliance consists of the Safer Travel Team, all bus operators, local authorities, TfWM and the DfT.
- 2.6 The mechanism for the WMCA to make byelaws is 'The Byelaws (Alternative Procedure) (England) Regulations 2016.'
- 2.7 The first stage in progressing the proposed byelaws through to approval has been to conduct a thorough stakeholder consultation exercise which was undertaken in February and March 2019.

### **3. Consultation overview**

- 3.1 The government regulations required consultation with such persons that may be affected by the proposed byelaws. To this end the WMCA Network Resilience team undertook a formal eight week consultation exercise between 4<sup>th</sup> February 2019 and 29<sup>th</sup> March 2019.
- 3.2 Members of the public had their say on the proposals via:
- An online survey hosted on [www.tfwm.org.uk](http://www.tfwm.org.uk);
  - Self-completion paper surveys made available at a number of public consultation events at bus stations and other prominent city centre locations; and
  - Comments by letter, email, telephone and invited through a comprehensive use of social media.
- 3.3 A number of stakeholders and groups were directly contacted including:
- Over 20 bus operators represented on TfWM's operator panel;
  - Around 200 groups representing all equality strands;
  - Colleges, universities and schools; and
  - Bus user campaign groups including Transport Focus and Bus Users UK.
- 3.4 From a wider perspective, local authorities, politicians and the business community were also directly contacted for their views

### **4. Consultation results**

- 4.1 There were 478 responses to the public survey questionnaire which covered the 11 of the main byelaw areas:
- Unacceptable behaviour
  - Drunkenness, drugs & unfit to travel
  - General safety
  - Smoking and vaping
  - Ticketless travel & misuse of tickets
  - Music and sound
  - Actions in stations inc. unauthorised access and loitering
  - Following traffic signs, safety instructions and parking
  - Pedestrian only areas
  - Control of animals
  - Advertising
- 4.2 All of the proposed byelaws received a high level of support, with the highest areas (at over 90% agreement) being unacceptable behaviour, drunkenness, drugs and unfit to travel, general safety, smoking and vaping, music and sound and actions in stations.

- 4.3 31% of respondents said they felt very unsafe/ unsafe. Regular bus users were more likely to state they felt safe (37%) compared to those that rarely / never used the bus (16%). One of the main reasons for feeling unsafe was due to the behaviour of passengers / anti-social behaviour.
- 4.4 61% thought the new byelaws would help tackle low level anti-social behaviour with only 12% thinking they would not help and 27% unsure either way. A recurring comment from respondents on this question was that “tackling anti-social behaviour will help me feel safer.”
- 4.5 Stakeholders directly contacted as part of the consultation were broadly supportive of the principle of introducing byelaws. A summary of the specific feedback was as follows:
- In total there were 8 stakeholder responses from interested groups including three bus operators, Transport Focus, Campaign for Better Transport, the West Midlands Pensioners convention and the UK Vaping Industry Association;
  - A number of stakeholders offered their support to the proposals or the principles behind the proposals;
  - A number of stakeholders commented that some byelaws were already covered by other legislation or bus operators’ Conditions of Carriage and were as such ‘unnecessary’. *TfWM feel that this is not the case as the byelaws offer enforcement responses to a range of nuisance and anti-social behaviour types specific to the bus network. In addition, operators’ Conditions of Carriage are not enforceable under criminal law and do not assist the Safer Travel police in making swift responses to the problems they encounter on a day to day basis on the network;*
  - Some of the wording of the byelaws was criticised or the language was found inaccessible. *This will be addressed through the Regulatory Assessment and consultation with legal services.*
  - There were concerns that vaping should not be treated the same as smoking from one stakeholder whilst another said there was sense in treating both the same for enforcement purposes. *The latter is in keeping with public feedback from the consultation which did not differentiate between the two.*

## 5. Next steps

### Regulatory Assessment

- 5.1 In line with the government's byelaws procedure, an internal 'Statement of Assessment' (Regulatory Assessment) is currently being drafted for each byelaw using all the consultation feedback. This will address the necessity, proportionality and effect of the byelaws. Examples of some of the completed assessments are provided in Appendix A.
- 5.2 The assessment has also included outcomes from an Equality Impact Assessment (EIA) of the byelaws conducted by the WMCA's Equalities Manager. The two issues raised in the EIA are outlined in section 6 of this report.
- 5.3 The assessment will lead to a review of and amendments to the byelaws content, undertaken in consultation with legal services. Based on the stakeholder feedback, it is not envisaged that any of the main byelaw areas will be significantly changed or omitted.
- 5.4 Once completed a 'Statement of the Assessment' concluding the impact of each byelaw on those affected by it is required to be published on the WMCA's website and other publications. It will also form part of the wider submission to government for approval.

### Formal application to government for approval

- 5.5 The government department responsible for approving the proposed byelaws is the Ministry for Housing, Communities and Local Government (MHCLG), as they deal with byelaws covering public open space which includes bus stations and at stops and shelters. There has also been dialogue with the Department for Transport on the matter as a significant number of the byelaws would be intended to be used on board buses.
- 5.6 The WMCA will need to submit their final application to the relevant Secretary of State for approval who must respond within 30 days. The application should contain the draft proposed byelaws, Regulatory Assessment and a report including the following key areas:
  - Explanation of the purpose of, and need for, the byelaw;
  - Explanation of the WMCA's reasons why it considers the proposed byelaw is reasonable, and why the proposed sanction for contravening the byelaw is both necessary and proportionate;
  - Explanation and assurance of whether or not any other existing enactment, law or legislation already fulfils the purpose of, and need for, the proposed byelaw or conflicts with it;
  - Explanation whether the local authority has used a model byelaw to help draft the proposed byelaw and if so, which one;
  - Identifying, using a map if necessary, the area which the byelaw applies;
  - Describing the result of the consultation; and

- Summarising any objections made to the proposed byelaw during the consultation exercise and the local authority's response to those objections; the authority should also include with the report copies of all correspondence dealing with the objections.

5.7 The Secretary of State may request technical and formatting changes if it gives leave to make the proposed byelaws.

## **6. Equalities Implications**

6.1 The WMCA is ensuring through its Regulatory Assessment that the proposed byelaws are proportionate and do not have an unnecessary, excessive or disproportionate effect on individuals. Over 200 groups representing all equality strands have been consulted for their feedback on the proposed byelaws.

6.2 An Equality Impact Assessment of the proposed byelaws has also been undertaken by the WMCA's Equality Manager and recommendations from this will be incorporated into two minor amendments. These relate to:

- 'Control of animals' byelaw ensuring disabled people with assistance dogs are not denied access
- 'Unauthorised access or loitering' byelaw ensuring transgender people retain the right to use whichever single sex they choose.

## **7. Legal Implications**

Legal services will be consulted on the content of specific stakeholder feedback which has been received. Following this, any required amendments to the byelaws' wording will be made and the Regulatory Assessment updated prior to the application being submitted to the government.

## **8. Financial Implications**

8.1 No additional budgetary requirements are required in order to enforce bus byelaws. There is no need to increase numbers of Safer Travel Police Officers as the use of byelaws would be an additional tool to tackle anti-social behaviour thus allowing them to do their job more efficiently.

8.2 Potential costs incurred by West Midlands Police in administering a system of fines will need to be discussed and actions agreed.

8.3 The financial impact of introducing bus byelaws will be offset over the long term by having penalty fines for convicted breaches.

## **9. Revised milestones and timescales leading to implementation**

- Complete Regulatory assessment. Complete and submit byelaws application for approval – end May 2019

- Government decision to give leave to make byelaws or refuse to give leave - end June 2019 (30 day decision period)
- Advertise & consult - formal 'notice' of consultation period – end July 2019 (minimum 28 day notice period)
- WMCA Board – feedback on consultation and final approval – August 2019
- WMCA formally make the byelaws and publicise (30 day notice period) – September 2019
- Byelaws are implemented – October/ November 2019

**9. Inclusive Growth Implications**

Buses serve parts of our communities where there are higher levels of deprivation, low car ownership and limited access to other forms of transport. Introducing bus byelaws will help improve safety and the perception of safety on buses removing a potential barrier to travel and enable greater access to education and employment opportunities.

**10. Geographical Area of Report's Implications**

The West Midlands seven constituent local authority areas

**11. Other Implications**

None

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## Appendix A

### Examples of Bus Byelaws Regulatory Assessments

BYELAWS: <u>Management of queuing</u>	
<ul style="list-style-type: none"><li>• A requirement for any person to queue in order to regulate order or safety on or near the premises, on or near the vehicle.</li><li>• Any person directed by a notice to queue, or when asked to queue by an authorised person, shall join the rear of the queue and obey the reasonable instructions of any authorised person regulating the queue.</li></ul>	
Objective	To achieve personal safety of bus users from others whilst waiting to board the bus by forming an orderly queue.
Options appraisal	No other existing enactment or regulation is in place specifically designed to address this type of disorderly behaviour and risk to personal safety. This is borne from those waiting and then physically pushing or barging into others to board buses at stops, shelters or in stations. This is a scenario that in the Safer Travel Partnerships experience can often occur causing a bottleneck at the entrance to the bus and in some circumstances then lead to undue pressure on the driver in terms of ticket checking and the potential for ticketless travel. These byelaws would mirror railway byelaws powers currently available under section 219 of the Transport Act 2000.
Impact	Transport for West Midlands (TfWM) consider these byelaws to be reasonable and proportionate in helping to maintain order for those legitimately seeking to queue for a bus at a stop, shelter or in a station.
Effect on regulatory burden	None. These byelaws are initially intended to be used and enforced by West Midlands Police Officers dedicated to working on the West Midlands bus and rail networks
Consultation feedback	There were no negative comments feedback from the public on these byelaws. Bus operator Arriva Midlands Ltd. commented they felt these byelaws were unreasonable and excessive to dictate where people stand in a queue.
Resulting action	TfWM consider that mirroring the same powers for buses as those available on the rail network is proportionate and reasonable due to its experience of this issue. Therefore we propose that these byelaws remain the same.

<p>BYELAWS: <u>Control of potentially dangerous items</u></p> <ul style="list-style-type: none"> <li>• Except with written permission from the operator or an authorised person, no person shall bring with him, attempt to bring with him or allow to remain on the premises or vehicle any potentially dangerous item.</li> <li>• A potentially dangerous item is an item which, in the reasonable opinion of an authorised person, may be used to threaten, annoy, soil or damage any person or any property.</li> <li>• For example: a loaded weapon of any kind; flammable, explosive or corrosive substance; any item which is or may become dangerous.</li> </ul>	
Objective	To achieve personal safety of bus users in stations and on board, by denying other users carrying items deemed dangerous or potentially dangerous to persons or property
Options appraisal	These byelaws would mirror railway byelaws powers currently available under S.219 of Transport Act 2000. Bus operators provide 'Conditions of Carriage' setting out passengers rights and duties in accordance with various 'Public Service Vehicles' legislation and regulations from 1990, 2000 and 2002, all of which affect drivers, inspectors, conductors and passengers. TfWM have consulted an example 'Conditions of Carriage' from a current West Midlands bus operator and content within refers to some articles, substances, luggage or possessions being hazardous or a risk and therefore not allowed. However, this is not an alternative to the proposed byelaws nor does it conflict with them. This is because 'Conditions of Carriage' are only enforceable by the operator themselves under civil law. In addition police officers or other authorised persons require the consent of the driver or operator employee to board a bus and deal with matters such as this under criminal law. In exercising these byelaws, the emphasis is on police or authorised persons being required to act expediently to prevent or avert a potentially dangerous situation arising.
Impact	TfWM consider these byelaws to be reasonable and proportionate in helping to prevent unnecessary onward impact on other passengers or property from those carrying dangerous or potentially dangerous objects or substances onto buses or in bus stations.
Effect on regulatory burden	None. These byelaws are initially intended to be used and enforced by West Midlands police officers dedicated to working on the West Midlands bus network.
Consultation feedback	There were no negative comments feedback from the public on these byelaws.
Resulting action	TfWM consider that mirroring the same powers for buses as those available on the rail network is proportionate and reasonable due to the potential seriousness of this issue and early intervention being critical.

BYELAWS: <u>Smoking/ Vaping</u>	
<ul style="list-style-type: none"> <li>No person shall smoke or carry a lit cigar, cigarette, lighter, match, pipe or other lighted item on any part of the premises or vehicle on or which there is a notice indicating that smoking is not allowed.</li> <li>No person shall vape on any part of the premises or vehicle on or which there is a notice indicating that vaping is not allowed.</li> </ul>	
Objective	To help achieve the personal comfort and health and/or safety of bus users from the effects of secondary smoke or vapour.
Options appraisal	The first byelaw would mirror a railway byelaw power currently available under S.219 of Transport Act 2000 and Midland Metro Byelaw 6(1) for the West Midlands tram network. As before TfWM have consulted an example 'Conditions of Carriage' from a current West Midlands bus operator and content within refers to smoking or carrying lighted tobacco on board buses not being allowed. However, this is not an alternative to the proposed byelaws nor does it conflict with them. This is because 'Conditions of Carriage' are only enforceable by the operator themselves and in addition authorised persons require the consent of the driver or operator employee to board a bus and deal with matters such as this under current laws. Current law to enforce no smoking in public areas under Health Act 2006 would not conflict with these byelaws but sit alongside it. However, critically use of this legislation is resource intensive on local authorities and little used on buses or in shelters or bus stations. Vaping and the vapour cloud it emits is not covered by any of the regulatory or legislative areas above but is known to be of similar concern as smoking to the travelling public through the numbers of complaints TfWM receive. The effects of smoking and vaping is the main anti-social behaviour complaint type TfWM receives from bus passengers.
Impact	TfWM consider these byelaws to be reasonable and proportionate in helping to maintain smoke and vape free areas for the travelling public on board buses, at stops, shelters or in stations.
Effect on regulatory burden	None. These byelaws are initially intended to be used and enforced by West Midlands Police Officers dedicated to working on the West Midlands bus and rail networks.
Consultation feedback	93% of respondents to TfWM's public consultation survey either strongly agreed or agreed with the proposed byelaws relating to smoking and vaping. Transport Focus agreed with the premise of treating smoking and vaping the same for enforcement purposes.
Resulting action	TfWM consider that mirroring the same powers for buses as those available on the rail and tram networks is proportionate and reasonable due to its experience of this issue. We also consider it is appropriate and reasonable to extend this power to vaping based on public feedback in our consultation.

BYELAWS: Intoxication

- No person shall enter, attempt to enter or remain at bus premises or on a vehicle where such a person is unfit to enter or remain at bus premises as a result of being in a state of intoxication. Intoxication means being under the influence of intoxicating liquor, drugs or other substance.
- No person shall enter, attempt to enter or remain at bus premises or on a vehicle while in possession of an open container of alcohol unless expressly permitted to do so by the Operator in a particular area.
- No person shall consume alcohol on the premises or on a vehicle unless expressly permitted to do so by the operator in a particular area.
- If an authorised person reasonably believes that any person is unfit to enter or remain on the premises or vehicle, or is in possession of alcohol, then the authorised person may require him to leave, remove any alcohol and prevent him from entering or remaining on the premises or vehicle until the authorised person is satisfied that he is no longer in an unfit condition or no longer has any alcohol with him in contravention of this byelaw.

Objective	To refrain person(s) from attempting to use or using the bus network who are in an intoxicated state or carrying or consuming alcohol. All such activity can often have a negative effect on the travel experience of other passengers
Options appraisal	These byelaws would mirror railway byelaw powers currently available under S.219 of Transport Act 2000 and Midland Metro Byelaw powers for the West Midlands tram network relating to alcohol and substances. As before TfWM have consulted an example 'Conditions of Carriage' from a current West Midlands bus operator and content within only refers to passengers not consuming food or drink on vehicles. However, this is not an alternative to the proposed byelaws as it does not cover the issue of potential nuisance caused by carrying or consuming alcohol or being in an intoxicated state. In addition, 'Conditions of Carriage' are only enforceable by the operator themselves with the police and other authorised persons requiring the consent of the driver or operator employee to board a bus to deal with matters such as this. In exercising these byelaws the emphasis is on police or authorised persons being required to act expediently to prevent, in some instances a potentially dangerous situation arising through the drink or drug induced behaviour of others.
Impact	TfWM consider these byelaws to be reasonable and proportionate in helping to maintain a bus environment free from those in an unfit condition due to the use of alcohol or drugs who may cause harassment alarm or distress to other passengers. TfWM also acknowledges the use of alcohol on the bus network may cause a nuisance to other passengers and can often result in those consuming it to behave anti-socially.

Effect on regulatory burden	None. These byelaws are initially intended to be used and enforced by West Midlands police officers dedicated to working on the West Midlands bus and rail networks
Consultation feedback	95% of respondents to TfWM's public consultation survey either strongly agreed or agreed with the proposed byelaws relating to intoxication and being unfit to travel
Resulting action	TfWM consider that mirroring the same powers for buses as those available on the rail and tram networks is proportionate and reasonable due to its experience of this issue in terms of unacceptable behaviour borne from the consumption of alcohol or drugs in public environment.

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**West Midlands  
Combined Authority**

## **Strategic Economic Development Board**

**Wednesday 6 March 2019 at 10.00am**

### **Notes**

#### **Members**

Black Country LEP	Stewart Towe (in the Chair)
Birmingham City Council	Councillor Ian Ward
Greater Birmingham & Solihull LEP	Chris Loughran
North Warwickshire BC	Councillor David Humphreys
Solihull MBC	Councillor Ian Courts
West Midlands Universities	Stuart Croft
City of Wolverhampton	Councillor John Reynolds

#### **Officers in Attendance**

Black Country LEP	Sarah Middleton
Coventry & Warwickshire LEP	Paula Deas
Greater Birmingham & Solihull LEP	Paul Edwards
Nuneaton & Bedworth BC	Dawn Dawson
Warwickshire County Council	Geraint Stoneman
West Midlands Combined Authority	Julia Goldsworthy

#### **Item No.**

#### **31. Apologies for absence**

Apologies for absence were received from Councillors Matthew Dormer, George Duggins, Abdul Khan, Paul Moore and Bob Sleight and Jonathan Browning, Matthew Hammond, Tim Pile and Graham Wynn.

#### **32. Notes of the Strategic Economic Plan Board Meeting held 10 December 2018**

Resolved:

That the notes of the meeting held on the 10 December 2018 be approved as an accurate record.

#### **33. SED Board Tracker Log**

Resolved:

That the SED Board Tracker Log be approved.

#### **34. Forward Plan**

Resolved:

That the Forward Plan be noted.

#### **35. Local Industrial Strategy (LIS) - Statement**

Julia Goldsworthy advised that the document presented had been approved by Jonathon Browning and Councillor Ian Ward, as SED Board Chair and WMCA Economic Portfolio holder respectively.

A final draft was awaited from BEIS but initial feedback was: -

- That the document was not a vehicle for funding;
- There needed to be a separate tranche of funding documents, for Brexit planning and the comprehensive spending review;
- Creative – the proposed pilot needed to be scaled up;

In regard to the SED Board's role, this would be to monitor progress against a LIS delivery plan; identify and gaps with the LIS; and there was a need to revisit the Terms of Reference and membership of the Board.

A standing item, once the LIS was launched would be to develop Implementation Plans. Julia Goldsworthy advised that the current priority was to publish before Purdah, which commenced on 25<sup>th</sup> March 2019.

Chris Loughran queried the enthusiasm to launch without funding in place. He was advised that it was to provide clarity of what the LIS needed to deliver for the West Midlands not solely for funding. Chris Loughran acknowledged the point but advised that once published it was the credibility of those involved in its production to include the three LEPs. He commented, as a personal view, that if the Government's ambition was for the WM LIS to be jointly signed then they should provide some resource for the ambitions set out in the document.

Julia Goldsworthy advised that throughout the Country the development of individual LIS's were at different timescales; the LEP Review had not yet concluded; and the announcement on the UK Shared Prosperity Fund was awaited. She stated that the LIS document did articulate key opportunities for the region, such as automotive and stated that once published the region could push for delivery.

Councillor Ian Ward advised if the WM LIS was published before the spending review, then it could be used as leverage to capture resource for the WM.

Sarah Middleton advised that there was a need to ensure that the final version contained the original "Asks" to deliver the WM LIS ambitions. Councillor John Reynolds added that for Wolverhampton and the Black Country key was the supply chain asks and he stated that the document still needed to build in specificity around the supply chain.

Paula Deas advised the LIS team were in the final stages of updating the document and once approved by the Chair, the document would then go to Government for sign off. Julia Goldsworthy added that once Greg Clarke had signed off the document it would then go to the LIS Committee.

Stewart Towe advised that LEP Chairs covered a lot of areas of business to include the broader supply chain. With the current economic climate and uncertainty, banks were not committing on major developments and there was business stagnation, however he stated that once there was a resolution there would be a deluge of request for funding projects, as the pressure had been building up.

This was acknowledged and Julia Goldsworthy advised that the proposed WM LIS launch dates were now 19<sup>th</sup> and 21<sup>st</sup> March but agreed to Members updated on developments.

Paula Deas highlighted that the Mayor had requested an opening dedication to Professor Lord Bhattacharyya.

Resolved:

1. That the Board note the update;
2. That the comments of the Board be fed into the LIS document; and
3. That the Board be circulated with a final draft of the LIS and any further comments be submitted direct to the WMCA LIS Team.

### **36. Brexit**

An update was provided on the Birmingham Brexit Commission which included officers from all WM local authorities.

The discussions included: - establishing a no deal view; capacity building and sign posting for the region's companies; a Brexit Health check for companies; there was an operational, dedicated website; a Brexit contingency fund had been pooled between the WMCA and local authorities to enable co-ordination of funds across the region. It was noted that the approach had been held up as best practice for other regions.

Whilst no new date had been set officials from Treasury would be attending next week with the Director General, BEIS attending in the future.

It was asked that when these meetings were held that updates be provided to local authorities and local businesses so that the local business issues could be fed in and resonate with Whitehall.

Resolved:

That the Board note the update.

**37. Investment Programme**

The Investment Programme Dashboard was submitted.

It was noted that the Investment Programme going forward needed to show how it impacted on the LIS and the Implementation Plan.

There was a need to show the priorities and how it was proposed to fund them, such as through local authorities, the LEP's or the WMCA.

Resolved:

That the Board note the update.

**38. LEP Review - Exemption**

The meeting was advised that within the new National Assurance Framework for LEPs, the three LEPs had been required to apply for an exemption as the outcome of the LEP review were not yet known.

Stewart Towe noted the state of flux across the Country but advised that the LEPs, WMCA and local authorities needed to be prepared for whatever outcomes.

Chris Loughran commented that the LEP Boards were made up of volunteers from the business community and the difficulties to be motivated in the current climate.

Resolved:

That the Board note the update.

**39. Date of Next Meeting**

It was noted that the next meeting would be held on 8 May 2019 at 10.00am in Birmingham.

Resolved:

That the date of the next meeting be noted.

The meeting closed at 10.50am

Chair



**West Midlands  
Combined Authority**

## **Investment Board**

**Monday 18 March 2019 at 9.30 am**

### **Minutes**

#### **Present**

Councillor Bob Sleigh (Chair)	Portfolio Lead for Finance & Investments
Councillor Mike Bird	Walsall Metropolitan Borough Council
Councillor Tristan Chatfield	Birmingham City Council
Councillor Robert Hulland	Solihull Metropolitan Borough Council
Councillor Tony Jefferson	Stratford-on-Avon District Council
Councillor Pete Lowe	Dudley Metropolitan Borough Council
Councillor John Reynolds	City of Wolverhampton Council
Sue Summers	West Midlands Development Capital
Gary Taylor	Greater Birmingham & Solihull Local Enterprise Partnership

#### **In Attendance**

Sarah Middleton	Black Country Local Enterprise Partnership
Andy Williams	Coventry City Council
Gerald Gannaway	West Midlands Development Capital
Nick Oakley	West Midlands Development Capital
Carl Craney	West Midlands Combined Authority
Sukhy Dhanoa	West Midlands Combined Authority
Julia Goldsworthy	West Midlands Combined Authority
Linda Horne	West Midlands Combined Authority
Danny Wood	West Midlands Combined Authority

#### **Item Title**

##### **No.**

##### **133. Apologies for Absence (if any)**

Apologies for absence had been received from Nick Abell (Coventry and Warwickshire Local Enterprise Partnership), Paul Brown (Black Country Local Enterprise Partnership), Councillor Roger Lawrence (City of Wolverhampton Council) and Councillor Jim O'Boyle (Coventry City Council).

An apology for absence had also been received from Richard Moon (Coventry City Council).

##### **134. Notification of Substitutes (if any)**

Councillor John Reynolds had been appointed as a substitute for Councillor Roger Lawrence (City of Wolverhampton Council).

**135. Declarations of Interests (if any)**

No declarations of interests were made relative to items under consideration at the meeting.

**136. Minutes of last meeting**

Resolved:

That the minutes of the meeting held on 18 February 2019 be confirmed as a correct record and signed by the Chair subject to the following:

- i) The addition of 'Councillor John Reynolds – City of Wolverhampton Council' in the list of members present;
- ii) In Minute No. 104 (West Midlands Commercial Fund Extension) Point 5 – the deletion of 'fund management services' and the substitution therefor of 'fund advisory services'.

**137. Black Country Land and Property Investment Fund - The i54 Western Extension**

Sarah Middleton presented a report which sought to secure agreement to derogations from the Commissioning Framework and which set out the conditions which would be applied to such an approval. She advised that the proposed investment would assist in the delivery of the strategically important i54 Western Extension site through the development of one of the largest employment sites in the West Midlands.

Resolved:

1. That the decision by the Black Country Joint Committee that £5 million of funding from the Black Country Land and Property Investment Fund (LPIF) be made available to the City of Wolverhampton Council as the Accountable Body for the fund to facilitate the delivery of the i54 Western Extension project be noted;
2. That the West Midlands Combined Authority Board be recommended:
  - a) That a derogation be provided in respect of the i54 Western extension project with regard to the Commissioning Framework for the Black Country Land and Property Investment Fund (approved by the WMCA Board in September 2017) in recognition of the fact that the outputs from the project will be delivered outside the agreed timeframe;
  - b) That the consent to the derogation was specific and exclusive to the i54 Western Extension project and did not set a precedent for any future decisions;

- c) That approval be sought for the utilisation of WMCA funding to be allocated to a site that was outside the boundaries of the Black Country. The i54 Western Extension project was located in South Staffordshire with 60 acres being in the ownership of the City of Wolverhampton Council, A Constituent Area Local Authority. This site would play an important role in the delivery of the WMCA Strategic Economic Plan (SEP), Black Country SEP and the Local Industrial Strategy.

**138. Investment Programme and Dashboard**

Linda Horne and Sukhy Dhanoa presented a report on the status of the Investment Programme to assist the Board in determining investment decisions. Linda Horne advised that a meeting had been held with the WMCA mayor and the Leaders of the Councils on 8 March 2019 on Investment Programme Prioritisation strategies, with work on six separate workstreams having commenced with a further report to be submitted to the meeting scheduled for 15 April 2019.

Councillor Mike Bird sought an assurance that in the event of a scheme receiving funding from an alternative source that the funding from the Investment Fund would be returned to the Fund for re-allocation by this Board. Linda Horne explained that in the case of any underspends or the identification of alternative funding the 'Change Control' process approved previously by the Board would apply albeit that requests for the funding to be used for other purposes could be made to this Board via the 'Change Control' process by the original recipient. Councillor Mike Bird advised that he was referring specifically to circumstances where alternative funding had been identified. The Chair confirmed that this would be covered by the 'Change Control' process and the future use of the sums allocated originally would be determined by this Board.

Sarah Middleton commented that while the various Dashboards appended to the report were helpful a further Dashboard setting out the overall programme position would be useful. Linda Horne undertook to work with Sukhy Dhanoa on producing such a Dashboard for consideration at future meetings.

Resolved:

1. That the report be received and noted;
2. That the position with the use of any allocated funds following the identification of alternative sources of funding as now set out be noted;
3. That a further Dashboard be prepared setting out the overall programme position be submitted to future meetings of the Board.

**139. WMCA Collective Investment Fund (CIF) - Dashboard**

Nick Oakley presented the Collective Investment Fund (CIF) Dashboard (public iteration) as at 15 March 2019.

Resolved:

That the Dashboard be received and noted.

**140. WMCA Brownfield Land and Property Development Fund (BLPDF) - Dashboard**

Nick Oakley presented the Brownfield Land and Property Fund (BLPPF) Dashboard (public iteration) as at 15 March 2019.

Resolved:

That the Dashboard be received and noted.

**141. Land and Property Investment Fund (LPIF) - Dashboard**

Sarah Middleton presented the Land and Property Investment Fund (LPIF) Dashboard (public iteration) as at 1 March 2019.

Resolved:

That the Dashboard be received and noted.

**142. Exclusion of the Public and Press**

Resolved:

That in accordance with Section 100A4 of the Local Government Act 1972, the press and public be excluded from the meeting during the consideration of the following items of business as they involve the likely disclosure of exempt information relating to the business affairs of any particular person (Including the authority holding that information).

**143. Chase Midlands Estates Limited**

Gerald Gannaway presented a report which requested a small increase in an existing Collective Investment Fund (CIF) loan to allow for extra build costs and contingency and provide an extension in the loan term to 31 March 2020 (from 27 March 2020).

Resolved:

That the increase in the loan be approved on the terms detailed in the report.

**144. WMCA Collective Investment Fund (CIF) - Dashboard**

Nick Oakley presented the Collective Investment Fund (CIF) Dashboard (private iteration) as at 15 March 2019.

Resolved:

That the Dashboard be received and noted.

**145. WMCA Brownfield Land and Property Development Fund (BLPDF) - Dashboard**

Nick Oakley presented the Brownfield Land and Property Fund (BDLP) Dashboard (private iteration) as at 15 March 2019.

Resolved:

That the Dashboard be received and noted.

**146. Land and Property Investment Fund (LPIF) - Dashboard**

Sarah Middleton presented the Land and Property Investment Fund (LPIF) Dashboard (private iteration) as at 1 March 2019.

Resolved:

That the Dashboard be received and noted.

The meeting ended at 9.52 am.

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**West Midlands  
Combined Authority**

## **Transport Delivery Committee**

**Monday 18 March 2019 at 1.00 pm**

### **Minutes**

#### **Present**

Councillor Kath Hartley (Chair)	Birmingham City Council
Councillor Timothy Huxtable (Vice-Chair)	Birmingham City Council
Councillor Pervez Akhtar	Coventry City Council
Councillor Keith Allcock	Sandwell Metropolitan Borough Council
Councillor Robert Alden	Birmingham City Council
Councillor Adrian Andrew	Walsall Metropolitan Borough Council
Councillor Phil Davis	Birmingham City Council
Councillor Allah Ditta	Walsall Metropolitan Borough Council
Councillor Mohammed Fazal	Birmingham City Council
Councillor Mohammed Hanif	Dudley Metropolitan Borough Council
Councillor Celia Hibbert	City of Wolverhampton Council
Councillor Diana Holl-Allen	Solihull Metropolitan Borough Council
Councillor Les Jones	Dudley Metropolitan Borough Council
Councillor Chaman Lal	Birmingham City Council
Councillor Keith Linnecor	Birmingham City Council
Councillor Ted Richards	Solihull Metropolitan Borough Council
Councillor David Welsh	Coventry City Council

#### **Item Title No.**

#### **80. Apologies for absence**

Apologies for absence were received from Councillors Horton and Rowley

#### **81. Chair's Remarks**

##### **(i) ATG**

The Chair informed the committee that a private briefing session would be held at the rising of today's meeting regarding the Accessible Transport Group (ATG) and it was important for members to attend if possible.

##### **(ii) Member Visits**

The Chair reported that future member visits would be scheduled to be held after the local elections.

#### **82. Minutes of the last meeting**

The minutes of the meeting held on 4 February 2019 were agreed as a

correct record.

**83. Matters Arising/Action Tracker**

There were no matters arising from the last meeting.

The action tracker was noted.

**84. Correspondence/ Petitions**

None submitted.

**85. Financial Monitoring Report**

The committee considered a report of the Interim Finance Director that set out the financial position as at the end of January 2019 for the financial year 2018/19.

The Lead Member for Finance and Performance, Councillor Akhtar introduced the report and highlighted the report's recommendations.

Councillors Alden and Huxtable expressed concerns regarding the significant in-year and full year forecast favourable variances in relation to the Metro schemes element of the TfWM delivered Investment and sought assurances around delivery of the overall Metro scheme programmes.

In response, the Lead Accountant Transport, Wayne Farrington, reported that a number of the delays to schemes could be attributed to factors outside of TfWM's control and referred to funding challenges regarding the Wednesbury to Brierley Hill Metro Extension for which a proposed solution was due to be reported to the WMCA Board for decision on 22 March 2019. He added that the favourable variances related to multi-year schemes and the end date of schemes were not affected as per the narratives given in the report.

Councillor Akhtar, Lead Member for Finance and Performance added that members shared Councillor Alden's concerns but he acknowledged that the Investment Programme comprised of significant complex schemes that would be delivered over a number of years.

Resolved:

1. That the year to date to net revenue expenditure position for 2018/19 shows a favourable variance of £538,000 compared to budget and a full year favourable forecast variance of £213,000 (a favourable movement of £166,000 since the previous reported position be noted and
2. That the total capital expenditure to the end of January 2019 for the overall transport programme is £66.8m, within the year to date budget be noted.

**86. Capital Programme Delivery Monitoring Report**

The committee considered a report of the Director of Development and Delivery that provided a progress monitoring update on the approved TfWM led 2018/19 programme and projects.

The Lead Member for Finance and Performance, Councillor Akhtar, outlined the achievements for elements of the Capital Programme that had been completed during January and February 2019 as referred to in paragraph 3 of the report.

In relation to an enquiry from Councillor Huxtable regarding further information on BCC One Station project which was reported as being on hold, the Director of Development and Delivery, Sandeep Shingadia reported that the project has not yet been defined as the scope has yet to be agreed but he expected this would be resolved shortly and more information would be provided on the dashboard in due course.

Resolved:

1. That the achievements since the January 2019 meeting of the Transport Delivery Committee be noted;
2. That progress of deliverables under the 2018/2019 Capital Programme be noted and
3. That a variation to the baseline programme in respect of the TBT Platinum Route RTI Equipment Upgrades be noted.

**87. Bus Business Update & RTI Presentation**

The committee considered a report of the Network Development Manager that provided an update on matters relating to the performance, operation and delivery of bus services in the West Midlands.

The Chair and Lead Member for Putting Passengers First, Councillor Hartley, introduced the report and the Network Development Manager, Edmund Salt outlined the key highlights in the report.

Councillor Holl-Allen expressed concerns regarding the punctuality of the A3 bus service (previously S3) during the morning rush hour on behalf of users of the service and reported of the need for TfWM to look into the matter.

The Head of Network Delivery, Jon Hayes, reported that TfWM was aware of the issues and was speaking to residents on the matter.

In relation to changes to bus services in South Birmingham brought about by the South Birmingham Network Review, Councillor Huxtable reported that he would like to see an evaluation of the review as many people were not happy with the current situation.

The Head of Network Delivery, Jon Hayes, undertook to contact National Express West Midlands to update Birmingham TDC members on bus

services in South Birmingham.

The Chair endorsed the proposed briefing session and asked that all TDC members be invited to the briefing session so that members from the other 6 authorities could attend if they wanted to.

In relation to bus services in Solihull, Councillor Richards acknowledged that there had been problems following the introduction of a new bus service but recognised the difficulty in introducing a new service and expressed his appreciation to TfWM officers for their work in seeking to alleviate the problems.

Following discussion of the report, the committee received a presentation on real journey time (RJT) from Principal Transport Planner, Daniel Pass.

The presentation outlined the work being undertaken to measure delays through use of the tool [www.realjourneytime.co.uk](http://www.realjourneytime.co.uk) which provides an analysis of performance on the bus network.

The Chair thanked Daniel Pass for his informative presentation.

Resolved:

1. That the contents of the report be noted;
2. That TDC members receive the weekly bus service changes via email be approved and
3. That the presentation on real time information be noted.

#### **88. Rail Business Report**

The committee considered a report of the Head of Rail Franchising and Partnerships that provided an update relating to the performance, operation and delivery of rail services in the West Midlands including rail operator partnership agreements and West Midlands Rail activity.

The interim Lead Member for Rail, Councillor Davis, introduced the report and the Head of Rail Development, Peter Sargant highlighted the key areas of the report.

Resolved:

1. That the contents of the report be noted and
2. That TfWM enters into a partnership commitment with Vintage Trains be approved.

[NB Councillor Davis declared a personal interest in Vintage Trains and subsequently abstained from supporting the recommendation pertaining to Vintage Trains]

#### **89. Rail and Metro Lead Member Report**

The committee considered a report of the Rail and Metro Lead Member that reported on the progress to date with the work of the Lead Member and Lead Member Group for Rail and Metro.

The interim Lead Member for Rail, Councillor Davis, and interim Lead Member for Metro, Councillor Hartley introduced the report.

Councillor Huxtable expressed his appreciation for the enthusiasm invested in the Rail and Lead Member Group meetings by Councillor Horton and conveyed his best wishes to Councillor Horton for his recovery following his stroke. These sentiments were echoed by the committee.

Resolved: That the progress to date with the work of the Lead Member and Lead Member Group for Rail and Metro be noted.

**90. West Midlands Air Quality Update**

The committee considered a report of the Associate Policy Advisor, TfWM that provided an update on air quality issues in the West Midlands.

The Lead Member for Air Quality, Congestion and Environmental Sustainability, Councillor Davis introduced the report and the Associate Policy Advisor, Jake Thrush outlined the key highlights in the report. This included local authority plans to reduce nitrogen dioxide in the West Midlands, an update on bus fleet improvements and progress on the West Midlands Combined Authority's Low Emission Strategy.

Resolved: That the contents of the report be noted.

**91. Notices of Motion**

None submitted.

**92. Questions**

None submitted.

**93. WMCA Board Transport Reports (For Information Only)**

The committee received five transport reports that would be considered by the WMCA Board on 22 March 2019, these were; Midland Metro Wednesbury to Brierley Hill Extension; Park and Ride Policies and Principles –Towards a Strategy; Transforming Cities Fund 2; Future Mobility Zone Programme and Women's Concessionary Travel Pass Scheme.

The reports were discussed by the committee and the Chair undertook to feedback any comments on the reports to the WMCA's Transport Portfolio Lead.

Resolved: That the reports be noted.

**94. Forward Plan**

The committee considered a report on the agenda items to be submitted to future meetings.

Resolved: That the report be noted.

**95. Date of Next Meeting - 20 May 2019**

The meeting ended at 3.05 pm.



**West Midlands  
Combined Authority**

## **Wellbeing Board**

**Friday 5 April 2019 at 10.00 am**

### **Minutes**

#### **Present**

Councillor Izzi Seccombe (Chair)	Warwickshire County Council
Councillor Paulette Hamilton (Vice-Chair)	Birmingham City Council
Councillor Kamran Caan	Coventry City Council
Councillor Les Caborn	Warwickshire County Council
Councillor Karen Grinsell	Solihull Metropolitan Borough Council
Councillor Ann Shackleton	Sandwell Metropolitan Borough Council
Jason Campbell	West Midlands Fire Service
Guy Daly	Universities (Coventry)
Paul Jennings	STP Systems Leader NHS
Alastair McIntyre	STP Systems Leader NHS
Sarah Marwick	Office of the Police & Crime Commissioner
Sue Ibbotson	Public Health England
Sean Russell	Director of Implementation for Mental Health, Wellbeing & Radical Prevention

#### **In Attendance**

Councillor Cathy Bayton	WMCA Overview & Scrutiny Wellbeing Lead
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#### **Item No. Title**

##### **32. Apologies for Absence**

Apologies for absence were received from Councillor Partridge, Andy Hardy, Helen Hibbs, Sarah Norman, Gary Taylor and Alison Tonge.

##### **33. Nomination of Substitutes**

The following substitutes had been received:

Alastair McIntyre for Helen Hibbs (STP Systems Leader NHS –Black Country and West Birmingham) and Jason Campbell for Gary Taylor (West Midlands Fire Service).

**34. Chair's Remarks (if any)**

**(i) WMCA Overview and Scrutiny Committee**

The Chair reported that she would be attending the WMCA's Overview and Scrutiny Committee meeting on 12 April to provide an update on the Wellbeing Portfolio.

**(ii) 'This Is Me Campaign'**

The Chair reported the mental health campaign, 'This is Me' was supported by over 200 businesses on 21 January 2019 which was really pleasing.

**35. Minutes of the last meeting**

The minutes of the meeting held on 18 January 2019 were agreed as a correct record.

**36. Matters Arising**

*Minute number 26, Population Intelligence Hub and 2019/20 Work Plan*

Sean Russell undertook to speak to Councillor Grinsell regarding her role as sponsor of the Work Plan following the meeting.

**37. Birmingham Commonwealth Games 2022 and Benefits Programme**

Simon Hall, Physical Activity Policy and Delivery Lead, WMCA and Cat Orchard, Head of Policy and Legacy- Commonwealth Games, Birmingham City Council, gave a presentation to the board on the Birmingham Commonwealth Games 2022 and Benefits Programme.

The presentation included the sporting programme, venues, transport, the mission - 'Games for Everyone' and the benefit workstreams.

The board considered the Commonwealth Games presented a great opportunity to be an inclusive games for everyone and to build a lasting legacy for communities and to promote physical activity and a healthy lifestyle especially to young people.

The Chair thanked Cat Orchard and Simon Hall for their informative presentation.

Resolved: That the presentation be noted.

**38. Update Coventry and Warwickshire Year of Wellbeing**

Councillor Caborn and Councillor Caan provided an update on the Coventry and Warwickshire Year of Wellbeing, supported by Jane Coates, Coventry and Warwickshire Year of Wellbeing Delivery Manager.

It was noted that the Year of Wellbeing Being, initiated by the Place Forum (the Health and Wellbeing Boards of Coventry and Warwickshire when working together) runs from January to December 2019 and represents the public delivery phase of the 5 year Better Health, Better Care, Better Value, 'Proactive and Preventive' workstream.

The workstream aims to make prevention the first chapter of health, social care and wellbeing strategies, policies and plans going forward. Three areas of common focus selected for the year were: childhood obesity performance; impact of loneliness and social isolation on health and wellbeing and sickness absence and presenteeism as a barrier to economic growth.

A paper outlining the activity undertaken so far in 2019 and planned next steps and exit strategy was circulated to the board prior to the meeting.

The Chair considered this was a great collaboration between all partners and hoped that partnership working would continue beyond the end of the year and a lasting legacy would be achieved.

Resolved: That the Update on the Coventry and Warwickshire Year of Wellbeing be noted.

### **39. Sports and Physical Activity**

Councillor Caan, Physical Activity Champion, introduced the report 'West Midlands on the Move Delivery and Impact' that summarised progress in delivering priorities to get more people active.

Simon Hall provided an update on West Midlands on the Move actions being taken forward along with Mark Fosbrook who provided an update with regards to disability and Claire Williams who updated the board on the cycling and walking offer.

In relation to the report recommendations, the Chair asked to be advised of the timescales for reporting back to the board as appropriate.

Resolved:

- (1) That the joint Transport for the West Midlands and West Midlands on the Move Group work to develop an offer to get more people walking and cycling (details to be submitted to a future meeting for approval) be endorsed;
- (2) That work proposed in the report to strengthen the physical activity governance with Cllr Caan chairing a Cabinet Members for Wellbeing and Active Partnership Steering Group, to ensure there is improved flow of information from the West Midlands Implementation Group to the Wellbeing Board be approved;
- (3) That a refresh of the West Midlands on the Move Strategic Framework, setting out priorities over the next 3 years be reported to the Wellbeing Board by autumn 2019 be approved;
- (4) That reports be submitted to the board on the work priorities set out in the report, including the important role that the Wellbeing Board should play in evaluating impact and learning be agreed;

(5) That the 'Include Me West Midlands' launch dates on 10 and 11 May and the adapted sports programme dementia trial launch on 24 May 2019 be noted and

(6) That continued support for the roll-out of social movements such as GoodGym and support for the BBC WM' Let's Get Moving, 'Midday Mile' campaign be endorsed.

**40. Progress on wellbeing input into new housing delivery**

Sean Russell, Implementation Director Wellbeing, provided an update on progress on the Wellbeing input into new housing delivery.

It was noted that the regional design guidelines have been agreed and adopted and a workshop was scheduled to be held on 11 April followed by a development event in May that would look at the whole place design framework; this would include green space design and housing infrastructure.

The Implementation Director Wellbeing reported that further updates would be brought back to the board in due course.

Resolved: That the update on progress be noted.

**41. Wellbeing Activity Plan**

Sean Russell, Implementation Director Wellbeing presented an Activity Plan, a proposed framework and plan of action to deliver the stated priorities of the WMCA Wellbeing Board.

It was noted that the Wellbeing Activity Plan had been developed in partnership with Public Health England and with input from stakeholders of the wider West Midlands.

The plan outlined the key activities under three core areas of environment and infrastructure, cross-sector convening and community resilience and set out the work programmes scheduled over a three year period from 2019-2021.

The plan identified the need for partners to work together on an implementation plan to clarify and agree defined contributions from the respective organisations and set out the possible options for resources and partnership.

The board endorsed the Activity Plan and the Chair added that she would like to see the timescales and outcomes for the work programmes included in the plan.

Resolved:

(1) That the Work Plan for WMCA Wellbeing Board until 2021 be adopted;

- (2) That an implementation programme for the adopted work plan be developed;
- (3) That a dedicated stream of work to generate capacity be undertaken and
- (4) That the Childhood Obesity Action Plan be utilised as a pilot approach to working with and across the health and wellbeing system.

**42. Thrive Update**

Sean Russell, Implementation Director Wellbeing, outlined a report that provided an update on the implementation of the Thrive programme to increase the use of Mental Health Treatment Requirements as a sentencing option at the courts in Birmingham and the alignment of this work with the national Community Sentence Requirements test bed pilot programme.

The report set out the background to the programme and outlined key developments for phase 2 of the pilot.

Resolved: That progress in implementation of the commitment to help implement a programme to increase the number of Mental health Treatment Requirements and alignment with the national Community Sentence Treatment Requirement programme in the Birmingham and Solihull test bed pilot be noted.

**43. Presentation : Childhood Obesity Action Plan**

The board received a presentation from the Implementation Director Wellbeing, Sean Russell, on behalf of Stella Botchway that set out an action plan for reducing childhood obesity in the West Midlands.

Councillor Hamilton, WMCA Wellbeing Board sponsor for childhood obesity introduced the presentation and reported that she was very pleased to be leading the work in this area and was excited about what is to come.

The presentation set out the draft Obesity Action Plan which included the context of childhood obesity in the West Midlands, a systems approach, the UK Government Childhood Obesity Action Plan and its links to the WMCA Wellbeing Activity, the short-term, medium-term and long-term goals, how success would be measured and the next steps.

The Implementation Director Wellbeing, reported that the draft Obesity Action Plan had been reviewed by the WMCA's Overview and Scrutiny Committee's Wellbeing Working Group in early March and highlighted its six recommendations.

The board supported the areas of consideration put forward by the Overview and Scrutiny Committee.

The Chair thanked Councillor Cathy Bayton, Wellbeing Lead for Overview and Scrutiny Committee for the committee's contributions to this work area.

Resolved: That the draft Obesity Action Plan be endorsed.

The meeting ended at 11.50 am.



**West Midlands  
Combined Authority**

## **Housing & Land Delivery Board**

**Wednesday 10 April 2019 at 10.00 am**

### **Minutes**

#### **Present**

Councillor Mike Bird (Chair)  
Sarah Middleton

Councillor Peter Bilson  
Bill Blincoe  
Marc Liddersh  
Councillor David Humphreys  
Councillor Robert Macey  
Councillor Ian Courts  
Councillor Daren Pemberton  
Gavin Ashford  
Councillor Peter Butlin  
Kevin Rodgers

Walsall Metropolitan Borough Council  
Black Country Local Enterprise  
Partnership  
City of Wolverhampton Council  
Coventry and Warwickshire LEP  
Environment Agency  
North Warwickshire Borough Council  
Shropshire Council  
Solihull Metropolitan Borough Council  
Stratford on Avon District Council  
Telford and Wrekin Council  
Warwickshire County Council  
West Midlands Housing Association  
Partnership

#### **In Attendance**

Simon Tranter  
Gareth Bradford  
Carl Craney  
Carl Pearson  
Patricia Willoughby

Walsall Metropolitan Borough Council  
West Midlands Combined Authority  
West Midlands Combined Authority  
West Midlands Combined Authority  
West Midlands Combined Authority

#### **Item Title No.**

#### **48. Apologies for Absence (if any)**

Apologies for absence had been received from Councillor Sharon Thompson (Birmingham City Council), Roy Stokes (Environment Agency), Karl Tupling (Homes England), Councillor Julie Jackson (Nuneaton and Bedworth Borough Council) and Councillor Richard Overton (Telford and Wrekin Council).

#### **49. Notification of Substitutes (if any)**

Marc Liddersh had been nominated as a substitute for Roy Stokes (Environment Agency) and Gavin Ashford had been nominated as a substitute for Councillor Richard Overton (Telford and Wrekin Council).

#### **50. Declarations of Interests (if any)**

No declarations of interests were made in relation to items under consideration at the meeting.

**51. Minutes of last meeting**

Resolved:

That the minutes of the meeting held on 21 February 2019 be confirmed as a correct record and signed by the Chair.

**52. Housing and Regeneration Portfolio: Quarterly Update (Q1 2019)**

Gareth Bradford presented a report which provided an update on the various workstreams which had been agreed by the Board in December 2018. He advised that work had commenced on all of the workstreams and, as expected, the pace of work had increased and was expected to increase further over the remainder of 2019. He referred specifically to paragraphs 3.7 and 3.8 of the report insofar as they referred to the Town Centres Programme and reported that Town Centre Delivery and Investment Plans were being prepared for each of the pilot schemes and work was underway on early interventions (predominantly land acquisitions) as appropriate.

The Chair commented on the present deteriorating position with the retail offer in town centres following Debenhams entering into administration on 9 April 2019 and suggested the need for a dialogue to be commenced with major retailers in order to understand their respective long term strategies. He also expressed concern with regard to recent suggestions by HM Government to proposed changes to 'Permitted Development Rights' which could allow certain categories of retail premises to be converted into residential units without seeking planning permission.

Resolved:

1. That the positive progress in work under the Housing and Land portfolio in Q1 2019 and some of the key work programmes being progressed during the remainder of 2019 be noted;
2. That discussions with the Housing and Land Steering Group and supported working groups be continued on how existing arrangements on engagement, project based governance and working arrangements could be enhanced further between the WMCA, local authorities, the private sector and other organisations.

**53. Hoardings and Signage for Development Sites**

The Board considered a report and a PowerPoint presentation from Gareth Bradford on the progress with the design for hoarding panels and sign boards which would be used on development sites that the WMCA was acquiring, funding and/or supporting. He emphasised that the purpose of the hoardings and sign boards was to emphasise the role of the WMCA in working in partnership, making collective investments and its role as an enabler and facilitator of developments. He advised that the Board was invited to comment on this first iteration of the approach to hoardings and signage with a view to further work being undertaken with partners and a subsequent report being submitted to future meetings.

The Chair and members made the following comments:

- A top down approach was not appropriate and a linkage was required as to who the development was for and whether the developers name could be shown;
- The need to stress the role of partnership working;
- The desire for hoardings and signage to be appropriate to the proposed location and to reflect the partners involved;
- Details to be included on the purpose of the acquisition of a particular site, especially where remediation of land was included;
- Consideration to be given to the use of a common strapline;
- The possibility of similar hoardings and sign boards being used on projects other than housing and land.

Resolved:

1. That the approach to hoardings and signage for all WMCA development sites as detailed in the report be supported;
2. That the PowerPoint presentation be circulated to members of the Board and to the Housing and Land Steering Group for further consideration, including the comments detailed above, with a view to a report on a further iteration of the designs being made to a future meeting;
3. That in conjunction with 2. above, officers liaise with colleagues in their respective Communications Teams on this matter to ensure that it is included in the various communications networks;
4. That reports on progress with 'Pipeline' schemes and 'Land Remediation' be submitted to a future meeting

#### **54. Exclusion of the Public and Press**

Resolved:

That in accordance with Section 100A4 of the Local Government Act 1972, the press and public be excluded from the meeting during the consideration of the following items of business as they involve the likely disclosure of exempt information relating to the business affairs of any particular person (Including the authority holding that information).

## **55. Single Commissioning Framework**

Carl Pearson presented a report which provided the Board with an update on the timely completion of the Single Commissioning Framework for investment in Housing, Land and Property Development (the 'framework'). He advised that it had been prepared collectively by Officers of the WMCA, local authorities, LEPs and other organisations and had gone live on 1 April 2019. He commented that it would be a living document and would be updated as required. It was intended that a 'Glossary of Terms' would be produced to demystify the terminology used. He advised that it covered all WMCA managed funds with the exception of the Black Country Land and Property Investment Fund which would continue to be overseen by the Black Country Local Enterprise Partnership.

The Chair commented that the 'framework' covered all matters with the exception of small sites. Gareth Bradford reminded the Board that £10 million had been earmarked previously in the Residential Investment Fund to assist with the development of small sites and that the 'framework' also included a proportionate process for such sites. He confirmed earlier comments that the document would be reviewed and amended as necessary.

Members commented on the need for all public sector partners to co-operate in the development of sites in which they had an interest. Councillor Peter Bilson referred to a debate at a recent meeting of the Association of Black Country Authorities with regard to the remaining £97 million of funding for the Black Country Land and Property Investment Fund. Sarah Middleton reported that the BCLEP was working with the WMCA Housing and Regeneration Team on the articulation of the outputs for the £53 million allocated to date to that fund and that she hoped to be in a position to report on positive outcomes shortly.

Gareth Bradford reported that the 'framework' had been received well by the development industry especially those companies committed to Inclusive Growth and Place Making.

Resolved:

1. That the completion of the Single Commissioning Framework, as appended to the report, be noted as a key deliverable for 2019/20 for the WMCA Housing and Land Portfolio and that it be applied by the WMCA's Investment Board and Housing and Land Delivery Board with effect from 1 April 2019;
2. That the Single Commissioning Framework be reviewed on a regular basis with any material changes proposed being subject to consideration by the Board and with delegated authority being granted to the Director of Housing and Regeneration in consultation with the Portfolio Holder for Housing and Land in respect of minor amendments;

3. That details of the drawdowns through the Single Commissioning Framework be incorporated into the Dashboard reports to this Board

The meeting ended at 10.39 am.

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## West Midlands Combined Authority

### Overview & Scrutiny Committee

Friday 12 April 2019 at 10.00 am

#### Minutes

#### Present

Councillor Peter Hughes (Chair)	Sandwell Metropolitan Borough Council
Councillor Cathy Bayton	Dudley Metropolitan Borough Council
Councillor Tariq Khan	Coventry City Council
Councillor Angus Lees	Dudley, Sandwell, Walsall and Wolverhampton Councils
Councillor Ian Shires (Vice-Chair)	Dudley, Sandwell, Walsall and Wolverhampton Councils
Councillor Joe Tildesley	Solihull Metropolitan Borough Council
Councillor Lisa Trickett (Vice-Chair)	Birmingham City Council
Sarah Windrum	Coventry & Warwickshire Local Enterprise Partnership

#### In Attendance

Councillor Daniel Barker	Dudley, Sandwell, Walsall and Wolverhampton Councils
Councillor Tony Johnson	Cannock, Tamworth Councils
Councillor Kath Hartley	Chair of Transport Delivery Committee
Parveen Rai	Coventry & Warwickshire Local Enterprise Partnership
Ian Parry	Centre for Public Scrutiny
Councillor Lisa Smart	Stockport Metropolitan Borough Council
Sean Russell	Implementation Director Mental Health, Wellbeing and Radical Prevention
Councillor Izzi Seccombe	Chair of Health & Wellbeing Board

#### Item Title No.

#### 56. Apologies for Absence

Apologies for absence were received from Councillor Dean Carroll (Shropshire Non-Constituent authorities), Councillor Stuart Davis (joint Coventry/Solihull representative), Councillor Peter Fowler (Birmingham City Council), Councillor Josh Jones (Birmingham City Council), Councillor Stephen Simkins (City of Wolverhampton Council) and Councillor Vera Waters (Walsall Metropolitan Borough Council).

#### 57. Inquorate Meeting

In accordance with the WMCA's constitution, the meeting was inquorate. The recommendations contained within the minutes would be submitted to the WMCA Board on 24 May 2019 for formal approval and adoption.

**58. Minutes of the meeting held on 25 February 2019**

The Chair raised the following points:

- The 2019/20 budget included additional resources for scrutiny and the Monitoring Officer informed the committee that work was being undertaken on the recruitment process and that he would keep both the Chair and committee updated in due course.
- It was agreed at the WMCA Board on 22 March 2019 that the proposed transfer of West Midlands Police & Crime Commissioner function would not now continue.
- The Interim Director of Finance and Monitoring Officer were to ensure that Overview & Scrutiny Committee was included in the 2020/21 budget process in a timely manner.
- A response had been received from the Managing Director of Transport for West Midlands in relation to the conclusions/recommendations of the Bilston Road Task & Finish Group.

Resolved:

The minutes of the meeting held on the 25 February 2019 were confirmed as a correct record.

**59. Health & Wellbeing - Progress Update**

The committee received an update from Councillor Izzi Secombe, Portfolio Lead for Health & Wellbeing, and the Director of Implementation. The update included work to implement the recommendations of the Mental Health Commission, funding and resources obtained, and the 2018/19 health & wellbeing priorities. The activity focus for the health & wellbeing portfolio area included employment and skills, housing first, criminal justice, developing the wider care agenda and community capacity building.

The Director of Implementation highlighted the links between the commitment of key organisations from across the West Midlands to improving the mental health and wellbeing of people with the region and the need to adopt those principles to deliver a good approach for the region's cities and localities.

Councillor Ian Shires highlighted the need to ensure that the limited resources against this portfolio area were targeted towards the areas of need, as well as cascading the work being undertaken by the WMCA to local authorities to be able to influence and engage with them. Councillor Cathy Bayton suggested that a similar process was mirrored by WMCA that was used in Dudley, where health & wellbeing was embedded into every decision making process. Sarah Windrum requested that work be undertaken with the Federation of Small Businesses and the region's Chambers of Commerce to ensure the work programme was more business friendly. Councillor Peter Hughes requested that an update was provided to committee on the Housing First Programme.

Councillor Peter Hughes thanked both the Portfolio Lead and Director of Implementation for attending and presenting an update, and felt that good work had been made in this area.

It was recommended to the WMCA Board that:

- (1) The comments of the committee be noted.

[NB: Councillor Cathy Bayton declared a personal interest in this item.]

**60. Scrutiny Working Group Review - Adult Education Budget**

The committee considered a report on the conclusions of the Adult Education Budget scrutiny review. The review was led by Councillor Lisa Trickett, Chair of the Productivity & Skills and Inclusive Growth Working Group, and Councillor Joe Tildesley. Various meetings were held with Overview & Scrutiny Committee members from each of the seven constituent local authorities, joined by their Cabinet Member for Education & Skills.

The scrutiny review presented the following recommendations:

**Recommendation 1**

Through the commissioning process, WMCA should ensure that:

- (a) all providers in receipt of Adult Education Budget funding demonstrate an understanding of the communities that they were delivering to;
- (b) all providers in receipt of Adult Education Budget funding demonstrate a commitment to collaborate with other providers and the local authority to deliver the best service for communities;
- (c) the potential for duplication of activity was limited;
- (d) there was a reduction in the number of providers operating in the region; and
- (e) providers funded through Adult Education Budget funding should demonstrate links with local communities and local employers wherever possible.

**Recommendation 2**

- (a) WMCA to develop a method of tracking learner destinations in relation to Adult Education Budget funding in order to demonstrate the impact of devolution, and that this methodology should include the voice of the learner; and
- (b) WMCA to set clear, measurable targets to demonstrate the impact of Adult Education Budget funding.

### **Recommendation 3**

- (a) Adult Education Budget funding should be deployed as part of a pathway into employment, with its role in relation to other funding streams and programmes clearly identified.
- (b) Further work be undertaken to identify measures to be put in place that demonstrated how the Adult Education Budget was used to support pathways into employment and further learning.

### **Recommendation 4**

- (a) WMCA should increase the amount of provision delivered in priority skills sectors, as identified within the Regional Skills Plans; and
- (b) WMCA should ensure that all Adult Education Budget-funded employability courses added value to an individual's journey into employment.

### **Recommendation 5**

WMCA to work with local authorities to understand the potential role of the Adult Education Budget in supporting learners with additional needs and in shaping provision to respond to this.

### **Recommendation 6**

WMCA to consider how the distribution of Adult Education Budget funding could be adjusted over time to better align with patterns of need across the region.

### **Recommendation 7**

- (a) WMCA to consider how the Adult Education Budget could be used to address these barriers, particularly through the innovation strand of its commissioning approach; and
- (b) WMCA to explore how other sources of funding (e.g. travel subsidies) could be connected with Adult Education Budget funded provision to support learners to access courses.

### **Recommendation 8**

Adult Education Budget-funded 'English for Speakers of Other Languages' provision to develop a contextual element, so that residents were supported to develop the vocabulary required to enter employment in priority skills areas.

It was recommended to the WMCA Board that:

- (1) The recommendations of the Adult Education Budget scrutiny review be approved for considered by the Skills Advisory Board.

- (2) That all participants in the review be given an opportunity to comment and feed in any additional thoughts prior to consideration by the Skills Advisory Board, subject to agreement of the Chair.

**61. Black Country Place Based Fund - Briefing**

The committee received a presentation on the Black Country Place Based Pilot from the Physical Activity Policy & Delivery Lead. It was noted that the Black Country Consortium had received £150,000 to develop an in-depth understanding within the Black Country of barriers and challenges to take part in physical activity, and that a collaborative approach would be taken alongside local authorities to use this insight to inform delivery.

**62. Constitution and Governance Review Progress and Update on PCC and Fire Governance Proposals**

The committee received an update from the Head of Governance on the progress made in the review of the constitution and review of governance within the WMCA. A position statement on the stage reached in regards to proposals for the transfer of Police & Crime Commissioner and Fire Authority governance following the WMCA Board on 22 March 2019 was also provided.

It was recommended to the WMCA Board that:

- (1) The information contained in the report and the position regarding Police & Crime Commissioner and fire governance proposals be noted.

**63. Draft Overview & Scrutiny Committee Annual Report 2018/19**

The committee considered a tabled draft of the Overview & Scrutiny Committee Annual Report 2018/19.

Councillor Cathy Bayton highlighted that the Annual Report needed to reflect the need for adequate resourcing to allow scrutiny to function effectively, and suggested that local authorities should also take in to account diversity considerations when determining their representative on the committee. Sarah Windrum requested that the role of the LEP representation on committee be clearly defined. Councillor Joe Tildesley suggested that meetings of this committee in the forthcoming year be held around the constituent authorities and not at the same location.

Members were to provide the Scrutiny Officer with another suggested comments or feedback, and it was agreed that final sign-off would be sought from the Chair and Vice-Chairs, with a view of being presented at WMCA Board on 28 June 2019.

**64. Review of 2018/19 Scrutiny Review Work - Working Groups, Scrutiny Champions, Task & Finish Groups**

The committee considered a report on the developments and progress in relation to the work of the five working groups, the Scrutiny Champions and the task & finish groups.

It was noted that the progression of the 'Leaders Like You' task & finish group would commence in the new municipal year.

It was recommended to the WMCA Board that:

- (1) The progress made during 2018/19 in respect of the working groups, task & finish groups and Scrutiny Champions be noted.

**65. Forward Plans**

The committee considered and noted the items to be considered by the following committees / boards:

- WMCA Board
- Audit, Risk & Assurance Committee
- Environment Board
- Investment Board
- Overview & Scrutiny Committee
- Public Service Reform Board
- Transport Delivery Committee

The committee requested timescales to be provided regarding the implementation of the Housing & Land Delivery Board and Health & Wellbeing Board forward plans.

It was also requested at future meetings an update on the Adult Education Budget 'English for Speakers of Other Languages' review and the constitution was provided to committee.

It was recommended to the WMCA Board that:

- (1) Items on the Overview & Scrutiny Committee forward plan be noted.

**66. Date of Next Meeting**

To be advised following the WMCA Board AGM on 28 June 2019.

The meeting ended at 1.00 pm.



**West Midlands  
Combined Authority**

## **Investment Board**

**Monday 15 April 2019 at 9.30 am**

### **Minutes**

#### **Present**

Councillor Bob Sleigh (Chair)  
Nick Abell

Councillor Tristan Chatfield  
Councillor Robert Hulland  
Councillor Jim O'Boyle  
Councillor John Reynolds  
Gary Taylor

Portfolio Lead for Finance & Investments  
Coventry & Warwickshire Local  
Enterprise Partnership  
Birmingham City Council  
Solihull Metropolitan Borough Council  
Coventry City Council  
City of Wolverhampton Council  
Greater Birmingham & Solihull Local  
Enterprise Partnership

#### **In Attendance**

Sarah Middleton

Marc Daley  
Colin Knight  
Nick Oakley  
Deborah Cadman OBE  
Carl Craney  
Sukhy Dhanoa  
Linda Horne  
Ian Martin  
Pauline Russell

Black Country Local Enterprise  
Partnership  
Coventry City Council  
Coventry City Council  
West Midlands Development Capital  
West Midlands Combined Authority  
West Midlands Combined Authority

#### **Item Title No.**

#### **147. Apologies for Absence (if any)**

Apologies for absence had been received from Councillor Mike Bird (Walsall Metropolitan Borough Council), Paul Brown (Black Country Local Enterprise Partnership), Councillor Tony Jefferson (Stratford on Avon District Council), Councillor Roger Lawrence (City of Wolverhampton Council) and Sue Summers (West Midlands Development Capital).

Apologies for absence had also been received from Richard Moon (Coventry City Council), Ed Bradburn (West Midlands Development Capital) and Julia Goldsworthy (West Midlands Combined Authority).

#### **148. Notification of Substitutes (if any)**

Councillor John Reynolds had been appointed as a substitute for Councillor Roger Lawrence (City of Wolverhampton Council).

**149. Declarations of Interests (if any)**

No declarations of interests were made in relation to items under consideration at the meeting.

**150. Minutes of previous meetings**

Resolved:

That the minutes of the meetings held on 18 February 2019 and 18 March 2019 be confirmed as a correct record and signed by the Chair.

**151. Coventry City Centre First - City of Culture**

Colin Knight presented a report which sought £31.6 million of WMCA Devolution Deal funding to help deliver the city centre infrastructure programme. He advised that the investment would contribute to the delivery of the five strategic packages and prepare the city for City of Culture 2021. He explained that the majority of the works were planned to be delivered by the end of 2020 ahead of UK City of Culture 2021 and that it was crucial that the funding was secured as soon as possible to enable programme certainty and for construction to commence.

He reported that the City Centre First programme consisted of five strategic packages of public realm and infrastructure works that were currently at a variety of design and development and delivery stages. In order to deliver the majority of works by 2021, which was a key programme objective, scheme development and procurement was intended to continue in parallel to the Full Business Case going through the WMCA's assurance process, so that if funding was secured successfully the schemes would be 'shovel ready' for construction to commence in summer 2019. In accordance with a request from the Technical Appraisal Panel (TAP) details of the Benefit Cost Ratio (BCR) for each scheme were detailed in an appendix to the report.

Councillor Jim O'Boyle reported that the £31.6 million had been approved previously by the WMCA for schemes in Coventry and that the request was a change control of funds of £11.6 million and an additional £20 million to be re-allocated from the Walsgrave and Binley development schemes. This was necessary as at the time of the original allocation the city had not been awarded the City of Culture status. The proposals were linked to a number of key strategic aims of the WMCA.

The Chair sought an Assurance that funding for the Walsgrave development would not be the subject of a further request to the Board. Colin Knight confirmed that the Binley development would now be funded by Highways England and that work on the funding for the Walsgrave development was the subject of discussions with both Midlands Connect and Highways England. He confirmed that there were no proposals to seek further funding from the WMCA for that development. Councillor Jim O'Boyle reminded the Board of the benefits the proposals would bring to the West Midlands metropolitan area and Warwickshire and the contribution to the WMCA SEP outcomes.

Councillor Robert Hulland enquired as impact on the overall Investment Programme of the request. Linda Horne reminded the Board that it received regular updates on the position with the Investment Programme and that as with any allocation it would affect the amount of finance available for other schemes. The £20 million was a re-allocation of funding scheduled to be drawn down in 2022.

Nick Abell commented that schemes linked to either the Commonwealth Games and the City of Culture had a time limited opportunity to benefit and, on that basis, he supported the proposal. He reminded the Board of other instances in which it had exercised its powers in a flexible manner.

The Chair sought confirmation that the proposal had been considered by the Investment Advisory Group. Sukhy Dhanoa confirmed that the matter had been considered by the Investment Advisory Group and the Technical Appraisal Panel. It had also been endorsed by the Senior Leadership Team. The Chair asked whether it fulfilled the change control criteria. Linda Horne confirmed this to be the case.

Councillor Tristan Chatfield referred to the appendix to the report and suggested that the comments with regard to 'Inclusive Growth' needed to be strengthened. Colin Knight explained that the City Council was working closely with the Culture Trust and was looking at the design and re-purposing of the city centre. He assured the Board that 'Inclusive Growth' was an integral part of this work and embedded in all aspects of the Council's work. He advised that the measures contained within the monitoring and evaluation framework would be more specific on this issue.

Gary Taylor advised that given the time constraints he supported the proposal but, with reference to paragraph 3.2 of the report, he was unsure that any contingency funding not required should be used to extend the quality and extent of the works. Colin Knight acknowledged that this was not normal practice but was an opportunity to maximise the benefits. In response to a question from the Chair, he confirmed that alternative sources of funding for public realm works were being investigated.

Resolved:

That the WMCA Board be recommended to approve the allocation of £31.6 million Devolution Deal funding to Coventry City Centre First City of Culture programme, including a change control of funds of £11.6 million from previously approved schemes and an additional £20 million which was to be moved from the Walsgrave and Binley development schemes.

## **152. Investment Programme and Dashboard**

Linda Horne and Sukhy Dhanoa presented a report on the status of the Investment Programme to assist the Board in determining investment decisions.

Resolved:

That the report be received and noted.

**153. WMCA Collective Investment Fund (CIF) - Dashboard**

Nick Oakley presented the Collective Investment Fund (CIF) Dashboard (public iteration) as at 15 April 2019.

Resolved:

That the Dashboard be received and noted.

**154. WMCA Brownfield Land and Property Development Fund (BLPDF) - Dashboard**

Nick Oakley presented the Brownfield Land and Property Fund (BLPPF) Dashboard (public iteration) as at 15 April 2019.

Resolved:

That the Dashboard be received and noted.

**155. Land and Property Investment Fund (LPIF) - Dashboard**

Sarah Middleton presented the Land and Property Investment Fund (LPIF) Dashboard (public iteration) as at 1 April 2019.

Resolved:

That the Dashboard be received and noted.

**156. Exclusion of the Public and Press**

Resolved:

That in accordance with Section 100A4 of the Local Government Act 1972, the press and public be excluded from the meeting during the consideration of the following items of business as they involve the likely disclosure of exempt information relating to the business affairs of any particular person (Including the authority holding that information).

**157. Investment Programme Funding Review - Presentation**

Linda Horne presented an update on the Investment Programme.

Resolved:

1. That the original intentions of the Investment Programme, the Investment Programme income position versus plan, the total available funding of ceiling of £766 million, the commitments made by the WMCA to date via the agreed assurance process and the Investment Programme spend to date information be noted;

2. That the six strategies to develop options designed to help ensure approvals could continue to be made in the medium term (i.e. post July 2019) as endorsed by the Leaders at the away day session on 8 March 2019 be noted;
3. That the progress against the above strategies be noted;
4. That the five additional strategies to address the Investment Programme funding challenge over the longer term be noted.

**158. WMCA Collective Investment Fund (CIF) - Dashboard**

Nick Oakley presented the Collective Investment Fund (CIF) Dashboard (private iteration) as at 15 April 2019.

Resolved:

That the Dashboard be received and noted.

**159. WMCA Brownfield Land and Property Development Fund (BLPDF) - Dashboard**

Nick Oakley presented the Brownfield Land and Property Fund (BDLP) Dashboard (private iteration) as at 15 April 2019.

Resolved:

That the Dashboard be received and noted.

**160. Land and Property Investment Fund (LPIF) - Dashboard**

Sarah Middleton presented the Land and Property Investment Fund (LPIF) Dashboard (private iteration) as at 1 March 2019.

Resolved:

That the Dashboard be received and noted.

**161. Chair's Announcement**

The Chair announced that would be last WMCA meeting he would be attending following his decision to stand down as Leader of Solihull Metropolitan Borough Council and as Deputy Mayor of the WMCA. He offered his thanks to Members and Officers for the support and assistance he had received during his term of office as Chair of this Board.

**162. Thanks to the Chair**

Resolved:

That the best thanks of the Board be extended to the Chair for the able and courteous manner in which he had conducted the proceedings of the Board during his term of office as Chair.

The meeting ended at 11.00 am.

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**West Midlands  
Combined Authority**

## **Audit, Risk & Assurance Committee**

**Monday 15 April 2019 at 2.00 pm**

### **Minutes**

#### **Present**

David Lane (Chair)

Councillor Adam Aston

Councillor Tom Baker-Price

Councillor Kerrie Carmichael

Councillor Craig Collingswood

Sean Farnell

Councillor Michael Gough

Councillor John O'Shea

Councillor June Tandy

Councillor Vera Waters

Dudley Metropolitan Borough Council  
Worcestershire Non-Constituent  
Authorities

Sandwell Metropolitan Borough Council

City of Wolverhampton Council

Coventry & Warwickshire LEP

Solihull Metropolitan Borough Council

Birmingham City Council

Nuneaton & Bedworth Borough Council

Walsall Metropolitan Borough Council

#### **In Attendance**

Chief Executive, West Midlands  
Combined Authority

#### **Item Title No.**

#### **133. Apologies for Absence**

Apologies for absence were received from Councillor Richard Brown (Coventry City Council) and Councillor Alexander Phillips (Shropshire Council).

#### **134. Chair's Remarks**

- Chair briefed members in the pre-meeting on the administration of the WMCA Ring and Ride Service.
- An overview was provided on the Centre for Public Scrutiny work being undertaken with the WMCA Overview & Scrutiny Committee.
- Ian Martin had been newly appointed as the Director of Investment and Commercial Activities.

#### **135. Minutes of the meeting held on 14 January 2019**

The minutes of the meeting held on the 14 January 2019 were agreed as a correct record.

## **136. Matters Arising**

### **(a) Whistleblowing**

The Monitoring Officer advised the committee of the notification received regarding a whistleblowing disclosure. The disclosure would be investigation, with the chair and committee being kept up to date as appropriate.

### **(b) Adult Education Budget Conflict of Interest**

Further to a concern raised at the previous meeting regarding the risk flagged in relation to conflict of interest, it was noted that members received a briefing note on the 26 February 2019 advising them of how the risk arose and the actions followed to address the conflict.

## **137. Forward Plan**

The committee considered the plan of items to be reported to future meetings of the committee.

The Chair requested the following items be added to the forward plan:

- A full report on the roles and responsibilities of each board and committee to be provided in June 2019.
- Summary note on any key financial issues and financial monitoring position to be provided at every committee.
- Update on the Corporate Services Review
- Gateway Process used by WMCA to be presented in June 2019.

Resolved:

- (1) Items of business to be reported at future meetings be noted.

## **138. Deborah Cadman Chief Executive**

The committee received a brief overview from Deborah Cadman, Chief Executive, on:

- her views and thoughts on organisational capacity and capability to deliver the ambitions of the region
- summary of delivery for 2019
- how the Senior Leadership Team was continuing to develop and evolve, challenges
- emerging concerns that the committee had in terms of budget availability and overspends
- strategic risk register
- challenges and risks facing the WMCA over the coming year
- preparation in regards to the Mayoral Elections 2020

Deborah Cadman provided the committee with assurance that herself and the Senior Leadership Team reviewed the Strategic Risk Register on a quarterly basis and would continue to do so. The Chair would be invited to a session whereby the Senior Leadership Team reviewed the Register. Councillor John O'Shea highlighted concerns relating to the Commonwealth Games risk and sought assurance that the budgets were now balanced with the funding expected. Deborah Cadman commented that the finances were now clearer through the confirmation of the budget draw down process, however the risk and impact associated to Brexit would ensure that the budget for the Commonwealth Games would be regularly reviewed.

**139. Arm's Length Companies: Proposed Audit Arrangements**

The committee received a briefing note summarising the intended audit governance for the WMCA Arm's Length Companies.

It was noted that the committee would receive an update on the governance and assurance arrangements for West Midlands 5G as well as an update on the review being undertaken for West Midlands Growth Company.

Resolved:

- (1) The status of the WMCA's Arm's Length Companies be noted.
- (2) The intended audit arrangements for each of the WMCA's Arm's Length Companies be noted.

**140. WMCA Strategic Risk Register**

The committee received a summary of the current status of key risks considered by the Senior Leadership Team as captured within the strategic risk register. It was noted that the risk/impact scoring of each risk was under review and this would be updated for the June meeting to remove the potential for optimum bias.

It was noted that the most significant risk remained the finance risk relating to the Investment Programme, however a clear mitigation plan had been identified

Resolved:

- (1) The strategic risks contained within the WMCA Strategic Risk Register be noted.
- (2) The strategic risk register would return at the June ARAC with risk scoring updated.

**141. Internal Audit Plan 2019 - 2020**

The committee considered the Internal Audit Plan for 2019-2020 for approval. It was noted that further to the request of committee at its meeting in January 2019, a further column identifying the scheduling for each of the audit had been included to the plan.

Further to the Chair's request, it was noted that the Head of Audit would continue to work in partnership with the senior leadership team to ensure that the plan would be worked through to its intended timescale.

Resolved:

- (1) The Internal Audit Plan for 2019-2020 be approved.

**142. Internal Audit Annual Report 2018/19**

The committee received the Annual Internal report which summarised the work completed by Internal Audit during 2018/19. Twelve pieces of audit work had been completed in 2018/19. It was however noted that some reviews were still in the process of being concluded. The key area of improvement required was around the need for management to plan appropriate and timely actions to implement the recommendations.

It was agreed that the Chair would write separately to the Chief Executive requesting written assurance that herself and the Senior Leadership Team would work towards ensuring such delays would not continue into the implantation of recommendations for 2019/20 and beyond.

Resolved:

- (1) The contents of the Internal Audit Annual Report 2018-2019 be noted.

**143. WMCA Annual Governance Statement**

The committee received a report on the draft Annual Governance Statement for consideration and the approval of sections 3 to 9 of the report. It was noted that approval for the final Annual Governance Statement would be sought in June 2019.

The Monitoring Officer provided an overview on how the WMCA demonstrated and complied with the requirements of the governance framework. An action plan was also presented outlining the actions to address the significant governance issues.

As noted in appendix 2, the committee received an update in relation to the Ring and Ride supplier / contractor failure to ensure them that appropriate steps had been taken.

Resolved:

- (1) The draft Annual Governance statement be approved.

**144. Health and Safety Audit Update**

The committee received a report from the Director of Integrated Network Services on the progress made against recommendations identified within the Internal Audit Report in relation to the health & safety arrangements.

It was noted that further progression had been made towards completion of the recommendations, therefore was agreed that the committee no longer required updates from Health & Safety in terms of the audit recommendations.

Resolved:

- (1) The further update on progress made against recommendations identified during the Internal Audit of Health and Safety Arrangements conducted by City of Wolverhampton Council Audit Service be noted.
- (2) That ARAC would no longer need regular reports on health & safety events as these would be taken and reviewed elsewhere.

**145. Informing the Audit Risk Assessment**

The committee considered the Grant Thornton report that accompanied the Audit Progress Report and Sector Update on the progress in delivering its responsibilities as the WMCA's external auditors.

Resolved:

- (1) That the contents of the report be noted.

**146. Audit Progress Report and Sector Update**

The committee considered a report from Grant Thornton on the progress in delivering its responsibilities as the WMCA's external auditors.

Resolved:

- (1) The report be noted.

**147. Constitution and Governance Review Progress and Update on Police and Crime Commissioner and Fire Governance Proposals**

The committee received an update on the progress being made on the review of the constitution and review of governance within the WMCA. A position statement on the stage reached in regards to the proposals for the transfer of Police & Crime Commissioner and Fire Authority governance following WMCA Board on 22 March 2019 was also provided.

The committee heard that the CA Board had rejected the proposal for the transfer of the Police and Crime Commissioner and this initiative was not considered to be closed. The CA Board continued to support the transfer of the Fire Authority governance and this now seemed to have overcome the concerns that arose in the wording of the Order necessary for the transfer. The correct assumption was that this transfer would happen in or around October 2019.

The Chair raised concerns over the risks and implications with a potential commencement date of October 2019 for the transfer of Fire Authority governance and also requested assurance that this committee was included within the consultation process of the proposals.

Resolved:

- (1) The information contained in the report and the position regarding Police & Crime Commissioner and Fire Governance proposals was noted.

[NB: Councillor Adam Aston declared that he was Chairman on the Governance and Transformation Committee at West Midlands Fire Authority and Councillor John O'Shea declared that he was Chair of the West Midlands Police & Crime Panel.]

- 148. Friday 21 June 2019 at 10.00am**  
Date of the next meeting was noted.

The meeting ended at 3.40 pm.