



## WMCA Board

**Date:** Friday 17 September 2021

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

**Venue:** Civic Centre, St Peter's Square, Wolverhampton, WV1 1SH

### Membership

#### Constituent Members

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

Councillor Adrian Andrew  
Councillor Mike Bird  
Councillor Ian Brookfield  
Councillor Ian Courts  
Councillor Maria Crompton  
Councillor George Duggins  
Councillor Patrick Harley  
Councillor Brigid Jones  
Councillor Abdul Khan  
Councillor Stephen Simkins  
Councillor Rajbir Singh  
Councillor David Vickers  
Councillor Ian Ward

#### Appointing Authority

Mayor of the West Midlands Combined Authority  
Solihull Metropolitan Borough Council

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

#### Non-Constituent Members

Councillor Shaun Davies  
Councillor Matthew Dormer  
Councillor Tony Jefferson  
Councillor Sebastian Lowe  
Councillor Olivia Lyons  
Councillor Jeremy Oates  
Councillor Lezley Picton  
Tim Pile

Councillor Izzi Seccombe  
Tom Westley  
Councillor Kristofer Wilson  
Sarah Windrum

Councillor David A Wright

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

**Observers Awaiting Membership**

Councillor Andrew Day  
Mandy Thorn

Warwick District Council  
The Marches Local Enterprise Partnership

**Co-Opted Member**

Lee Barron

Midlands Trades Union Congress

**Observer Members**

Councillor Greg Brackenridge  
Simon Foster

West Midlands Fire 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 - 23 July 2021	Chair	1 - 8
5.	Forward Plan	Chair	9 - 16
<b>Finance</b>			
6.	Financial Monitoring 2021/22	Councillor Bob Sleigh	17 - 44
<b>Environment, Energy &amp; HS2</b>			
7.	West Midlands Circular Economy Routemap	Councillor Ian Courts	45 - 68
<b>Transport</b>			
8.	West Midlands Bus Service Improvement Plan	Councillor Ian Ward	69 - 110
9.	City Region Sustainable Transport Settlement Bid	Councillor Ian Ward	111 - 164
10.	Zero Emission Bus Regional Area Scheme 2021/22 - Phase 2 Full Business Case	Councillor Ian Ward	165 - 170
11.	West Midlands Rail Ltd Collaboration Agreement	Councillor Ian Ward	171 - 248
<b>Minutes</b>			
12.	Strategic Economic Development Board - 9 July 2021	Tim Pile	249 - 264
13.	Investment Board - 19 July 2021	Councillor Bob Sleigh	265 - 268

14.	Transport Delivery Committee - 19 July 2021	Councillor Kath Hartley	269 - 274
15.	Wellbeing Board - 20 July 2021	Councillor Izzi Seccombe	275 - 278
16.	Overview & Scrutiny Committee - 21 July 2021	Councillor Cathy Bayton	279 - 284
17.	Investment Board - 9 August 2021	Councillor Bob Sleigh	285 - 290
18.	Overview & Scrutiny Committee - 6 September 2021	Councillor Cathy Bayton	291 - 296
19.	Young Combined Authority - Summer Activity Update	YCA representative	297 - 298
<b>Date of Next Meeting</b>			
20.	Friday 19 November 2021 at 11.00am	Chair	None



**West Midlands  
Combined Authority**

## **WMCA Board**

**Friday 23 July 2021 at 11.00 am**

### **Minutes**

#### **Constituent Members**

Andy Street	Mayor of the West Midlands
Councillor Wasim Ali	Sandwell Metropolitan Borough Council
Councillor Mike Bird	Walsall Metropolitan Borough Council
Councillor Ian Brookfield	City of Wolverhampton Council
Councillor Karen Grinsell	Solihull Metropolitan Borough Council
Councillor Brigid Jones	Birmingham City Council
Councillor Stephen Simkins	City of Wolverhampton Council
Councillor Bob Sleigh	Solihull Metropolitan Borough Council

The following participated in the meeting remotely via Microsoft Teams:

Olivia Agbe	Young Combined Authority
Lee Barron	Midlands Trades Union Congress
Councillor Cathy Bayton	Overview & Scrutiny Committee
Councillor Matt Dormer	Redditch Borough Council
Councillor George Duggins	Coventry City Council
Simon Foster	West Midlands Police & Crime Commissioner
Councillor Kath Hartley	Transport Delivery Committee
Councillor Tony Jefferson	Stratford-on-Avon District Council
Councillor Abdul Khan	Coventry City Council
Councillor Seb Lowe	Rugby Borough Council
Councillor Olivia Lyons	Cannock Chase District Council
Councillor Jeremy Oates	Tamworth Borough Council
Councillor Izzi Seccombe	Warwickshire County Council
Councillor Ian Ward	Birmingham City Council
Tom Westley	Black Country Local Enterprise Partnership
Councillor Kristofer Wilson	Nuneaton & Bedworth Borough Council

#### **22. Apologies for Absence**

Apologies for absence were received from Councillor Ian Courts (Solihull), Councillor Patrick Harley (Dudley), Councillor Lezley Picton (Shropshire), Tim Pile (Greater Birmingham & Solihull LEP), Councillor David Vickers (Dudley) and David Lane (Audit, Risk & Assurance Committee).

#### **23. Minutes - 23 July 2021**

The minutes of the meeting held on 23 July 2021 were agreed as a correct record.

#### **24. Forward Plan**

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

**25. Financial Monitoring Report 2021/22**

The board considered a report from the Director of Finance on the WMCA's finances as at the end of May 2021 (including the financial implications of COVID-19).

The report set out both the revenue and capital spend against the approved budget and showed the overall consolidated revenue position for the WMCA. The overall year to date position at the end of May showed a £0.159m favourable variance from budget. This consisted of a favourable variance within the transport budget of £0.280m largely due to child concession savings during the pandemic as a result of lower patronage and no fare increases. Revision of the Accessible Transport contract and staffing variations had delivered further savings. The report also set out the detailed summaries for transport, the WMCA delivery budget and the Mayoral office.

Councillor Ian Ward recognised the financial pressures that the WMCA was operating under and cautioned that further non-core activity risked pressures on those budgets that supported the delivery of its core functions. Councillor Ian Brookfield noted that these issues would be addressed through the agreement of a Medium Term Financial Plan for the WMCA.

Resolved

- (1) The financial outturn position as at the end of 31 May 2021 be noted.
- (2) The earmarking of up to £0.5m reserves to support proposals subject to separate reports to this meeting be noted.
- (3) The update on Medium Term Financial Planning Process be noted.
- (4) A £12.2m Collective Investment Fund loan be approved following its approval by the Investment Board.
- (5) The submission of the Phase 2 Business Case application to the Zero Emission Bus Regional Area scheme to the Department for Transport by 20 August 2021 be approved.

**26. West Midlands Co-Investment Fund**

The board considered a report from the Director of Investment & Commercial Activities that provided information regarding a proposal for a new business friendly investment fund, aligned to the strategy, ambition and needs of the West Midlands Region. Crucially, it was designed to promote economic growth post COVID-19.

The June 2020 'Recharge the West Midlands' report proposed an Enterprise Investment Growth Fund which sought to work with Government to co-develop a large-scale equity fund to recapitalise viable firms and inject equity into high-growth potential firms. Since that point, Government had implemented several initiatives to address the recapitalisation of viable businesses on a national scale, ranging from recovery loan schemes to the Future Fund (convertible loan to equity matched by private sector).

The Director of Investment & Commercial Activities reported that the British Business Bank sat on the working group overseeing this proposal and had been supportive of the work being undertaken by the WMCA. Whilst recognising the degree on risk involved in any investment proposition, the project did align with the WMCA's objectives.

Resolved

- (1) The setting up of the proposed WMCO, a Co-Invest Equity Fund designed to facilitate investment into Growth SME's to aid the recovery of the West Midlands economy be approved, noting that a Full Business Case would follow before the fund was launched.
- (2) The initial grant funding request of £12.5m from the WMCA Investment Programme as set out in the Outline Business Case be approved, subject to approval of a Full Business Case detailing the form of Delivery Vehicle, noting that this represented 50% of the funding required to deliver this proposal.
- (3) It be noted that the onward development of the proposal, Full Business Case, delivery options and financial modelling would be taken forward through detailed scrutiny and consultation of the West Midlands Finance Director group.
- (4) It be noted that WMCA had approached the British Business Bank to pursue the potential to secure match funding of £12.5m from Government sources and, if available, then the British Business Bank was likely to require a match funding contribution from WMCA as requested in the Outline Business Case, and that the next stage Full Business Case would include details of the full funding structure.

**27. City Learning Quarter (Phase 1) - College of Wolverhampton Technical Centre Business Case**

The board considered a report from the Director of Investment & Commercial Activity that provided details of the full business case received from the City of Wolverhampton Council requesting funding for the development of a brand new City of Wolverhampton College Technical Centre. The purpose of the full business case was to outline the justification for the facility, provide details of the proposal to build the new facility and associated costs and education, skills, employment and environment and regeneration benefits, set out the project delivery programme with key tasks, output realisation and delivery dates and seek approval for the allocation of £7.7m from WMCA Investment Programme to fully fund this project.

Resolved:

- (1) The capital funding request of £7.7m to fund the development of a brand new City of Wolverhampton College Technical Centre that would be situated at the rear of the college's existing Wellington Road campus and form Phase 1 of the wider City Learning Quarter Programme be approved.

- (2) It be noted that the WMCA Programme Assurance & Appraisal team had undertaken both independent assurance and investment appraisal on the business case submission and their respective reports were attached to support the consideration of the business case.
- (3) It be noted that this investment was approved by the Investment Board on 29 June 2021 as noted in the minutes attached at minute no. 34 below.

## **28. West Midlands Business Support Review**

The board considered a report from the Director of Strategy summarising the recommendation and findings of recent work commissioned by the Strategic Economic Development Board and led by the three West Midlands Local Enterprise Partnerships and the WMCA, working with the Recovery Forum, to design a fit for purpose business support system for the West Midlands to support an inclusive economic recovery post-pandemic and post-EU funding.

Lee Barron indicated his support for this report, but stressed the importance of the region securing good quality jobs, which would benefit both employer and employee. Tom Westley supported the findings of the review and welcomed the measures that would be targeted to support businesses across the region.

Resolved:

- (1) The recommendations of the review into the West Midlands business support eco-system be endorsed, which were that the West Midlands should make four major changes:
  - Put in place a modern customer journey, built around the user not the provider.
  - Implement a new approach to account management, covering the largest firms, investors and SMEs, with the LEP Growth Hubs, local authority teams and the West Midlands Growth Company operating as a fully integrated support eco-system.
  - Replace the current large number of schemes which were coming to an end with new premium products aimed at specific sectors, supply chains and issues, and delivered region-wide at scale.
  - Carry out a campaign to drive up demand and usage.
- (2) These recommendations, and a commitment to a shared implementation and funding plan, overseen by the Strategic Economic Development Board with delivery of each element carried out by a lead organisation on behalf of the region, enabling and supporting local priorities and building upon existing local strengths, be agreed.
- (3) It be ensured that the governance review covered the need for the Strategic Economic Development Board to hold individual programmes and agencies to account on behalf of the West Midlands as a whole, this being key to delivery.
- (4) It be agreed that the three LEPs, the WMCA and its constituent authorities commission the next stage of work to implement the recommendations so that early work on delivery planning could get under way, to co-ordinate with the West Midlands Growth Company's review of account management.

## **29. Race Equalities Taskforce**

The board considered a report from the Director of Inclusive Growth & Public Service Reform seeking the endorsement and support of the WMCA Board to the establishment of a Race Equalities Taskforce.

The nature of inequality in the West Midlands was both wide and deep. Inequalities were inter-related but different communities were affected in different ways. A more sophisticated understanding of key regional inequalities and their impact, informed by citizen experience as well as data and analysis, would enable the WMCA to refine its priorities and programmes of activity, to realise its vision of Inclusive Growth and ensure all communities were able to share in the region's success.

Olivia Agbe welcomed the proposals contained within the report, noting that it was one year since the Young Combined Authority challenged the WMCA to do more to champion diversity and equality across the region. She committed the YCA to help in three specific areas:

- To offer advice and insight on how to make the Race Equality Taskforce a success.
- To encourage the region's young people to engage with the work of the taskforce.
- To achieve outcomes and actions from the taskforce within the next 12 months.

Councillor Izzi Seccombe welcomed the establishment of the taskforce, noting that that Health of the Region report had identified tackling racism as an urgent action for the West Midlands. She stressed that lasting change was only achieved through systemic change. Lee Barron committed the TUC to work with the taskforce and recognised that as an organisation itself, there was further work it could do to be more representative of the region it served.

Resolved:

- (1) The establishment of a taskforce focussing on race equalities be agreed.
- (2) The proposed approach including scope, composition and timetable be noted.

## **30. HS2 Regional Enterprise Board**

The board considered a report from the Head of Transport Implementation on the proposed changes that would be taking place to enable the refresh and rebrand the HS2 programme managed on behalf of the West Midlands region. The board also received a revised term of reference for the HS2 Regional Enterprise Board.

In 2015, following the submission of the first HS2 Growth Strategy and the subsequent formation of the WMCA the HS2 Growth Delivery Board was formed and used as the main means by which the challenges and opportunities that would be presented by HS2, were dealt with at a regional level. However, as the next phase of delivery of the HS2 programme commenced, a more focused approach was needed to ensure that the WMCA embraced, fully, all of the opportunities that HS2, as a significant catalyst for growth, presented to this region.

Councillor Ian Ward expressed concern over the proposed membership of the board, noting that the benefits of HS2 would be region wide and all authorities should therefore be involved in the work of the board. The Chair supported this suggestion and undertook to look again at the proposed membership to ensure all local authorities were involved.

Resolved:

- (1) The revised refresh and rebrand of the HS2 Regional Enterprise Board be approved.
- (2) The revised terms of reference for the HS2 Regional Enterprise Board be approved, subject to a further review of the board's membership so as to ensure all parts of the region were properly represented.

**31. Appointment of Audit, Risk & Assurance Committee Chair**

The board received a report from the Interim Director of Law & Governance to appoint the Chair of the Audit, Risk & Assurance Committee for the next four years.

The WMCA's constitution required that the membership of the Audit, Risk & Assurance Committee included at least one 'independent person'. The constitution also required that the chair of the committee should be the (or one of the) independent person(s). David Lane had undertaken this role since October 2016, initially for a four year period but with a year's extension in September 2020 due to the uncertainties of recruiting during the COVID-19 pandemic. His appointment would now expire on 18 September 2021.

Resolved:

- (1) Mark Smith be appointed to the Chair of Audit, Risk & Assurance Committee for a four year period, starting 1 October 2021, subject to the satisfactory completion of normal appointment processes.
- (2) David Lane be thanked for undertaking the role of Chair of the committee for the past five years.
- (3) It be noted that the appointment of David Lane as Chair of the Audit, Risk & Assurance Committee was extended until the 30 September 2021 so as to enable him to oversee the committee's approval of the WMCA's 2020/21 final accounts.

**32. Audit, Risk & Assurance Committee - 28 June 2021**

The board received the minutes of the Audit, Risk & Assurance Committee meeting held on 28 June 2021.

Resolved:

The minutes of the meeting held on 28 June 2021 be noted.

**33. Transport Delivery Committee - 28 June 2021**

The board received the minutes of the Transport Delivery Committee meeting held on 28 June 2021.

Resolved:

The minutes of the meeting held on 28 June 2021 be noted.

**34. Investment Board - 29 June 2021**

The board received the minutes of the Investment Board meeting held on 29 June 2021.

Resolved:

The minutes of the meeting held on 29 June 2021 be noted.

**35. Environment & Energy Board - 1 July 2021**

The board received the minutes of the Environment & Energy Board meeting held on 1 July 2021.

Resolved:

The minutes of the meeting held on 1 July 2021 be noted.

**36. Employment Committee - 9 July 2021**

The board received the minutes of the Employment Committee meeting held on 9 July 2021.

Resolved

The minutes of the meeting held on 9 July 2021 be noted.

**37. Date of Next Meeting**

Friday 17 September 2021 at 11.00am

The meeting ended at 12.45pm.

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## WEST MIDLANDS COMBINED AUTHORITY FORWARD PLAN: NOVEMBER 2021 - MARCH 2022

Title of Report	Summary of purpose and recommendations	Lead Portfolio Holder	Lead Officer	Confidential	Category
<b>Meeting 19<sup>th</sup> November 2021</b>					
<b>Corporate Strategy</b>	<p><b>Purpose:</b> To approve the WMCA's Corporate Strategy for 2021/22 - 23/24.</p> <p><b>Recommendation(s):</b> To agree the Corporate Strategy.</p> <p><b>Rationale/Background:</b> Following the Mayoral election, the WMCA has worked with the Mayor and Leaders to agree a set of Aims and Objectives to guide the activity of the organisation. These aims and objectives will inform our Medium Term Financial Plan, as well as our annual budgets and deliverables.</p>	n/a	Laura Shoaf	No	Policy
<b>Mental Health Commission</b>	<p><b>Purpose:</b> To provide an update on the work of the Mental Health Commission.</p> <p><b>Recommendation(s):</b></p> <p><b>Rationale/Background:</b></p>	n/a	Ed Cox	No	n/a
<b>2021/22 High Level Deliverables</b>	<p><b>Purpose:</b> To consider the refreshed WMCA High Level Deliverables for 2021/22.</p> <p><b>Recommendation(s):</b></p>	n/a	Laura Shoaf	No	Policy



Title of Report	Summary of purpose and recommendations	Lead Portfolio Holder	Lead Officer	Confidential	Category
	<b>Rationale/Background:</b>				
<b>Financial Monitoring 21/22</b>	<p><b>Purpose:</b> To outline the financial position of WMCA as at 31 May 2021 and provide an update on any current financial matters affecting WMCA</p> <p><b>Recommendation(s):</b> To note the financial position as at 31 May 2021. To note the strategy for addressing the MTFP funding gap. And to approve the making of a Loan to for the construction of a Hotel in Coventry.</p> <p><b>Rationale/Background:</b> This is the regular Financial Report to WMCA Board which covers the current position against the year to date budget ending 30 June 2021. It provides an update on how WMCA intend to address the financial deficits in the MTFP. The WMCA Board will be asked to approve the making of a loan to a new SPV to construct a new hotel in Coventry (completion expected before the Commonwealth Games), following Investment Board (29 June 2021) agreement of the proposal for onward approval by WMCA Board.</p>	Cllr Bob Sleigh	Linda Horne	No	Finance
<b>Local Transport Plan Consultation Approval</b>	<p><b>Purpose:</b> The 26th UN Climate Change Conference of the Parties (COP 26) will take place in Glasgow in November 2021. Following the Summit with Leaders on the future of West Midlands transport strategy in September, a short LTP ‘prospectus’ will be published to tie in with the UK hosting COP26. The prospectus is proposed to be a short high-level document which will affirm the West Midland’s commitments to working towards achieving a net zero transport system in the shortest possible time. The document will provide high</p>	Cllr Ian Ward	Laura Shoaf	No	Transport



Title of Report	Summary of purpose and recommendations	Lead Portfolio Holder	Lead Officer	Confidential	Category
	<p>level messages around the emerging ambition for the new Local Transport Plan.</p> <p><b>Recommendation(s): TBC</b></p> <ul style="list-style-type: none"> <li>• That CA Board approves the high level principles which will be used to frame a new West Midlands LTP</li> <li>• That CA Board approves the publications of the LTP COP Prospectus</li> <li>• That CA Board notes the programme for taking the LTP to consultation and through to formal adoption</li> </ul> <p><b>Rationale/Background:</b> WMCA has a statutory duty to develop and implement a Local Transport Plan. Rapid decarbonisation of the transport system is a priority for a new WM LTP reflecting the ambition of the WM2041 strategy and the requirements of the UKs legal requirement to decarbonise by 2050.</p> <p>The West Midlands aims to be a leader within the green industrial revolution and the LTP provides an opportunity for the region to show Leadership in this space.</p>				
<p><b>Contactless Fare Payments Broker System Full Business Case</b></p>	<p><b>Purpose:</b> To approve the full business case.</p> <p><b>Recommendation(s):</b></p> <p><b>Rationale/Background:</b></p>	<p>Cllr Ian Ward</p>	<p>Anne Shaw</p>	<p>No</p>	<p>Transport</p>



Title of Report	Summary of purpose and recommendations	Lead Portfolio Holder	Lead Officer	Confidential	Category
<b>Bus Delivery Options</b>	<p><b>Purpose:</b> To update CA Board on work undertaken over the last 18 months to assess delivery mechanisms for bus services in the West Midlands Region.</p> <p><b>Recommendation(s):</b></p> <ol style="list-style-type: none"><li>1. To approve the development of a Full Business Case assessment for Bus Franchising in the West Midlands, (funded through the Intracity Transport Fund?)</li><li>2. To continue to explore alternative mechanisms to deliver the region's Vision for Bus whilst achieving long-term best value for public funding</li></ol> <p><b>Rationale/Background:</b> In 2019, CA Board asked TfWM to assess future delivery options for Bus Services in the West Midlands in order to best achieve the objectives of the CA's adopted Vision for Bus. This work has reviewed options available to TfWM under the Bus Services Act 2017, including Franchising, and concludes there would be a positive case for undertaking a Full Business Case assessment.</p> <p>This report will seek approval to progress the Full Business Case and consider how TfWM will, at the same time, continue to develop alternative mechanisms to try and address the identified challenges within the current market through the ongoing development of partnership approaches.</p>	Cllr Ian Ward	Anne Shaw	No	Transport

Title of Report	Summary of purpose and recommendations	Lead Portfolio Holder	Lead Officer	Confidential	Category
<b>Equalities Scheme</b>	<p><b>Purpose:</b> To seek approval for the WMCA Equality Scheme 2022-24 in line with statutory requirements</p> <p><b>Recommendation(s):</b> To approve the draft Equality Scheme 2022-24 for consultation with the aim of publishing the final version of the Scheme by March 2022</p> <p><b>Rationale/Background:</b> The Equality Scheme 2022-24 is a statutory document setting out the WMCA's vision, ambitions, and proposed objectives for promoting equality, diversity and inclusion over the next three years. Regulation 5 of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, requires public bodies to publish one or more equality objectives at up to four-year intervals to support the key aims of the public sector equality duties.</p> <p>The Scheme is fully aligned with the corporate strategy and draws out our key commitments, current activities and future plans in relation to equality and diversity, It will be finalised following engagement with the public.</p>	Cllr Brigid Jones	Ed Cox	No	Inclusive Communities
<b>Rail Package 1 Proposals</b>	<p><b>Purpose:</b> To consider proposals for the acquisition of land to support platform works related to rail package 1.</p> <p><b>Recommendation(s):</b></p> <p><b>Rationale/Background:</b></p>	Cllr Ian Ward	Satish Mistry	Yes	Transport



Title of Report	Summary of purpose and recommendations	Lead Portfolio Holder	Lead Officer	Confidential	Category
<b>Meeting 14<sup>th</sup> January 2022</b>					
<b>Draft Annual Business Plan 2022/23</b>	<b>Purpose:</b> <b>Recommendation(s):</b> <b>Rationale/Background:</b>	n/a	Laura Shoaf	No	Policy
<b>Net Zero Neighbourhood</b>	<b>Purpose:</b> <b>Recommendation(s):</b> <b>Rationale/Background:</b>	Cllr Ian Courts	Ed Cox	No	Environment & Energy
<b>Draft WMCA Budget 2022/23</b>	<b>Purpose:</b> <b>Recommendation(s):</b> <b>Rationale/Background:</b>	Cllr Bob Sleigh	Linda Horne	No	Finance
<b>Financial Monitoring 2021/22</b>	<b>Purpose:</b> <b>Recommendation(s):</b> <b>Rationale/Background:</b>	Cllr Bob Sleigh	Linda Horne	No	Finance
<b>Meeting 11<sup>th</sup> February 2022</b>					
<b>Annual Business Plan 2022/23</b>	<b>Purpose:</b>	n/a	Laura Shoaf	No	Policy



Title of Report	Summary of purpose and recommendations	Lead Portfolio Holder	Lead Officer	Confidential	Category
	<b>Recommendation(s):</b> <b>Rationale/Background:</b>				
<b>Final WMCA Budget 2022/23</b>	<b>Purpose:</b> <b>Recommendation(s):</b> <b>Rationale/Background:</b>	Cllr Bob Sleigh	Linda Horne	No	Finance
<b>Meeting 18<sup>th</sup> March 2022</b>					
<b>Financial Monitoring 2021/22</b>	<b>Purpose:</b> <b>Recommendation(s):</b> <b>Rationale/Background:</b>	Cllr Bob Sleigh	Linda Horne	No	Finance

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## WMCA Board

<b>Date</b>	17 September 2021
<b>Report title</b>	Financial Monitoring Report 2021/22
<b>Accountable Chief Executive</b>	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk tel: (0121) 214 7444
<b>Accountable Employee</b>	Linda Horne, Director of Finance email: linda.horne@wmca.org.uk tel: (0121) 214 7508
<b>This report has been considered by</b>	WMCA Senior Leadership Team 25 August 2021 WMCA Finance Directors 2 September 2021 WMCA Programme Board

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

#### WMCA Board is recommended to:

- (1) Note the financial position as at 31 July 2021 as detailed in Sections 2-4.
- (2) Note the latest forecast for 2021/22, incorporating the latest view of the impact of Covid-19 (Section 4).
- (3) Note the work being undertaken on the Electric Vehicle infrastructure strategy (Section 7) and the potential for WMCA to bid into The Office for Zero Emission Vehicles (OZEV) for supplementary funding during October / November 2021 once the details are published.
- (4) Note the use of £4.2m of Investment Programme Transport allocation to support Metro capital costs (Section 6).
- (5) To approve the Full Business Case for Binley Cycleway (£8.594m) noting the scope is subject to confirmation of the Active Travel Fund by DfT (Section 8).
- (6) To approve the drawdown of £5.894m from Transforming Cities Fund plus various sources and £2.70m of Active Travel Fund for the Binley Cycleway, with the latter being subject to DfT confirming WMCA's bid is successful (Section 8).

- (7) Note the possible requirement for a parent company guarantee or security deposit in relation to power supply contract for the Metro and delegate authority to S151 and Monitoring Officer to conclude those negotiations (Section 9).

## **1.0 Purpose**

- 1.1 To provide an update on the Combined Authority's finances as at the end of July 2021 (including the financial implications of Covid-19), and an update on the forecast outturn for 2021/22.

## **2.0 Background – Financial Monitoring**

- 2.1 A summary of both the revenue and capital spend against the approved budget are attached as appendices 1-5.
- 2.2 The overall year to date position at the end of July shows a £1.683m favourable variance from budget. This consists of a favourable variance within the Transport budget of £1.647m largely due to Concession savings during the pandemic as a result of reduced service provision by operators, lower patronage and no fare increases. A revision of the Accessible Transport contract and staffing variations have delivered further savings.
- 2.3 There is a further favourable variance of £0.036m within the Delivery budget. This is driven by staffing variations and a re-profiling of activities whilst the strategic priorities of WMCA are reviewed and the Covid-19 restrictions are eased.
- 2.4 The Mayoral Office budget remains broadly in line with budget at this stage of the year.
- 2.5 Appendix 1 shows the overall consolidated revenue position for the WMCA and appendices 2 to 4 present the detailed summaries for Transport, the WMCA Delivery budget and the Mayoral office respectively.

## **3.0 Capital Programme**

- 3.1 Appendix 5 sets out the position on the Capital Programme as at the end of July 2021. Actual costs totalled £111m, resulting in a favourable variance of £33.6m against a budget of £144.6m.
- 3.2 The quarter one forecast update exercise resulted in a reduction in the annual forecast of £49.8m across the Capital Programme. The largest movements are contained in the Transport Programme (£34.7m), Housing (£9m) and Grants to Local Authorities within the Investment Programme (£6.1m). The single largest movement is within the Metro programme where the Wednesbury to Brierley Hill Extension project has rephased £26.7m spend into future years; this is not expected to have an impact on delivery timescales for the project.
- 3.3 The year to date expenditure to budget variance is primarily contained within Transport (£22.4m), Grants to Local Authorities within the Investment Programme (£7.2m) and Housing (£3.9m).

3.4 The Transport Programme has been categorised into five sub programmes. The largest of these is the Investment Programme with a budget of £218.3m, including all the Rail/Sprint & Metro extension schemes. At the end of July, actual costs totalled £77.6m, which was £22.4m below the budget of £100m. The main variances at the end of July were contained within the Metro Programme totalling £14m, further detail is available in Appendix 5.

#### **4.0 Revenue and Capital Forecast Update**

4.1 The first revenue forecast of 2021/22 was completed during July 2021. This forecast incorporates the latest central government funding position in response to Covid-19, as well as the profiling and cost of activities that will be delivered in the remainder of the year.

4.2 The forecast shows a £0.486m favourable position compared to the 2021/22 Budget.

4.3 Of this saving, £0.838m is within Transport, predominately as a result of the year to date Concessions savings from lower patronage and no fare increases, further supplemented by staffing variations and reduced operational costs, such as shelter repairs and monitoring, during the pandemic.

4.4 The full year forecast reflects the significant uncertainty inherent within the bus market as the industry continues to contract, which may require WMCA to subsidise additional socially and economically necessary bus services during 2021/22.

4.5 Officers continue to work through the details of Bus and Light Rail pandemic funding with DfT colleagues following confirmation that support will continue until the end of the financial year. This is positive news and will partially mitigate some of the operational risk within the 21/22 Transport Budget, however the underlying risks and uncertainty regarding the Bus and Light Rail networks remain.

4.6 The saving within Transport is partly offset by a movement within Delivery of £0.352m, primarily driven by the first quarter of budgeted efficiency savings reflecting the ongoing work across the organisation.

#### **5.0 Medium Term Financial Plan and Business Planning Update**

5.1 The Medium Term Financial Plan (MTFP) has continued to be reviewed throughout the Summer in line with the development of WMCA Corporate Strategy, incorporating feedback from Leaders on WMCA activity and updated planning assumptions. Discussions will continue with Leaders throughout October, ahead of the final MTFP position being presented to Board alongside WMCA Corporate Strategy in November.

5.2 The detailed annual business planning process for 2022/23 will be developed in tandem with the annual Budget process working with Directorates during October and November following consideration of the medium term corporate strategy and strategic objectives for onward delivery. This will include resource planning. A collaborative approach will enable detailed plans showing all project and BAU activity function and portfolio, aligned with a bottom-up budget and identified resources. The final stage will be developing metrics to measure performance over the year with SMART 1-year High Level Deliverables and phased milestones to be reported on a monthly cycle to SLT and 6 monthly to the WMCA Board.

## **6.0 Investment Programme**

- 6.1 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 June expenditure is shown at Appendix 7, which reports the gross delivery totals for programmes delivered by both WMCA and other entities (being primarily local authorities).
- 6.2 Appendix 8 details approved commitments from the WMCA Investment Programme, which totalled £853.6m as at 31st July 2021 (£833.3m as at 30th June 2021). The Investment Programme 'affordable limit' remains at £871m as agreed by WMCA Board in March 2021.
- 6.3 The commitment values above exclude the provisional 'ear-marked' allocations agreed by WMCA Board in March 2021. Commitments for some of these ear-marked items will be confirmed via the approval of further reports to WMCA Board.
- 6.4 Investment Programme funding actually drawn / incurred by projects against these funding commitments as at 30th June 2021 totals £330.8m.
- 6.5 The previous Financial Monitoring Report to WMCA Board noted the City Region Sustainable Transport Settlement (CRSTS) may present an opportunity for unfunded transport projects within the Investment Programme to be taken forward. The CRSTS proposal is subject to a supplementary report at this meeting on 17 September 2021.
- 6.6 At its meeting on 19 March 2021, WMCA Board agreed to increase the Investment Programme affordable limit by £70m. Of this £70m, £5m was ring-fenced for Capital pressures emerging due to Covid-19 related construction risks. It was agreed that any use of this £5m would be subject to WMCA standard governance and approval processes.
- 6.7 Of this sum, £0.8m was agreed to fund increased costs under the public service agreement to reimburse Midland Metro Limited for the costs following the rephasing of work schedules due to Covid-19. Construction costs have been provided by Midland Metro Alliance and assured through the assurance processes put in place to manage the Metro programme. The remaining £4.2m detailed within the report recommendations is required to meet the costs of Metro works due to increased construction costs as a result of utilities and Covid 19. This is compliant with assurance processes and within Authority Capital delegation limits.

## **7.0 Electric Vehicle Infrastructure Strategy**

- 7.1 The Office for Zero Emission Vehicles (OZEV) is working up the brief for the launch of an as yet untitled £90m fund for Electric Vehicle (EV) infrastructure projects. This is expected to target regional level initiatives with a focus on ultra-rapid charging along the Key Route Network. For clarity, the detail of this fund is not yet available and information is being sought by officers.
- 7.2 The Investment team have been in dialogue with OZEV since the WMCA Board approved the EV Infrastructure strategy in February 2020. The strategy identified a complimentary role for WMCA/TfWM in facilitating ultra-rapid charging through Transit Stations. All other aspects of EV Charging such as "on-street" and "charging hubs" were to be facilitated at local level, with WMCA/ TfWM supporting where possible.

- 7.3 There may be an opportunity for WMCA to be considered for a pilot project funded by an early release of a small proportion of the OZEV Fund. Timing for requesting bids and quantum is uncertain, but this may be as early as October or November 2021. In readiness, WMCA are working up a detailed Business Case and continuing dialogue with OZEV.
- 7.4 The West Midlands Finance Director Group have received a brief overview of the proposals and will need to be sufficiently appraised and assured on the structure / risk profile of any proposals prior to WMCA submitting a bid. Any decision to proceed with an investment would be subject to the WMCA Assurance process with investment decisions being made at the appropriate Board level.

## **8.0 Binley Cycleway Final Business Case**

- 8.1 The West Midlands Local Cycling and Walking Infrastructure Plan (LCWIP) was approved by WMCA Board in February 2019. The following month, Transforming Cities Fund (TCF) allocations were approved at WMCA Board allocating £23m towards a cycling and walking programme. The West Midlands LCWIP along with the TCF allocation to cycling and walking are referred to as the Walking and Cycling Programme.
- 8.2 As part of this programme, Coventry City Council intend to develop a core network of high quality segregated cycleways across the city to break down the biggest barrier to people cycling; safety concerns. Binley Cycleway will be one of the first of these cycleways to be delivered as part of the West Midlands Starley Network and will complement the Coundon Cycleway, which is being provided as part of the Local Air Quality Action Plan.
- 8.3 Binley Cycleway will provide a segregated cycleway that will run for ~6,400m along the Binley Road/ Brinklow Road /Clifford Bridge Road corridor, connecting Coventry city centre with University Hospital, via Binley Business Park. It will be provided by re-allocating highway space from a mixture of carriageway, footway and verges.
- 8.4 The total anticipated scheme cost for Binley Cycleway covered under the Full Business Case (FBC) is £8.594m, of which £0.275m is for the development and a further £8.319m is for the delivery of the scheme.
- 8.5 A total of £5.894m funding has been confirmed through the Walking and Cycling Programme, the DfT Active Travel Fund (tranche 2) confirmed allocations, WMCA grant contribution (£69k) and Coventry City Council funding contribution (£61k). The remaining sum of £2.70m has been included within the DfT Active Travel Fund (tranche 3) 2021-22 Capital Bid, the outcome of which won't be known until October/November 2021.
- 8.6 An assessment of the costs and benefits of the scheme has been carried out using the Department for Transport's (DfT) Active Mode Appraisal Toolkit (AMAT). This showed that the scheme has a benefit-to-cost-ratio (BCR) of 1.2.
- 8.7 Coventry City Council's Highways Team will lead on the procurement, delivery and maintenance of the scheme.

## **9.0 Metro Power Supply**

9.1 Procurement is underway for a new power contract for the Metro operations. There is a possibility a parental company guarantee, or security deposit will be required as part of the final contract arrangements. Negotiations are due to be concluded by the end of September.

9.2 It is recommended that delegation to conclude these negotiations is given to the Section 151 and Monitoring Officers.

## **10.0 Administered Funds**

Administered Funds as at 31 July 2021 totalled £67.5m. A breakdown of this amount is included within Appendix 6.

## **11.0 Financial Implications**

11.1 The Financial Implications are set out in the report.

## **12.0 Other Implications**

12.1 There are no specific Legal, Equalities, Inclusive Growth, Geographical or Other implications arising from this report.

## **Appendices**

- Appendix 1 – WMCA Consolidated Summary – July 2021
- Appendix 2 – WMCA Transport Revenue Summary - July 2021
- Appendix 3 – WMCA Delivery Budget Summary – July 2021
- Appendix 4 – WMCA Mayor Revenue Summary – July 2021
- Appendix 5 – WMCA Capital Transport Delivery Programme – July 2021
- Appendix 6 – WMCA Administered Funds – July 2021
- Appendix 7 – WMCA Investment Programme Summary – June 2021
- Appendix 8 – WMCA Investment Programme Commitments – July 2021
- Appendix 9 – WMCA Balance Sheet – July 2021
- Appendix 10 – Binley Cycleway Full Business Case (available at the following link)  
<https://www.wmca.org.uk/media/5111/appendix-10-binley-cycleway-fbc.pdf>

## Appendix 1

### WMCA Consolidated Revenue Budget Summary – Year Ending 31 July 2021

£000's	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Transport Levy	38,240	38,240	0	114,720	114,720	0
Commonwealth Games	0	1,218	(1,218)	5,346	5,423	(77)
Revenue Grants & Other Income	4,929	4,376	553	11,865	9,348	2,517
Adult Education Funding	45,914	52,787	(6,873)	142,698	142,698	0
Share of Business Rates	0	3,000	(3,000)	9,000	9,000	0
Constituent Membership	1,548	1,548	0	4,644	4,644	0
Non Constituent Members	142	142	0	425	425	0
Investment Programme	2,569	1,115	1,454	36,500	36,500	0
Investment Income	300	300	0	898	898	0
Use of Reserves	3,963	5,584	(1,621)	9,437	9,495	(58)
<b>Total Funding</b>	<b>97,605</b>	<b>108,310</b>	<b>(10,705)</b>	<b>335,533</b>	<b>333,151</b>	<b>2,382</b>
Transport for West Midlands	36,971	39,838	2,867	118,518	119,415	897
Commonwealth Games	0	1,218	1,218	5,346	5,423	77
Economy & Innovation	1,543	1,199	(344)	3,981	3,381	(600)
Environment, Energy & HS2	251	244	(7)	1,252	598	(654)
Housing and Land	436	467	31	1,333	1,400	67
Wellbeing	354	515	161	1,332	1,502	170
PSR & Social Economy	381	626	245	1,628	1,563	(65)
Culture and Digital	37	57	20	214	174	(40)
Productivity & Skills	48,674	55,543	6,869	149,010	147,598	(1,412)
Inclusive Communities	24	17	(7)	68	68	0
Business Support	643	421	(222)	2,400	2,064	(336)
Investment Programme	2,604	4,150	1,546	45,605	45,605	0
Mayoral Office	250	261	11	760	760	0
Mayoral Election	3,600	3,600	0	3,600	3,600	0
<b>Total Expenditure</b>	<b>95,768</b>	<b>108,156</b>	<b>12,388</b>	<b>335,047</b>	<b>333,151</b>	<b>(1,896)</b>
<b>Net Expenditure</b>	<b>1,837</b>	<b>154</b>	<b>1,683</b>	<b>486</b>	<b>0</b>	<b>486</b>
Transport	1,632	(15)	1,647	838	0	838
Delivery	205	169	36	(352)	0	(352)
Mayoral Office	0	0	0	0	0	0
<b>Total Surplus / (Deficit)</b>	<b>1,837</b>	<b>154</b>	<b>1,683</b>	<b>486</b>	<b>0</b>	<b>486</b>

The year to date position at the end of July shows a £1.683m favourable variance from budget.

This is made up of £1.647m within Transport as a result of Concessions savings during Covid-19 driven by lower patronage and no fare increases. Revision of the Accessible Transport contract, including bringing the Customer Service team in-house, has delivered further savings, alongside staffing variations. However, over the full year it is expected that these savings will be required to offset the budgeted support to operators driven by the impact of Covid-19.

There is a further favourable variance of £0.036m within the Delivery budget as a result of the re-profiling of activity programmes to later in the year. This also includes grant programmes, including Adult Education where re-profiled delivery has required lower grant drawdown. Full Year Variances are offset by corresponding grant income as noted in Appendix 3.

Appendix 2

Transport for West Midlands full year revenue position – July 2021

**Headlines**  
 As at the end of July 2021 there is a £1.647m favourable year to date variance against budget.  
 This is primarily driven by ENCTs and Child Concession savings during the pandemic due to reduced services and patronage alongside no fare increases. Revision of the Accessible Transport contract, including bringing the Customer Service team in-house, has delivered further savings. Current savings on cleaning and maintenance, along with staffing variations have also contributed to the favourable variance.  
 These variances are partly offset by the timing of payments to Subsidised Bus operators and by lower than budgeted drawdown of reserves to support the overall budget as they have not yet been required.  
 Over the full year it is expected that the YTD savings within Concessions and Accessible Transport will be required to offset the budgeted support to operators driven by the impact of Covid-19.

**Key:**  
 ● Favourable Variance  
 ● No Variance or Offset by Grant  
 ● Adverse Variance

	JULY 2021 YEAR TO DATE						YTD VARIANCE FAVOURABLE / (ADVERSE) £000	FULL YEAR 2021/22			VARIANCE EXPLANATION(S)
	ACTUAL £000			BUDGET £000				FORECAST £000	BUDGET £000	FULL YEAR VARIANCE FAVOURABLE / (ADVERSE) £000	
	INCOME	EXPENDITURE	NET	INCOME	EXPENDITURE	NET		NET	NET	NET	
Specific resources:											
Transport Levy	38,240	0	38,240	38,240	0	38,240	0	114,720	114,720	(0)	
Use of Reserves	363	0	363	1,584	0	1,584	(1,221)	4,637	4,695	(57)	Budgeted reserves to support the delivery of the cycle hire scheme have begun to be drawn down. However, reserves to support the overall budget have not yet been required.
<b>TOTAL FUNDING</b>	<b>38,603</b>	<b>0</b>	<b>38,603</b>	<b>39,824</b>	<b>0</b>	<b>39,824</b>	<b>(1,221)</b>	<b>119,358</b>	<b>119,415</b>	<b>(57)</b>	
<b>Concessions</b>											
National Bus Concession	37	16,466	(16,429)	32	17,418	(17,386)	958	(50,062)	(50,472)	410	Driven by reduced services and patronage during the pandemic, with no fare increases further contributing to the variance. Over the full year the impact of Covid-19 will likely lead to an increase in the support provided to operators.
Metro / Rail	0	1,531	(1,531)	0	1,519	(1,519)	(12)	(4,568)	(4,572)	4	
Child Concession	0	2,070	(2,070)	0	2,307	(2,307)	238	(6,797)	(7,029)	232	
	37	20,066	(20,029)	32	21,244	(21,212)	1,183	(61,426)	(62,073)	646	
<b>Bus Services</b>											
Bus Stations / Infrastructure	2,881	4,120	(1,239)	2,410	4,181	(1,770)	531	(4,909)	(5,152)	243	Favourable variance due to savings on cleaning and shelter repairs. Partly offset by a reduction in departure charge income as a result of Covid-19 that is expected to continue over the full year.
Subsidised Network	1,366	5,113	(3,747)	681	4,179	(3,497)	(250)	(11,495)	(11,478)	(17)	YTD adverse variance driven by the profiling of CBSSG drawdown and payments to operators. Over the full year the support provided to operators will likely need to increase.
Accessible Transport	(273)	1,749	(2,022)	0	2,212	(2,212)	190	(6,614)	(6,637)	24	The Accessible Transport contract with National Express has been revised, thus driving savings. This also includes bringing the NEAT customer service team in-house.
	3,974	10,983	(7,009)	3,092	10,572	(7,480)	471	(23,017)	(23,267)	250	
<b>Rail and Metro Services</b>											
Metro Services	77	744	(667)	64	810	(746)	79	(2,621)	(2,579)	(42)	Lower insurance premiums and the profiling of fault finding work driving the YTD variance.
Rail Services	501	1,300	(799)	459	1,435	(976)	177	(2,997)	(2,904)	(93)	Reduced cleaning and maintenance costs at park and ride locations. Changes in the Longbridge assumptions as a result of Covid-19 are causing a full year adverse variance.
	578	2,044	(1,466)	523	2,245	(1,722)	256	(5,617)	(5,483)	(134)	
<b>Integration</b>											
Safety and Security	273	487	(215)	223	679	(456)	241	(1,165)	(1,274)	109	Additional CCTV income from WMP is driving the favourable variance alongside the profiling of CCTV equipment expenditure.
Passenger Information	4,642	6,427	(1,784)	268	2,335	(2,067)	282	(5,986)	(6,007)	21	Additional ticketing commission received as a result of increased sales, along with staffing variations.
Sustainable Travel	273	803	(531)	429	912	(483)	(48)	(1,305)	(1,401)	97	
	5,188	7,717	(2,530)	920	3,925	(3,005)	475	(8,456)	(8,682)	226	
<b>Network Resilience</b>											
Network Resilience	59	896	(838)	1	1,052	(1,051)	213	(3,145)	(3,181)	35	Primarily driven by staffing variations as recruitment takes place.
<b>Commonwealth Games</b>											
Commonwealth Games	998	998	0	1,218	1,218	0	0	0	(0)	0	
<b>Business and Democratic Support</b>											
Business and Democratic Support	0	1,164	(1,164)	0	1,226	(1,226)	61	(3,799)	(3,809)	9	
<b>Strategic Development</b>											
Strategic Development	380	1,427	(1,047)	527	1,779	(1,251)	204	(4,054)	(3,915)	(139)	Favourable variance driven by staffing variations as well as increased work on FMZ capital projects allowing costs to be recharged. Further savings as a result of lower monitoring and research costs during the pandemic.
<b>Transport Governance</b>											
Transport Governance	0	41	(41)	0	44	(44)	3	(130)	(131)	1	
<b>Capital Finance Charges</b>											
Capital Finance Charges	0	2,848	(2,848)	0	2,848	(2,848)	0	(8,874)	(8,874)	0	
<b>TOTAL EXPENDITURE</b>	<b>11,214</b>	<b>48,185</b>	<b>(36,971)</b>	<b>6,314</b>	<b>46,152</b>	<b>(39,839)</b>	<b>2,868</b>	<b>(118,520)</b>	<b>(119,415)</b>	<b>895</b>	
<b>NET</b>	<b>49,817</b>	<b>48,185</b>	<b>1,632</b>	<b>46,138</b>	<b>46,152</b>	<b>(15)</b>	<b>1,647</b>	<b>838</b>	<b>0</b>	<b>838</b>	

### Appendix 3

#### West Midlands Combined Authority Delivery Budget – July 2021

Note : Income has been disaggregated across the Portfolio for information

FINANCIAL SUMMARY AS AT JULY 2021	JULY 2021 YEAR TO DATE			FULL YEAR 2021/22			
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
<b>Operational Income</b>							
Mayoral Capacity Funding	78	78	0	234	234	0	
Investment Interest Income	264	264	0	794	794	0	
Contribution - 7 Met Council's	1,548	1,548	0	4,644	4,644	0	
Contribution - Non constituent members	142	142	0	425	425	0	
Efficiency Savings Target (1)	0	222	(222)	499	665	(166)	(1) Efficiency target held centrally as part of Budgeting process.
Use of Reserves (2)	0	400	(400)	1,200	1,200	0	(2) Use of reserves to support the 21/22 budget.
<b>Total Income</b>	<b>2,032</b>	<b>2,654</b>	<b>(622)</b>	<b>7,796</b>	<b>7,962</b>	<b>(166)</b>	
Enabling Services	643	643	0	2,899	2,729	(170)	
<b>Total Expenditure</b>	<b>643</b>	<b>643</b>	<b>0</b>	<b>2,899</b>	<b>2,729</b>	<b>(170)</b>	
<b>Operational Income Net Total</b>	<b>1,389</b>	<b>2,011</b>	<b>(622)</b>	<b>4,897</b>	<b>5,233</b>	<b>(336)</b>	
<b>Economy &amp; Innovation</b>							
Other Industrial Strategy Income (1)	633	225	408	1,210	692	518	
DDCMS - Creative Scale Up	81	72	9	208	217	(9)	
MHCLG - Brexit Support Preparations (2)	105	0	105	105	0	105	(1) Funding received from DBEIS to deliver the Made Smarter project and from the Investment Programme to support the West Midlands Innovation Programme. Offset by associated increases in expenditure.
Policy and Programme Development	30	0	30	32	0	32	
Office of Data Analytics	59	75	(16)	187	252	(65)	
Create Central Projects	160	159	1	438	432	6	
<b>Total Income</b>	<b>1,068</b>	<b>531</b>	<b>537</b>	<b>2,180</b>	<b>1,593</b>	<b>587</b>	(2) Additional grant for Brexit support offset by associated payment out to BCC.
Industrial Strategy (1)	756	359	(397)	1,628	1,098	(530)	
DDCMS - Creative Scale Up	81	72	(9)	208	217	9	
MHCLG - Brexit Support Preparations (2)	105	0	(105)	105	0	(105)	
Policy and Programme Development	125	116	(9)	406	370	(36)	(3) No spend to date while the scope of the work was reviewed. The majority of the work including the State of the Region report have been re-profiled to later in the year.
Office of Data Analytics	59	75	16	187	252	65	
Economic Intelligence (3)	0	161	161	240	240	0	
Funding For Growth	233	233	0	700	700	0	
Create Central Projects	184	183	(1)	507	504	(3)	
<b>Total Expenditure</b>	<b>1,543</b>	<b>1,199</b>	<b>(344)</b>	<b>3,981</b>	<b>3,381</b>	<b>(600)</b>	
<b>Economy &amp; Innovation Net Total</b>	<b>(475)</b>	<b>(668)</b>	<b>193</b>	<b>(1,801)</b>	<b>(1,788)</b>	<b>(13)</b>	
<b>Environment &amp; Energy, HS2</b>							
Environment (1)	55	0	55	158	0	158	(1) Work on a number of programmes, including Regional Fuel Poverty, have been re-profiled to later in the year. Further WM2041 funding and offsetting expenditure are also forecast over the full year.
Energy Capital (2)	138	93	45	710	240	470	
<b>Total Income</b>	<b>193</b>	<b>93</b>	<b>100</b>	<b>868</b>	<b>240</b>	<b>628</b>	(2) Additional income received to fund Retrofit consultancy services and delivery of Green Homes project. Offset by associated increase in expenditure.
Energy Capital (2)	138	93	(45)	710	240	(470)	
Environment (1)	113	151	38	542	358	(184)	
<b>Total Expenditure</b>	<b>251</b>	<b>244</b>	<b>(7)</b>	<b>1,252</b>	<b>598</b>	<b>(654)</b>	
<b>Environment &amp; Energy, HS2 Net Total</b>	<b>(58)</b>	<b>(151)</b>	<b>93</b>	<b>(384)</b>	<b>(358)</b>	<b>(26)</b>	
<b>Housing and Land</b>							
Director of Housing & Regeneration	436	467	(31)	1,333	1,400	(67)	
<b>Total Income</b>	<b>436</b>	<b>467</b>	<b>(31)</b>	<b>1,333</b>	<b>1,400</b>	<b>(67)</b>	
Director of Housing & Regeneration	436	467	31	1,333	1,400	67	
<b>Total Expenditure</b>	<b>436</b>	<b>467</b>	<b>31</b>	<b>1,333</b>	<b>1,400</b>	<b>67</b>	
<b>Housing and Land Net Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Wellbeing</b>							
Other Mental Health Income	97	53	44	259	158	101	
IPS Programme	51	51	0	152	153	(1)	
Fiscal Incentive Programme (1)	93	232	(139)	450	664	(214)	(1) Changes in delivery priorities and staffing variations have required lower grant drawdown.
<b>Total Income</b>	<b>241</b>	<b>336</b>	<b>(95)</b>	<b>861</b>	<b>975</b>	<b>(114)</b>	
Wellbeing and Prevention	210	232	22	730	685	(45)	
IPS Programme	51	51	0	152	153	1	
Fiscal Incentive Programme (1)	93	232	139	450	664	214	
<b>Total Expenditure</b>	<b>354</b>	<b>515</b>	<b>161</b>	<b>1,332</b>	<b>1,502</b>	<b>170</b>	
<b>Wellbeing Net Total</b>	<b>(113)</b>	<b>(179)</b>	<b>66</b>	<b>(471)</b>	<b>(527)</b>	<b>56</b>	

FINANCIAL SUMMARY AS AT JULY 2021	JULY 2021 YEAR TO DATE			FULL YEAR 2021/22			
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
<b>Public Service Reform &amp; Social Economy</b>							
Inclusive Growth	13	0	13	20	0	20	<p>(1) Payments to charities as part of the Rough Sleeping Initiative have been rescheduled in line with updated timetable. Offset by associated reduction in grant drawdown.</p> <p>(2) Programmes including establishment of an Inclusive Growth Taskforce and delivery of Community Recovery projects have been re-profiled to later in the year.</p>
Homelessness (1)	181	301	(120)	633	581	52	
<b>Total Income</b>	<b>194</b>	<b>301</b>	<b>(107)</b>	<b>653</b>	<b>581</b>	<b>72</b>	
Inclusive Growth and Public Sector Reform	85	83	(2)	316	250	(66)	
Inclusive Growth (2)	37	115	78	319	358	39	
Public Service Reform	78	127	49	360	374	14	
Homelessness (1)	181	301	120	633	581	(52)	
<b>Total Expenditure</b>	<b>381</b>	<b>626</b>	<b>245</b>	<b>1,628</b>	<b>1,563</b>	<b>(65)</b>	
<b>Public Service Reform &amp; Social Economy Net Total</b>	<b>(187)</b>	<b>(325)</b>	<b>138</b>	<b>(975)</b>	<b>(982)</b>	<b>7</b>	
<b>Skills and Productivity</b>							
Productivity and Skills	27	24	3	170	73	97	<p>(1) Payments to and delivery by providers has been impacted by Covid, thus requiring lower grant drawdown. Any savings will be used to fund other initiatives.</p> <p>(2) The culmination of delivery impacted by Covid in the last financial year with the additional expenditure offset by the associated grant drawdown.</p> <p>(3) Driven by staffing variations.</p> <p>(4) Limited spend to date, and has been re-profiled to later in the year.</p>
Employment Support	528	565	(37)	1,474	1,379	95	
Technical Education	20	17	3	47	41	6	
Adult Education (1)	45,914	52,787	(6,873)	142,698	142,698	0	
Careers	21	20	1	72	72	0	
Digital Skills (2)	1,720	1,564	156	2,341	1,691	650	
Investment Programme (Skills)	154	121	33	438	308	130	
Commonwealth Games	0	0	0	434	0	434	
<b>Total Income</b>	<b>48,384</b>	<b>55,098</b>	<b>(6,714)</b>	<b>147,674</b>	<b>146,262</b>	<b>1,412</b>	
Productivity and Skills (3)	180	258	78	873	776	(97)	
Employment Support	528	565	37	1,474	1,379	(95)	
Technical Education	20	17	(3)	47	41	(6)	
Adult Education (1)	45,914	52,787	6,873	142,698	142,698	0	
Careers	21	20	(1)	72	72	0	
Digital Skills (2)	1,720	1,564	(156)	2,341	1,691	(650)	
Investment Programme (Skills)	154	121	(33)	438	308	(130)	
Commonwealth Games	0	0	0	434	0	(434)	
Continuous Improvement & Change	116	124	8	371	371	0	
Learning and Development (4)	21	82	61	246	246	0	
Building Our Future Workforce	0	5	5	16	16	0	
<b>Total Expenditure</b>	<b>48,674</b>	<b>55,543</b>	<b>6,869</b>	<b>149,010</b>	<b>147,598</b>	<b>(1,412)</b>	
<b>Skills and Productivity Net Total</b>	<b>(290)</b>	<b>(445)</b>	<b>155</b>	<b>(1,336)</b>	<b>(1,336)</b>	<b>0</b>	
<b>Culture and Digital</b>							
<b>Total Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Culture	23	23	0	91	74	(17)	
Digital	14	34	20	123	100	(23)	
<b>Total Expenditure</b>	<b>37</b>	<b>57</b>	<b>20</b>	<b>214</b>	<b>174</b>	<b>(40)</b>	
<b>Culture and Digital Net Total</b>	<b>(37)</b>	<b>(57)</b>	<b>20</b>	<b>(214)</b>	<b>(174)</b>	<b>(40)</b>	
<b>Inclusive Communities</b>							
<b>Total Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Youth Combined Authority	24	17	(7)	68	68	0	
<b>Total Expenditure</b>	<b>24</b>	<b>17</b>	<b>(7)</b>	<b>68</b>	<b>68</b>	<b>0</b>	
<b>Inclusive Communities Net Total</b>	<b>(24)</b>	<b>(17)</b>	<b>(7)</b>	<b>(68)</b>	<b>(68)</b>	<b>0</b>	
<b>Operational Income Net Total</b>	<b>205</b>	<b>169</b>	<b>36</b>	<b>(352)</b>	<b>0</b>	<b>(352)</b>	

## Appendix 4

### West Midlands Combined Authority Mayoral Budget – July 2021

	JULY 2021 YEAR TO DATE			FULL YEAR 2021/22				
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000		
<b>MAYORAL OFFICE</b>								
Other Grants	250	261	(11)	760	760	0	No material variations year to date.	
<b>TOTAL INCOME</b>	<b>250</b>	<b>261</b>	<b>(11)</b>	<b>760</b>	<b>760</b>	<b>0</b>		
Staff Costs	246	242	(4)	730	704	(26)		
IT	3	4	1	9	11	2		
Travel & Subsistence	1	14	13	19	43	24		
Other	0	1	1	2	2	0		
<b>TOTAL EXPENDITURE</b>	<b>250</b>	<b>261</b>	<b>11</b>	<b>760</b>	<b>760</b>	<b>0</b>		
<b>MAYORAL ELECTION</b>								
Use of Reserves	3,600	3,600	0	3,600	3,600	0		
<b>TOTAL INCOME</b>	<b>3,600</b>	<b>3,600</b>	<b>0</b>	<b>3,600</b>	<b>3,600</b>	<b>0</b>		
Mayoral Election Costs	3,600	3,600	0	3,600	3,600	0		
<b>TOTAL EXPENDITURE</b>	<b>3,600</b>	<b>3,600</b>	<b>0</b>	<b>3,600</b>	<b>3,600</b>	<b>0</b>		
<b>NET MAYORAL BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		

## Appendix 5

### West Midlands Combined Authority Transport Delivery Capital Programme – July 2021

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Metro	29,146	43,115	13,969	162,635	189,342	26,707
Rail	1,916	5,597	3,681	21,577	24,326	2,749
Sprint	121	1,579	1,458	4,662	4,662	0
<b>TRANSPORT - INVESTMENT PROGRAMME</b>	<b>31,183</b>	<b>50,291</b>	<b>19,108</b>	<b>188,874</b>	<b>218,330</b>	<b>29,456</b>

#### **ACTUAL V BUDGET VARIANCE COMMENTARY**

At the end of July 2021, actual expenditure was £19.1m lower than budget. The main variances are contained within the Metro Programme, these relate to the following:

#### ***Metro Wednesbury to Brierley Hill Extension £6.5m***

The timing of payments related to the Victoria Steelworks acquisition makes up most of this variance, along with delays to utilities due to co-ordination of enabling works and traffic management.

#### ***Metro Birmingham Eastside Extension £4.7m***

The project programme and HS2 utilities diversion payment profile has been revised resulting in a variance to original budget.

#### ***Rail - Walsall to Wolverhampton Local Enhancements (Package 1) £2.5m***

The variance is mostly due to a short deferral of the contract commencement date as WMCA finalises the procurement stages of the project. A full revised timetable will be compiled by Q3.

#### ***Sprint – Hagley Road Phase 1 £1.3m***

The Section 278 agreement has yet to be agreed resulting in delays to the commencement of construction work.

**Rail - Camp Hill Line Local Enhancements £1.1m**

Due to finalising land assembly. Whilst there is no impact to the delivery timetable, signalling works and other transport planning activities will be re-programmed whilst the land assembly is being finalised.

**FORECAST V BUDGET VARIANCE COMMENTARY****Metro Wednesbury to Brierley Hill Extension £19.3m**

Construction work has been rephased into 22/23 and 23/24 pending approval of Target Cost 2.

**Metro Birmingham Eastside Extension £6.8m**

Reduced annual outturn as a result of the rephasing of HS2 utilities work (£5m) and rephasing of contingencies associated with land acquisition.

**Rail - Walsall to Wolverhampton Local Enhancements (Package 1) £2.5m**

The variance is mostly due to a short deferral of the contract commencement date as WMCA finalises the procurement stages of the project. These are offset by small overspends in legal costs and design works.

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Highway	997	1,668	671	10,040	10,414	374
Other	11,700	2,556	(9,144)	25,000	23,000	(2,000)
Rail	14,584	15,344	760	51,051	52,954	1,903
Sprint	10,471	15,815	5,344	62,267	62,262	(5)
<b>TRANSPORT - COMMONWEALTH GAMES</b>	<b>37,752</b>	<b>35,383</b>	<b>(2,369)</b>	<b>148,358</b>	<b>148,630</b>	<b>272</b>

**ACTUAL V BUDGET VARIANCE COMMENTARY**

At the end of July 2021, actual expenditure was £2.4m overbudget. The main variances are as follows:

**Alexander Stadium Redevelopment (£9.1m)**

Construction work is accelerating ahead of the budget profile. The first WMCA funding draw down has now been received for £11.7m.

**Sprint – A45 Birmingham to Airport and Solihull £3.4m**

Deferred construction activity recovered during July and will continue to accelerate over the course of the year.

**Sprint – A34 Walsall to Birmingham £1.8m**

This project is comprised of 4 contracts, 1 in Walsall and Sandwell LA's and three in Birmingham. Construction work has commenced on Birmingham City Council contracts with Walsall and Sandwell areas expected to commence shortly. This is driving the year to date variance, but no significant annual variance is expected.

**FORECAST V BUDGET VARIANCE COMMENTARY****Alexander Stadium Redevelopment (£2m)**

The current year variance reflects the accelerated draw down of WMCA Investment Programme grant funding by Birmingham City Council.

**Perry Barr Rail Station £1.7m**

Bus Interchange construction and design costs of £1m has slipped into 2022/23. This is not expected to impact the project completion date. General construction costs of £0.5m are also expected to slip into next year.

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	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Bus	652	939	287	12,469	16,217	3,748
Highway	965	1,410	445	5,607	5,631	24
Other	1,311	2,283	972	9,440	10,074	634
Rail	90	150	60	250	250	0
Sprint	144	197	53	197	197	0
<b>TRANSPORT - OTHER MAJOR PROGRAMMES</b>	<b>3,162</b>	<b>4,979</b>	<b>1,817</b>	<b>27,963</b>	<b>32,369</b>	<b>4,406</b>

### ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of July 2021, actual expenditure was £1.8m below budget. The main variances are as follows:

#### ***Autonomous Highway, Rural & Parking Test Facilities (Meridian 3) £0.3m***

A change in the scope of the project spend has resulted in a cost saving of £0.09m and a PCR has also been submitted to move the remaining £0.2m to consortium partner WMG (dept at Uni of Warwick) to complete the proposed LiDAR scanning and 3D models.

#### ***Future Mobility Zone – Transport Network Data £0.2m***

There is a delay with the development of the survey system, a lot of the current activity on the project is planning works to develop the software.

#### ***Major Road Network – A4123 Corridor £0.2m***

Aspect of project allocated to local authority partners are yet to commence.

#### ***Cross City Bus – City Centre Package £0.2m***

The FBC has not yet been approved and Birmingham City Council has raised questions on one of the designs which require more modelling.

## FORECAST V BUDGET VARIANCE COMMENTARY

### ***Dudley Interchange £2.4m***

An extension to the construction tender period has pushed back the award of the construction contract resulting in the forecasted annual underspend.

### ***Cross City Bus – City Centre Package £1.5m***

Summer Hill is being constructed in part by Birmingham City Council and no construction costs have yet been submitted for this.

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Minor Work Programme	4,244	5,470	1,226	11,149	11,397	248
<b>TRANSPORT - MINOR WORKS</b>	<b>4,244</b>	<b>5,470</b>	<b>1,226</b>	<b>11,149</b>	<b>11,397</b>	<b>248</b>

## ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of July 2021, actual expenditure was £1.2m below budget. The main variances are as follows:

### ***Better Streets Community Fund £0.4m***

Local Authority claims were lower in quarter one than expected due to resources being diverted to other LA schemes.

### ***ADEPT Live Lab £0.3m***

Budget which was allocated to BCU to develop an algorithm will be reallocated. Proposals are being prepared and reviewed with the Project Sponsor and the budget will be reprofiled in the next forecast.

### ***Priority One Development Workstream £0.2m***

Quarter one Local Authority claims were lower than budgeted.

## FORECAST V BUDGET VARIANCE COMMENTARY

### *Priority One Development Workstream £0.2m*

Reprofiled to reflect the latest LA schedules and to cater for the monitoring requirements for the delivery schemes.

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## West Midlands Combined Authority Transport Capital Programme Grants to Local Authorities – July 2021

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Grants to Local Authorities	1,299	3,918	2,619	9,091	9,366	275
<b>Total Grants to Local Authorities</b>	<b>1,299</b>	<b>3,918</b>	<b>2,619</b>	<b>9,091</b>	<b>9,366</b>	<b>275</b>

## ACTUAL V BUDGET VARIANCE COMMENTARY

### *B4106 Spon End (Coventry CC) £2.6m*

The acquisition costs of 5 properties have been rephased into Quarters two and three. It is not expected to effect the annual outturn.

## West Midlands Combined Authority Capital Programme Investment Programme Grants to Local Authorities – July 2021

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Investment Programme (Grants to Local Authorities)	17,555	24,798	7,243	85,192	91,287	6,095
<b>Total Investment Programme Grants to Local Authorities</b>	<b>17,555</b>	<b>24,798</b>	<b>7,243</b>	<b>85,192</b>	<b>91,287</b>	<b>6,095</b>

### ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of July 2021, actual expenditure was £7.2m under budget.

#### ***UK Central Infrastructure Package £2.5m***

The programme is made up of 26 components with underspends across them. The main cause of this variance is the rephased completion of Kinghurst Village property acquisitions which are now expected to complete in September.

#### ***Solihull – HS2 Interchange £2m***

There has been significant deferred spend for the Roundabout Over-Trace project, which is now forecast for September.

#### ***Cov City of Culture £1.1m***

This project is composed of 21 separate components. The largest workstream variances are on the Screens and Digital scheme (£0.4m) and Retail Quarter (£0.3m), spend on these workstreams have been postponed to prioritise completion of other streams before the City of Culture start date.

### FORECAST V BUDGET VARIANCE COMMENTARY

#### ***UK Central Infrastructure Package £2.5m***

The slippage across the programme has been caused by multiple reasons including issues securing additional funding and legal agreements taking longer than anticipated to finalise.

### **Coventry UKC Plus – Coventry South Package £2.5m**

The first draw down of WMCA funding on the A46 Link Road Phase 1 scheme is now expected to occur in December rather than October 21. The slippage on this scheme's drawdown (£2.3m) accounts for most of this variance.

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### **West Midlands Combined Authority Housing Capital Programme – July 2021**

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Housing	15,826	19,772	3,946	49,555	58,578	9,023
<b>Total Housing</b>	<b>15,826</b>	<b>19,772</b>	<b>3,946</b>	<b>49,555</b>	<b>58,578</b>	<b>9,023</b>

#### **ACTUAL V BUDGET VARIANCE COMMENTARY**

At the end of July 2021, actual expenditure was £3.9m under budget.

#### ***BHF – Pipeline £2.5m***

Several pipeline projects have not been realised through approval and go live. The forecast has been updated to reflect this.

#### ***Black Country Land and Property Investment Fund (LPIF) £1m***

Phoenix 10 spend of £0.3m has been rephased to December 2021 from June 2021, a preferred contractor has been selected to advance to stage 2 of the tendering process. The majority of spend budgeted for June 2021 (£0.7m) on the i54 Western Extension has now been deferred to October 2021.

#### **FORECAST V BUDGET VARIANCE COMMENTARY**

#### ***BHF – Pipeline £4.2m***

More detailed assumptions about the timing of pipeline projects is now available, reflecting the later phasing than originally budgeted.

***Brownfield Land & Property Development Fund (BLPDF) £3.3m***

This variance is driven by the Shard End project where discussions around tax costs and funding are ongoing and spend has been pushed back a quarter into 2022/23.

***NCF – Pipeline £1.1m***

More detailed assumptions about the timing of pipeline projects is now available, reflecting the later phasing than originally budgeted.

## Appendix 6 – WMCA Administered Funds – July 2021

Funding Stream	2021/22 Full Year Grant Award £'000	2021/22 Spend to Date £'000	Purpose
Midlands Connect	6,238	1,252	Work is continuing on delivering the Midlands Engine 'Vision for Growth'.
Getting Building Fund	33,000	33,000	Investment in local infrastructure projects to stimulate jobs and support economic recovery. The WMCA is the accountable body with funding allocated to the 7 Mets and 3 LEPs.
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	926	926	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.
Highways Maintenance Block	9,043	9,043	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	17,755	13,707	Supporting delivery of the 7 Mets. Capital Programmes & WMCA's Minor Works Capital Programme
<b>Total</b>	<b>76,562</b>	<b>67,528</b>	

**Appendix 7**

WMCA Investment Programme Financial Summary period ending 30th June 2021

PROGRAMME	2021 / 2022 YEAR TO DATE		
	BUDGET	ACTUAL	VARIANCE
	£000	£000	£000
COVENTRY UKC PLUS	23,568	15,035	8,533
SPRINT PROGRAMME	10,807	7,399	3,408
RAIL PROGRAMME	8,055	4,245	3,810
METRO PROGRAMME	25,509	19,697	5,812
UK CENTRAL INFRASTRUCTURE PACKAGE	2,864	603	2,261
UK CENTRAL HS2 INTERCHANGE	2,265	1,066	1,200
<b>HS2 GROWTH STRATEGY TOTAL</b>	<b>73,068</b>	<b>48,044</b>	<b>25,024</b>

PROGRAMME	2021 / 2022 FULL YEAR		
	BUDGET	FORECAST	VARIANCE
	£000	OUTTURN	£000
COVENTRY UKC PLUS	73,859	70,193	3,666
SPRINT PROGRAMME	66,844	66,366	477
RAIL PROGRAMME	41,158	36,876	4,281
METRO PROGRAMME	178,088	150,552	27,536
UK CENTRAL INFRASTRUCTURE PACKAGE	61,747	54,843	6,904
UK CENTRAL HS2 INTERCHANGE	19,450	19,611	(160)
<b>HS2 GROWTH STRATEGY TOTAL</b>	<b>441,146</b>	<b>398,441</b>	<b>42,705</b>

PROGRAMME	COST TO COMPLETION					
	PRIOR PERIOD	2021 / 2022	FUTURE YEARS	TOTAL	TOTAL	VARIANCE
	SPEND	FORECAST	FORECAST	FORECAST	EXPECTED	
	£000	£000	£000	£000	BUDGET	£000
COVENTRY UKC PLUS	129,607	70,193	512,311	712,111	711,862	(249)
SPRINT PROGRAMME	30,376	66,366	237,512	334,254	329,067	(5,188)
RAIL PROGRAMME	23,058	36,876	155,353	215,287	221,000	5,713
METRO PROGRAMME	359,111	150,552	1,153,716	1,663,378	1,664,977	1,599
UK CENTRAL INFRASTRUCTURE PACKAGE	80,741	54,843	1,252,719	1,388,303	1,385,742	(2,561)
UK CENTRAL HS2 INTERCHANGE	27,484	19,611	485,429	532,523	530,023	(2,500)
<b>HS2 GROWTH STRATEGY TOTAL</b>	<b>650,377</b>	<b>398,441</b>	<b>3,797,039</b>	<b>4,845,857</b>	<b>4,842,671</b>	<b>(3,186)</b>

COVENTRY CITY CENTRE SOUTH REGENERATION	2,994	1,034	1,959
INNOVATION PROGRAMME	2,837	2,837	0
LAND RECLAMATION AND REMEDIATION	4,028	3,568	460
COMMONWEALTH GAMES 2022	4,526	8,018	(3,492)
EMPLOYMENT, EDUCATION & SKILLS	97	125	(28)
TOURISM, TRADE AND INVESTMENT PROGRAMME	2,708	2,708	-
COVENTRY ELECTRIC BUS CITY	39	42	(3)
REGIONAL RECOVERY & RISKS	1,239	1,239	-
COLLECTIVE INVESTMENT FUND	6,952	6,952	-
<b>OTHER INVESTMENT PROGRAMME SCHEMES</b>	<b>25,422</b>	<b>26,524</b>	<b>(1,103)</b>
<b>GRAND TOTAL</b>	<b>98,490</b>	<b>74,568</b>	<b>23,922</b>

COVENTRY CITY CENTRE SOUTH REGENERATION	26,000	30,230	(4,231)
INNOVATION PROGRAMME	12,657	12,814	(157)
LAND RECLAMATION AND REMEDIATION	20,874	18,482	2,392
COMMONWEALTH GAMES 2022	33,092	42,563	(9,471)
EMPLOYMENT, EDUCATION & SKILLS	308	433	(124)
TOURISM, TRADE AND INVESTMENT PROGRAMME	10,834	10,834	-
COVENTRY ELECTRIC BUS CITY	4,917	4,936	(19)
REGIONAL RECOVERY & RISKS	17,028	17,028	0
COLLECTIVE INVESTMENT FUND	40,479	41,356	(877)
<b>OTHER INVESTMENT PROGRAMME SCHEMES</b>	<b>166,189</b>	<b>178,676</b>	<b>(12,486)</b>
<b>GRAND TOTAL</b>	<b>607,335</b>	<b>577,117</b>	<b>30,218</b>

COVENTRY CITY CENTRE SOUTH REGENERATION	37,675	30,230	266,460	334,365	329,851	(4,514)
INNOVATION PROGRAMME	25,586	12,814	156,595	194,996	194,999	3
LAND RECLAMATION AND REMEDIATION	46,018	18,482	135,502	200,002	200,000	(1)
COMMONWEALTH GAMES 2022	31,690	42,563	5,007	79,260	72,534	(6,726)
EMPLOYMENT, EDUCATION & SKILLS	647	433	18,920	20,000	20,001	1
TOURISM, TRADE AND INVESTMENT PROGRAMME	1,573	10,834	11,541	23,948	23,948	-
COVENTRY ELECTRIC BUS CITY	10	4,936	134,554	139,500	139,500	-
REGIONAL RECOVERY & RISKS	-	17,028	36,723	53,750	53,750	-
COLLECTIVE INVESTMENT FUND	60,628	41,356	898,016	1,000,000	1,000,000	-
<b>OTHER INVESTMENT PROGRAMME SCHEMES</b>	<b>203,827</b>	<b>178,676</b>	<b>1,663,319</b>	<b>2,045,821</b>	<b>2,034,583</b>	<b>(11,237)</b>
<b>GRAND TOTAL</b>	<b>854,203</b>	<b>577,117</b>	<b>5,460,358</b>	<b>6,891,678</b>	<b>6,877,254</b>	<b>(14,423)</b>

# WMCA Investment Programme Financial Commentary

Period Ending 30th June 2021

In respect of full project costs to completion, the financial summary has been adjusted to reflect the revised budget based on the 2021/22 programme baseline. It should be noted that the impact of COVID-19 on projects within the WMCA Investment Programme is continuously being assessed by the accountable bodies, with each respective delivery organisation being required to manage the schemes within the funding available to them.

The cost to completion against UK Central Interchange remains red status due to the reduced funding gap of circa £131 million against the Birmingham International Station redevelopment project.

The Sprint programme is red status because of the A34 Walsall to Birmingham and A45 Birmingham to Airport & Solihull projects, for which discussions to confirm the funding package for the second delivery phase of these projects are continuing.

At the WMCA Board meeting on 19th March 2021, the WMCA Board agreed to revise the WMCA Investment Programme affordable limit from £801 million to £871m. Programmes that are funded from the Investment Programme beyond the current affordable limit are amber status.

The forecast spend for 2021/22 takes into account the re-profiling of expenditure in response to COVID-19, which is not considered to have an impact on the overall delivery of the projects.

Commentary concerning specific programme level variances is provided below:

## **Coventry UKC Plus (£8.5m)**

The year-to-date variance observed for the Coventry UKC Plus programme has resulted from the A46 Link Road Phase 1 (£4.4m), UK City of Culture 2021 Regeneration (£1.7m), Coventry Very Light Rail (£1.7m) and Coventry Station Masterplan (£0.7m) projects.

The Coventry Very Light Rail variance has been partially caused by issues with wiring looms, shipping and COVID-19 restrictions preventing travel for engineering staff within Q1 21-22. For Coventry Station Masterplan, some of the year-to-date variance is in respect of the Footbridge and Canopies work stream.

The variance of £1.7m for the UK City of Culture Regeneration project is split across 21 individual public realm and infrastructure improvement schemes throughout Coventry City Centre in preparation for UK City of Culture 2021. Work on the Screens and Digital Scheme has been postponed slightly so that the Precincts works were prioritised for the City of Culture Start date.

In each instance, the overall outputs are not expected to be affected by the variances observed.

## **Metro Programme (£5.8m)**

The year-to-date variance primarily comprises the Birmingham Eastside and Wednesbury to Brierley Hill extensions.

Utilities works and contingencies in respect of land acquisition have been re-phased for the Birmingham Eastside extension.

For the Wednesbury to Brierley Hill extension, construction work has been re-phased pending approval of contract terms.

## Appendix 8

### WMCA Investment Programme Commitment Profile as at 31<sup>st</sup> July 2021

£m	Total Expected Approvals	Approved Commitments	Actual Spend (Jun-21)
UK Central HS2 Interchange	398.0	63.0	27.2
UK Central Infrastructure Package	288.0	34.2	18.4
Sprint Programme	217.4	47.0	15.0
Rail Programme	119.6	62.5	14.5
Metro Programme	119.8	119.8	100.4
Coventry Electric Bus City	5.0	5.0	0.0
Coventry Station Masterplan (CSMP)	39.4	39.4	23.6
Coventry City of Culture Trust (2021)	4.0	4.0	3.4
Coventry UKC Plus - Very Light Rail: 'Transforming Connectivity'	55.0	12.2	10.1
Coventry North Package	21.6	0.2	0.2
Coventry South Package	136.5	7.4	0.3
Wednesbury to Brierley Hill Metro Extension	103.0	103.0	0.1
Coventry UKC Plus - UK City of Culture 2021 Regeneration	31.6	31.6	26.7
<b>SUB TOTAL HS2 GROWTH STRATEGY</b>	<b>1,538.9</b>	<b>529.4</b>	<b>240.0</b>
Coventry City Centre South Regeneration	150.0	150.0	22.2
Innovation Programme	50.0	16.1	9.1
Land Reclamation and Remediation	200.0	103.0	49.6
Commonwealth Games 2022	25.0	25.0	7.9
Employment, Education & Skills	20.0	1.3	0.8
Tourism, Trade and Investment Programme	2.6	2.6	0.0
Regional Recovery & Risks	35.5	26.2	1.2
<b>OTHER INVESTMENT PROGRAMME</b>	<b>483.1</b>	<b>324.2</b>	<b>90.8</b>
<b>TOTAL</b>	<b>2,022.0</b>	<b>853.6</b>	<b>330.8</b>

## Appendix 9 – WMCA Balance Sheet

<b>WMCA Balance Sheet as at 31 July 2021</b>			
	<b>31 July 2021 £'000</b>	<b>31 March 2021 £'000</b>	<b>Movement £'000</b>
Property, plant and equipment	520,720	496,874	23,846
Intangible assets	1,461	1,594	(133)
Investments	24,762	19,039	5,723
Loan Receivables	15,612	15,951	(339)
<b>Long-term assets</b>	<b>562,555</b>	<b>533,458</b>	<b>29,097</b>
Short-term debtors	71,680	56,381	15,299
Short-term deposits	439,500	248,300	191,200
Cash and bank	1,289	1,813	(524)
<b>Current assets</b>	<b>512,468</b>	<b>306,494</b>	<b>205,974</b>
Loans - interest due	(1,337)	(1,637)	300
Short-term loans	(47,000)	-	(47,000)
Short-term creditors/accruals	(121,093)	(111,860)	(9,233)
<b>Current liabilities</b>	<b>(169,430)</b>	<b>(113,497)</b>	<b>(55,933)</b>
<b>Net current assets</b>	<b>343,039</b>	<b>192,997</b>	<b>150,042</b>
Provisions	(4,185)	(4,305)	120
PWLB	(108,256)	(108,431)	175
Other loans - Barclays	(10,000)	(10,000)	-
Dudley MBC	(5,594)	(5,595)	1
Grants receipts in advance	(419,962)	(350,116)	(69,846)
<b>Long-term liabilities</b>	<b>(547,997)</b>	<b>(478,447)</b>	<b>(69,550)</b>
<b>Net assets</b>	<b>357,597</b>	<b>248,008</b>	<b>109,589</b>
General fund balance	4,185	2,348	1,837
Earmarked reserves	310,517	183,696	126,821
Capital grants unapplied reserve	1,841	1,841	0
<b>Usable reserves</b>	<b>316,543</b>	<b>187,885</b>	<b>128,658</b>
Revaluation reserve	6,313	6,319	(6)
Deferred capital grants account	535,495	511,777	23,718
Capital financing account	(497,336)	(454,555)	(42,781)
Financial Instruments Adjustment Account	(2,388)	(2,388)	-
Accumulated absences account	(1,030)	(1,030)	-
<b>Unusable reserves</b>	<b>41,054</b>	<b>60,123</b>	<b>(19,069)</b>
<b>Total reserves</b>	<b>357,597</b>	<b>248,008</b>	<b>109,589</b>

The increase in short-term deposits and cash and bank is largely due to the receipt of the AEB, TCF, Gainshare and Intra-City Transport Settlements grants and short-term loans from local authorities offset by the payments in respect of the Adult Education Budget, Investment Programme and Metro extension schemes. Correspondingly, the TCF and Intra-City Transport Settlements grant contributed to the increase in grants receipts in advance whilst the Adult Education Budget and Gainshare grants contributed to the increase in earmarked reserves.

The in month cash deficit arose from the delayed receipt of Transforming Cities Fund grant from DfT (£60m), originally scheduled for late June 2021 but not received until 28 July 2021. Rather than liquidate investments earning c.0.08% the CA was able to secure temporary borrowing from other local authorities at 0.04%. All temporary borrowing has now been repaid.

Short-term debtors have increased due to higher trade receivables, grant income accrual and capital prepayments in respect of the Metro extension schemes.

Accelerated spending on SPRINT, Alexander Stadium redevelopment and University Station as these projects gain momentum were the main contributors to the increase in short-term creditors/accruals.

## **APPENDIX 10**

Binley Cycleway – available at the link below.

<https://www.wmca.org.uk/media/5111/appendix-10-binley-cycleway-fbc.pdf>

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## WMCA Board

<b>Date</b>	17 September 2021
<b>Report title</b>	West Midlands Circular Economy Routemap
<b>Portfolio Lead</b>	Environment, Energy & HS2 - Councillor Ian Courts
<b>Accountable Chief Executive</b>	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
<b>Accountable Employee</b>	Ed Cox, Director of Public Service Reform email: ed.cox@wmca.org.uk  Jacqueline Homan, Head of Environment email: jacqueline.homan@wmca.org.uk
<b>Report has been considered by</b>	Environment & Energy Board - 9 September 2021

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

The WMCA Board is recommended to:

- (1) Notes the production of the West Midlands Circular Economy Routemap, the engagement of key partners, and the opportunities for the WMCA to add value in turning the Routemap into action to maximise circular economy opportunities for the region.
- (2) Discuss and agree two areas for priority action and business case development, both of which will support the regional economy:
  - Circular Manufacturing with a focus on a West Midlands Industrial Symbiosis Delivery Programme to unlock investment, innovation and circularity in strategic regional locations, building on the hub models of Repowering the Black Country by supporting the project's emerging investment opportunities.

- Circular Construction with a focus on developing Zero Waste Construction Hubs to support materials exchange and recovery using strategic hubs based across the region.
- (3) Notes the wide-ranging opportunities for wider collaborative action and good practice sharing and the suggested delivery plan in the Routemap.
- (4) Notes the recommendation to local authorities to build on their existing leadership, and to use their enabling functions to create the conditions for a more circular economy.

## **1. Purpose**

- 1.1 This paper provides an overview of the West Midlands Circular Economy Routemap as well as the next steps and recommendations for delivery. An extract of the Routemap is attached for information, but this Board paper highlights the salient points. Supporting appendices are available on request.

## **2. Background**

- 2.1 The definition of a circular economy is a system that designs out waste and pollution, keeping products and materials in use for as long as possible and regenerating our natural systems through economic activity. It is much more than a sophisticated term for recycling. Rather than depend on linear and extractive, wasteful processes, a circular economy encourages repair, reuse and regeneration of resources and materials as well as a transition to renewable energy.
- 2.2 There are a number of reasons why a regional routemap is a necessary step in the transition to a circular economy. These include:
- A regional approach will complement local and regional economic and environmental strategies, such as the Local Industrial Strategy and Plan for Growth. This will ensure that circularity is a principle that is baked into all strategy and investment, so that opportunities to unlock value for places, people and businesses are not missed.
  - It will raise the profile of local authority and combined authority leadership, by telling a story of how economic value can be unlocked through shared vision, values and collaboration. This shared narrative will allow the region to influence the circular economy agenda at a national level, in a way which plays to our diverse economic and community strengths.
  - The baseline analysis conducted as part of the Routemap's development shows that materials flow freely throughout the region, crossing and re-crossing local authority boundaries as they change form and use. Understanding the material flows at this spatial scale supports the identification of opportunities by the public and private sector as it is based on the functional economic geography of the West Midlands.
- 2.3 In June 2020, WMCA approved the formation of a Circular Economy Taskforce and the production of a Routemap for the region to guide future activity, comprising a strand of the first five-year plan to reduce the region's carbon emissions.
- 2.4 The Routemap development commenced with a workshop and public survey, to develop an understanding of the regional circular economy activity and key stakeholders. This informed the membership of a Circular Economy Taskforce in November 2020, made up

of public, private, academic and third sector partners in the region. The Taskforce provided input to a specification which was used to publish a WMCA tender for consultancy support to produce the Routemap. Useful Projects, a consultancy and global leader in this field, was appointed in January 2021.

- 2.5 The production of the Routemap involved extensive engagement and consultation with regional stakeholders through a series of workshops, including WMCA internal; Circular Economy Taskforce; Local Authorities and Low Carbon Officers Group (LCOG); LEP and academic institutions; businesses and policymakers from the three priority sectors; SME engagement organised with Groundwork WM; West Midlands Circular Economy Club workshop, plus 1-2-1s and a public survey.
- 2.6 This engagement enabled Useful Projects to build a detailed picture of where the region currently is – and whilst the next steps are ambitious, they build on existing leadership, practice and innovation in all areas. For example:
- In Wolverhampton, the first English city to sign the European Circular Cities Declaration, the National Brownfield Institute and the University of Wolverhampton's Springfield Campus form a centre of excellence for circular and sustainable construction. MHCLG's relocated second HQ in the city, along with its new national Modern Methods of Construction (MMC) taskforce, also based in the city, means Wolverhampton is well placed to lead this part of the Circular Economy Routemap.
  - Coventry University's National Transport Design Centre, which considers a broad range of factors that influence vehicle, transport and infrastructure design, is informing ways of designing out obsolescence in mobility.
  - Solihull's Koolmill is using globally significant technological innovation to design out waste food from the milling process. This sort of technology will be a critical component of climate resilience, where lower yields could result in food shortages.
  - Birmingham is home to International Synergies, which supports industrial symbiosis networks and solutions worldwide, and has expertise in different elements of low carbon heat and fuel across its universities, including EBRI, which focuses on circular practices within the field of bioenergy.
  - Walsall is home to several innovative start-ups which are growing circular practice, including Kiondo, an arts, design and regeneration-focused social enterprise currently receiving support from the Cultural & Creative Social Enterprise grant programme.
  - In Dudley, the Black Country and Marches Institute of Technology provides a vibrant learning environment to encourage people to take up cutting edge technical education, focused on circular practice in modern methods of manufacturing and other essential industries.
  - Sandwell's Kew Technology uses high efficiency Advanced Thermal Conversion to turn end-of-life waste derived fuels into a hydrogen rich 'syngas', which has a broad range of uses in the generation of heat and power.

- Finally, the BEIS and UKRI-funded Repowering The Black Country project takes in all four Black Country authorities, and focuses on decarbonising industry across the area, including through industrial symbiosis and other innovative practice.

### **Project and Routemap aims**

2.7 The Circular Economy Routemap, developed in collaboration with key stakeholders, sets out the following:

- A vision for the circular economy in the West Midlands
- Headline opportunities for three priority sectors as well as the enabling conditions for a more circular economy
- A clear plan for delivery, implementation and resourcing

2.8 The vision for the region's circular economy is: *“The West Midlands circular economy will support the green industrial revolution. It will support sustainable growth and contribute to the social economy as well as to green recovery. Our circular economy will make better use of our resources, generating more value and creating new jobs.”*

2.9 The Routemap aims to expand the circular economy in the West Midlands, as quickly as possible, by building on existing projects and expertise across the public, private and third sectors to:

- Generate economic advantage and innovation, safeguard existing jobs and create new ones. A 2020 report by the Waste and Resources Action Programme (WRAP) found that a circular economy could bolster the UK economy by £75 billion and create over half a million jobs.
- Complement broader environmental recovery activity (e.g. WM2041), significantly reduce material and resource consumption.
- Support wider social outcomes and support social economy growth. Analysis conducted by the Ellen MacArthur Foundation shows that the average household income would increase by £2,500 a year in a circular economy<sup>1</sup>.
- Accelerate green and just recovery from COVID-19 and maximise post Brexit opportunities.
- Build on existing circular economy activity, expertise and best practice in the region.

2.10 The Routemap includes a detailed policy analysis at the international, national, regional and local level. At both regional and local level, it was found that there is a low level mainstream understanding of what the circular economy is and there are currently no significant policies in the region enabling circularity at scale.

2.11 International and national policy best practice has been used to inform what can be done to support policy development at the regional and local level and these are covered under the Enablers section within the Routemap (page 5) and will form part of the delivery activity. The enablers set the systems wide conditions to create more circularity in the region.

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<sup>1</sup> [Growth Within: a circular economy vision for a competitive Europe](#)

## Priority areas and opportunities

2.12 The Routemap illustrates that the West Midlands already has unique strengths in moving to a more circular economy, with leading activity across academia, research and businesses. Publicly available data was also used to analyse the inputs of materials and resources into the West Midlands economy to help identify specific resource and materials issues across sectors. Together this analysis informed the priority sectors, strategic projects and opportunities in this Routemap, that would most effectively support the delivery of outcomes. The Routemap includes suggested action plans for activities the WMCA can deliver, or support its partners to deliver, under each of the strategic opportunities found in appendix 1 of this report.

## 3. Next Steps

3.1 We plan to publish the Routemap in September 2021.

3.2 WMCA will work with local authorities and key stakeholders to deliver the circular economy enablers (page 5) and proposes the following priority opportunities resulting from the Routemap, which will have significant regional impact:

3.2.1 There are two areas for priority action and business case development by the WMCA:

1. **A West Midlands Industrial Symbiosis Delivery Programme** to unlock investment, innovation and circularity in strategic regional locations including East Birmingham and building on the hub models of Repowering the Black Country by supporting the project's emerging investment opportunities.

2. **Developing Zero Waste Construction Hubs** to support materials exchange and recovery using strategic hubs based across the region.

3.2.2 There are also numerous opportunities for collaborative action, led by partners, to further create the conditions needed to nurture a more circular economy. We propose three initial priorities for collaborative action and good practice sharing including:

a. **Convening a Circular Battery Partnership** (working closely with UKBIC, University of Birmingham and Coventry City Council) to create a world leading ecosystem of circular battery manufacturing in the West Midlands and identify any funding proposals e.g. circular battery accelerator

b. Exploring a **Circular Construction Repurposing Programme** (subject to a clear mandate from Housing and Land Board) to develop and implement circular approaches for refurbishing and repurposing commercial and residential properties, as well as public buildings and spaces, building on the Zero Carbon Homes Taskforce expertise and Energy Capital retrofit work.

c. **A Circular Hubs Network** – developing hubs in communities based around sharing of food, products and skills as part of the wider social economy growth programme and building on local initiatives such as Birmingham City Council's Food Trails programme and The Active Wellbeing Society and opportunities associated with Commonwealth Games 2022.

3.2.3 WMCA officers are keen to work with local authorities to identify opportunities to use their enabling functions such as waste, planning, procurement and other key strategies, plans and policies, to support investment in critical waste, energy and transport infrastructure that will create the conditions for a more circular economy.

3.3 Following business case development and partnership working, proposals will be brought back to WMCA Board for consideration. We will pursue external funding opportunities with partners and Government as part of our work.

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

4.1 The costs associated with developing the business case proposals will be covered by Environment portfolio's existing budget.

4.2 The next steps will include developing our understanding of the costs associated with delivering the prioritised parts of the Routemap, with particular focus on that which may fall under WMCA delivery.

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

5.1 None from the Routemap. We will work closely with colleagues in the Legal Team during business case development as these progress for each of the priority interventions.

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

6.1 The equalities implications of this paper – and the activities it proposes – should create net positive effects in terms of the impacts on citizens and communities. Underpinning all of the WMCA Environment and Energy programme is the need for a 'just transition' and it seeks to embed environmental goals as part of an overall approach to economic growth that is more inclusive.

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

7.1 The Routemap has inclusive and green growth as one of its key principles to ensure activity delivers co-benefits of job creation, social value, decarbonisation as well as health and well-being. It also aligns with the UN Sustainable Development Goals, which underpin the WMCA's Environment and Energy programme.

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

8.1 The report concentrates on the seven constituent authorities. Different parts of the Circular Economy Routemap may involve non-constituent authorities as part of delivery. These relationships will be developed on a case-by-case basis.

#### **9. Other Implications**

None.

#### **10. Appendix**

Appendix 1 - Table of strategic opportunities

Appendix 2 - Circular Economy Routemap

Priority sector	Strategic issues and assets	Strategic Opportunities	Key Partners	What is the regional opportunity?
<p><b>Circular manufacturing</b></p> <p>Page 51</p>	<ul style="list-style-type: none"> <li>Industry and manufacturing have the highest carbon footprint of all sectors analysed and are a large consumer of renewable and non-renewable resources.</li> <li>Huge existing potential and strengths in the region in advanced manufacturing, supporting our claim as the home of the green industrial revolution, including in Coventry and the Black Country.</li> <li>Legacy of National Industrial Symbiosis Programme (NISP) can be reinvigorated, building in recent programmes in Tyseley, Birmingham and Solihull.</li> </ul>	Circular battery manufacturing	UKBIC, universities, WMCA Electrification Taskforce	Build on the region's battery expertise to design the first truly circular battery factory, distinguishing the West Midlands Gigafactory from other similar projects worldwide.
		Industrial symbiosis delivery	BEIS, Tyseley Energy Park, local authorities, LEPs & Growth Hubs	Develop a West Midlands Industrial Symbiosis delivery programme to unlock innovation and investment in strategic locations, building on the hub models of Repowering the Black Country and supporting the project's emerging investment opportunities.
		High-value fuels from waste	Waste companies, STW, local authorities, LEPs	Use advanced processing technologies to turn residual, municipal and industrial waste into high-value fuels for aviation, logistics, heavy plant and other manufacturing sectors.
		Circular manufacturing Centre of Excellence	WMG, LEPs, local authorities, Warwick University,	Establish a Circular Manufacturing Centre of Excellence to support circular design best practice and to develop advanced technologies (robotics, AI etc.).
<p><b>Circular construction</b></p>	<ul style="list-style-type: none"> <li>Construction, demolition &amp; excavation is the largest consumer of non-renewable materials &amp; largest producer of waste. Circular construction and design can have a huge impact on embodied carbon.</li> <li>Large growth planned in the region (200,000 homes and major infrastructure project like HS2) can be a catalyst for circularity.</li> </ul>	Brownfield land reclamation	University of Wolverhampton, developers	Set up a facility and associated advisory services to unlock the development potential of brownfield sites of all sizes.
		Circular strategies for infrastructure	HS2, STW, waste companies, TfWM	Develop circular strategies and action plans for major infrastructure projects and utility providers.
		Circular building product initiative	Construction industry, Zero Carbon Homes Taskforce.	Support the development of leading, regional circular buildings' systems, products and service offers

	<ul style="list-style-type: none"> <li>• WMCA is already working on Advanced Manufacture in Construction (AMC) and Modern Methods of Construction (MMC) as well as Zero Carbon Homes Routemap. Circular design is synergistic.</li> <li>• The National Brownfield Institute (NBI) in Wolverhampton, City of Wolverhampton's recent Circular Cities Declaration and existing projects like Port Loop present huge opportunities to be a leader in circular construction.</li> </ul>	Zero Construction Hub	Zero Carbon Homes Taskforce, MMC Hub, LEPs, developers.	Launch a physical and virtual hub to recover and exchange materials, as well as share and incentivise circular design and processes.
		Circular repurposing programme	Local authorities, LEPs, Chambers, community groups,	Develop and implement circular approaches for refurbishing and repurposing commercial and residential properties, as well as public buildings and spaces.
<b>Circular Food</b>	<ul style="list-style-type: none"> <li>• The supply chain for food system will require rethinking if we want to meet carbon targets.</li> <li>• There is an agro-processing hub in the West Midlands, home to major companies like Mondelez, Cadbury etc. Urban agriculture, farms and community growing are all also present in the region.</li> <li>• There is pre-existing research and development expertise around improving food processing, packaging and logistics.</li> <li>• There are already well established communities working on food</li> </ul>	Regenerative agriculture	WM Circular Economy Club, Food Trails, District Eating	Support regenerative agricultural and farming practices as well as local food growing initiatives.
		Circular agro-businesses	Mondelez, breweries, WRAP, WMG, Coventry	Develop circular strategies and action plans for major agro-businesses and food processors in the region.
		Circular food hubs	Commonwealth Games, The Active Wellbeing Society, local authorities	Create circular food hubs with optimised logistics to collect and redistribute food that would otherwise be wasted.
		Healthy consumption	Food Trails, local authorities, LEPs, community groups	Raise awareness and encourage sustainable, local food consumption, working closely with existing communities and volunteer groups.

	<p>issues, and there is an ability to catalyse the social and sharing economy, tapping into the region's diversity and entrepreneurial spirit.</p>	<p>Circular nutrient loop</p>	<p>Waste companies, NFU, local authorities, EBRI</p>	<p>Close the nutrient loop by developing biotechnologies to recover and enhance value of food waste and other waste products (sewage etc.).</p>
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# West Midlands' Circular Economy Routemap

Kickstarting the region's journey to a green industrial revolution



# Executive summary

## A vision for the West Midlands' circular economy

The West Midlands' circular economy will support the green industrial revolution. It will contribute to sustainable, inclusive growth, to the social economy and to a green recovery. The region's circular economy will make better use of resources, generating more value and creating new jobs.

This vision is underpinned by four principles: inclusive green growth, enabling foundations, innovation and collaboration, and resource optimization.

## Why a circular economy?

The circular economy is much more than a sophisticated term for recycling. A circular economy is a different approach to the economy based on regenerative principles and business models that seeks to deliver environment and social value whilst promoting a strong economy.

For the West Midlands, transitioning to a circular economy supports the region in becoming the home of the green and circular industrial revolution. The West Midlands Circular Economy Routemap aims to kickstart the circular economy by building on existing best practice, projects, and expertise. Doing so will:

- Contribute inclusive, green growth and innovation, and create new jobs whilst safeguarding existing ones. A 2020 [report](#) by the Waste and Resources Action Programme (WRAP) found that a circular economy will help the UK build back better, bolstering the economy by £75 billion and creating over half a million jobs.
- Support the creation of a social economy and generate social value for local communities. Analysis conducted by the Ellen MacArthur Foundation shows that the average household income would increase by [£2,500](#) a year in a circular economy.
- Reduce environmental degradation by reducing material extraction and resource consumption as well as waste generation. For example, transitioning to a circular economy could reduce global greenhouse gas emissions (GHG) by [10 billion tonnes](#).
- Accelerate a green, inclusive, and just recovery from COVID-19, and maximise post-Brexit opportunities that build on the region's unique characteristics and strengths.

## How did we develop the routemap?

To develop this routemap, we:

- Produced a baseline analysis. This included:
  - High-level mapping of material and waste flows for five sectors. The selection of sectors was guided by the West Midlands Local Industrial Strategy.
  - Policy analysis and desk research on best practice and project case studies. It revealed a lack of robust framework and incentives to enable a circular economy at scale in the region. This analysis also demonstrated the need to put in place enabling levers that support an economy-wide transition.
  - Interviews and workshops with public, private, and academic stakeholders.
- Identified five economy-wide enabling levers and developed an implementation plan.
- Recommended that, in addition to the enabling levers, the West Midlands Combined Authority (WMCA) and its partners focus their efforts and resources on strategic interventions within three priority areas.
- Selected three priority areas and developed strategic interventions for each area. These interventions build on the region's economic and industrial strengths, capitalise on existing projects and expertise, and have a unique selling point that will drive the region's national and international competitiveness.

## Enabling levers for a circular economy

Transitioning to a circular economy will be a challenging process that can generate multiple opportunities for the region. To do so, it will require a coordinated set of interventions across a wide range of sectors.

To support this economy-wide shift, five enablers are explored in this routemap:

- **Policy and regulation:** Embedding circularity in planning and design, improving regulatory and fiscal instruments to support a circular economy, and using procurement to grow new circular markets and supply chains.
- **Governance:** Implementing robust internal processes, convening experts and partners, encouraging partnerships and collaboration, developing new supply chains, and supporting a wider adoption of new, innovative circular business models.
- **Capacity-Building:** Launching a comprehensive behavioural change programme to encourage a shift in societal thinking, supporting upskilling and training, and strengthening existing business support programmes.
- **Soft infrastructure:** Supporting system-wide innovation, improving linkages between research and commercial application, using data platforms and digital infrastructure to accelerate the transition, and ensuring logistics support the movement of goods and materials.
- **Hard infrastructure:** Investing in critical energy, waste, and transport infrastructure, and in shared spaces, resource recovery hubs and storage facilities.

This routemap explores each enabler in further detail, proposing next steps and an implementation plan, identifying delivery partners and best practice.

## Priority areas and strategic interventions

To accelerate the transition to a circular economy, the West Midlands must target its strongest sectors, leveraging its expertise and scaling up existing projects. To that effect, three priority areas were informed by a high-level material flow analysis and stakeholder engagement. They were selected based on the following criteria:

- Economic sectors where there are significant material and/or waste flows.
- Alignment with other corporate policies such as job creation, health improvements or environmental protection.
- Opportunity to leverage regional strengths such as existing skills, expertise and/or areas with considerable opportunity for growth.

# Executive summary

The three priority areas are:

**Circular Manufacturing:** Industry and manufacturing consumes 3.3 million tonnes of minerals every year. With 16% of resource inputs feeding into transport manufacturing activities, the routemap focused specifically on transport manufacturing. This capitalises on the region's position as a major automotive hub and aerospace cluster. The West Midlands has a unique opportunity to drive the growth of a competitive clean tech sector, support the decarbonisation of the transport sector, and optimise the use and re-use of precious materials and metals through manufacturing.

**Circular Construction:** The construction sector is the largest consumer of minerals and the biggest producer of waste in the region. The waste generated by this sector represents a lost opportunity as value can be created from construction outputs. With 220,000 homes and major infrastructure projects planned, the West Midlands must reduce the impact of this sector on the natural environment. Distinctive opportunities exist in unlocking brownfield sites, embedding circular design, capitalising on new material innovations, and leveraging new delivery models, whilst building on the region's existing initiatives (such as the Zero Carbon Homes Routemap and the Advanced Methods in Construction Roadmap).

**Circular Food:** As the largest consumer of natural resources in the region, the food and agriculture sector was chosen because the West Midlands is a major food and drink manufacturing hub, home to giants such as Mondelez as well as a plethora of diverse community groups working on food issues. This unique landscape means the West Midlands can engage the entire food supply chain to re-design its food system. A system-wide shift in this sector would deliver socio-economic benefits, reduce environmental degradation, and contribute to the social economy.

This routemap explores 4 to 5 strategic interventions for each of the three priority areas described above. It provides detailed next steps, delivery partners and metrics for each intervention identified. The table on the right summarises each strategic intervention proposed in the routemap. To accelerate the transition to a circular economy, a mixture of large scale and smaller scale interventions were selected.

Priority Sector	Strategic Interventions	Overall Aim
Circular Manufacturing	Circular battery manufacturing	Design the first truly circular battery factory, distinguishing the West Midlands Gigafactory from other similar projects.
	Industrial symbiosis delivery programme	Implement a place-based industrial symbiosis delivery programme to cross-fertilise opportunities across the three priority areas.
	High-value fuels from waste	Use advanced processing technologies to turn residual, municipal and industrial waste into high-value fuels for aviation, logistics, heavy plant and other manufacturing sectors.
	Circular manufacturing centre of excellence	Establish a Circular Manufacturing Centre of Excellence to support circular design best practice and to develop advanced technologies (robotics, AI etc.).
Circular Construction	Circular strategies for infrastructure	Develop circular strategies and action plans for major infrastructure projects and utility providers.
	Circular building product initiative	Support the development of leading, regional circular buildings' systems, products and service offers.
	Zero waste construction hub	Launch a physical and virtual hub to recover and exchange materials, as well as share and incentivise circular design and processes.
	Circular repurposing programme	Develop and implement circular approaches for refurbishing and repurposing commercial and residential properties, as well as public buildings and spaces.
Circular Food	Brownfield land reclamation	Set up a facility and associated advisory services to unlock the development potential of brownfield sites of all sizes, and to ensure brownfield reclamation adopts a circular approach to site clean-up and clearance.
	Regenerative food production	Support regenerative agriculture and permaculture practices as well as local food growing initiatives.
	Circular food manufacturing	Develop circular strategies for food and drink processors and manufacturers, focusing on opportunity to use food waste as a productive resource.
	Circular food hubs	Create circular food hubs with optimised logistics to collect and redistribute food that would otherwise be wasted.
	Healthy consumption	Raise awareness and encourage sustainable, local food consumption, working closely with existing communities and volunteer groups.
	Circular nutrient loop	Close the nutrient loop by developing bio-technologies to recover and enhance value of food waste and other waste products (sewage etc.).

# Executive summary

## Next steps

A circular economy is a vital part of WMCA's overall approach to building a greener, healthier, and more inclusive region. Transitioning to a circular economy can build resilience, create new jobs, reduce environmental degradation, and support the growth of the social economy. To deliver the full potential offered by a circular economy, it will be essential for WMCA and its partners to develop shared ambitions and work closely together.

This routemap is only the first step for the region's journey towards a circular economy. Next steps proposed in the routemap include:

- Implement key actions across the enablers identified, including updating WMCA's Single Commissioning Framework and procurement rules, embedding the circular economy in the wider Net Zero Behaviour Change Campaign and the Commonwealth Games 2022 legacy work, as well as commissioning any further research and intelligence that may be required to inform future actions.

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Develop a business case for a West Midlands Industrial Symbiosis delivery programme with a focus on unlocking opportunities within and between the three priority areas identified in the routemap. The Tyseley Energy Park and the East Birmingham Corridor have been identified as hot spots for cross-sector circular activities.

- Develop a business case for a Zero Waste Construction Hub to support material recovery and exchange and to share and incentivise best practice in circular design and construction.
- Work with partners to convene a Circular Battery Partnership to create a world-leading ecosystem of circular battery manufacturing and to develop funding proposals.

- Explore innovation opportunities to transform waste into high-value fuels for hard-to-decarbonise sectors (such as aerospace).
- Accelerate a circular construction repurposing programme to implement circular approaches for refurbishing and repurposing commercial and residential properties as well as public buildings and spaces.
- Develop a network of circular community hubs based around sharing goods, food, and skills, supporting the wider Social Economy Growth Strategy and existing projects looking to re-design our food system.

The route ahead will not be simple but transitioning to a circular economy offers huge potential for the region including becoming the home of the green industrial revolution.



Transitioning to a circular economy requires a fundamental shift in how we operate, how we think about industrial processes and how we design our products and services. This routemap has identified five enablers that support an economy-wide transition to a circular economy. WMCA and its local authority constituent members can take a leading role in implementing these enablers. These enablers can also be applied to wider programmes of work beyond the circular economy.

Policy and Regulation	Governance	Capacity-Building	Soft Infrastructure	Hard Infrastructure
<p><b>Planning &amp; Design</b></p> <ul style="list-style-type: none"> <li>– Encourage circular design and processes, particularly in planning.</li> <li>– Ensure consistency and harmonisation of policies across all local authority constituent members.</li> </ul>	<p><b>Internal Processes</b></p> <ul style="list-style-type: none"> <li>– Implement internal governance processes within WMCA to assign roles and responsibility, allocate resources and monitor progress.</li> <li>– Plan within WMCA the delivery of circular economy strategic interventions identified in the routemap.</li> </ul>	<p><b>Behavioural Change</b></p> <ul style="list-style-type: none"> <li>– Work with local communities, businesses and schools to demystify the circular economy.</li> <li>– Encourage a shift in societal thinking and behaviours amongst local communities.</li> </ul>	<p><b>R&amp;D &amp; Innovation</b></p> <ul style="list-style-type: none"> <li>– Support innovation by de-risking the use of circular processes and providing seed funding.</li> <li>– Improve linkages between academic research and commercial applications.</li> </ul>	<p><b>Physical Infrastructure</b></p> <ul style="list-style-type: none"> <li>– Invest in critical physical infrastructure (energy, waste and transport) to support wider transition to a circular economy.</li> <li>– Ensure access to financially viable storage facilities.</li> </ul>
<p><b>Legislation &amp; Regulation</b></p> <ul style="list-style-type: none"> <li>– Introduce regulatory instruments that support the circular economy including better implementation and enforcement of existing and upcoming waste legislations.</li> </ul>	<p><b>Partnerships</b></p> <ul style="list-style-type: none"> <li>– Act as a convenor of experts and key stakeholders and encourage knowledge-sharing.</li> <li>– Encourage circular economy partnerships and collaboration across synergistic sectors.</li> </ul>	<p><b>Upskilling &amp; Training</b></p> <ul style="list-style-type: none"> <li>– Ensure adequate training and upskilling is provided to public sector employees, regional businesses and supply chains in order to support a transition to a circular economy.</li> </ul>	<p><b>Data &amp; Digital</b></p> <ul style="list-style-type: none"> <li>– Use digital platforms and data technologies, such as 5G, to better track movement of resources and facilitate trading of materials. This should build on WMCA's <a href="#">Digital Roadmap</a>.</li> <li>– Use digital platforms and data technologies to grow a regional sharing economy.</li> <li>– Create a repository of information on the circular economy.</li> </ul>	<p><b>Shared Infrastructure</b></p> <ul style="list-style-type: none"> <li>– Invest in shared spaces for communities and businesses to encourage the growth of a sharing economy.</li> </ul>
<p><b>Fiscal Incentives</b></p> <ul style="list-style-type: none"> <li>– Align taxation and fiscal incentives with circular economy outcomes.</li> </ul>	<p><b>Business Models</b></p> <ul style="list-style-type: none"> <li>– Encourage the adoption of new business and finance models to encourage circularity and innovation as well as increase regional businesses' competitiveness.</li> <li>– Facilitate the development of circular products and services.</li> <li>– Support region-wide systems-thinking and industrial symbiosis.</li> </ul>	<p><b>Business Support</b></p> <ul style="list-style-type: none"> <li>– Streamline existing business support and ensure all businesses, including SMEs, can benefit from circular economy opportunities.</li> </ul>	<p><b>Logistics</b></p> <ul style="list-style-type: none"> <li>– Ensure logistics enable easier tracking and transport of goods and materials across various sectors/businesses and to enable a sharing economy. This should include enabling reverse logistics.</li> </ul>	
<p><b>Procurement</b></p> <ul style="list-style-type: none"> <li>– Develop collaborative approaches to service provision amongst public sector bodies in the region.</li> <li>– Use public sector procurement to grow new circular markets and supply chains and to accelerate the introduction of circular goods and services.</li> </ul>				

# Enabling interventions: 2022 implementation plan

2022 will be an important year for WMCA and its partners to set the enabling foundation and map out strategic first steps required to accelerate a transition to a circular economy in the region. The table below presents the key target outcomes and potential actions WMCA and its partners should aim to achieve in 2022.

Useful Projects and SOENECS have proposed a potential implementation plan in Appendix 1, which is accompanied by a detailed matrix of the actions proposed (See Appendices 2 to 6). This implementation plan is one potential route to deliver enabling actions. Others exist based on the resources made available to deliver the routemap.

Enabler	Target Outcomes for 2022	Potential Next Steps and Actions	Delivery Partners
<b>Policy and Regulation</b>	<ul style="list-style-type: none"> <li>Procurement and commissioning policies and processes pro-actively support a circular economy.</li> <li>Circular design is incentivised in a harmonised manner across all local authorities and key partners in the region.</li> <li>The region is at the forefront of embedding and implementing new waste regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Update WMCA's Single Commissioning Framework.</li> <li>Publish new procurement guidelines to support circularity.</li> <li>Hold workshops with local authorities to pro-actively prepare for new waste regulations.</li> </ul>	
<b>Governance</b>	<ul style="list-style-type: none"> <li>Sufficient internal resources have been allocated by WMCA and its Boards to deliver key actions set in this routemap.</li> <li>A robust governance structure has been set up to support the delivery of key actions in this routemap.</li> <li>The West Midlands becomes a first-mover in adopting innovative, circular business and finance models at a region-wide scale.</li> </ul>	<ul style="list-style-type: none"> <li>Appoint a Circular Economy Lead.</li> <li>Establish a Circular Economy Delivery Board to oversee the delivery of strategic projects.</li> <li>Work with partners such as <a href="#">ASG</a> to express the benefits of new business and finance models.</li> </ul>	
<b>Capacity-Building</b>	<ul style="list-style-type: none"> <li>The skills supporting a transition to a circular economy have been identified.</li> <li>Funding provided by WMCA and key partners supports a circular economy.</li> <li>A comprehensive behavioural change programme is ready to be launched to normalise the circular economy and encourage local communities and businesses to put a higher value on circular products and services.</li> </ul>	<ul style="list-style-type: none"> <li>Add circular economy requirements for WMCA-led grants.</li> <li>Commission a forecast report to look into circular economy skills gap, working with partners like the Great Birmingham and Solihull LEP's Low Carbon Skills Team.</li> <li>Include circular economy actions in the Energy and Environment Behavioural Change Strategy.</li> </ul>	
<b>Soft Infrastructure</b>	<ul style="list-style-type: none"> <li>Logistics are improved to support better recovery, movement and exchange of resources across the region.</li> <li>Building on WMCA's <a href="#">Digital Roadmap</a>, digital tools, platforms and infrastructure enable a better collection of data and sharing of resources.</li> </ul>	<ul style="list-style-type: none"> <li>Publish recommendations to improve logistics, including the use of reverse and consolidated logistics.</li> <li>Launch online repository of existing sharing platforms.</li> <li>Align actions of this routemap with the <a href="#">Digital Roadmap</a>.</li> </ul>	
<b>Hard Infrastructure</b>	<ul style="list-style-type: none"> <li>Energy, transport and waste infrastructure all enable a transition to a more circular economy.</li> <li>Physical locations have been selected to recover and exchange resources, as well as to support a sharing economy.</li> </ul>	<ul style="list-style-type: none"> <li>Select location for regional Resource Recovery Hubs and financially viable storage facilities.</li> <li>Launch an online repository and booking system for unused, vacant or idle spaces, whilst ensuring equal access to digital platforms.</li> </ul>	

# Circular manufacturing

The West Midlands is a major [automotive hub](#), with 40% of all cars exported from the UK made in the West Midlands. It is also the largest aerospace cluster in the UK, with 25% of the country's aerospace sector located in the region. Embedding circularity within the manufacturing sector will ensure these sectors continue to thrive, are resilient to future increases in material costs, and jobs are safeguarded.

The majority of employment within the West Midlands' manufacturing sector is in intermediate product supply chains to the end producers, rather than in processing of primary resources or in assembly of end products. This presents opportunities and challenges that will need to be explored further when developing specific interventions.

The manufacturing sector is a priority area for the West Midlands given the national government's support for growing the clean tech sector, particularly to support the decarbonisation of the transport sector.

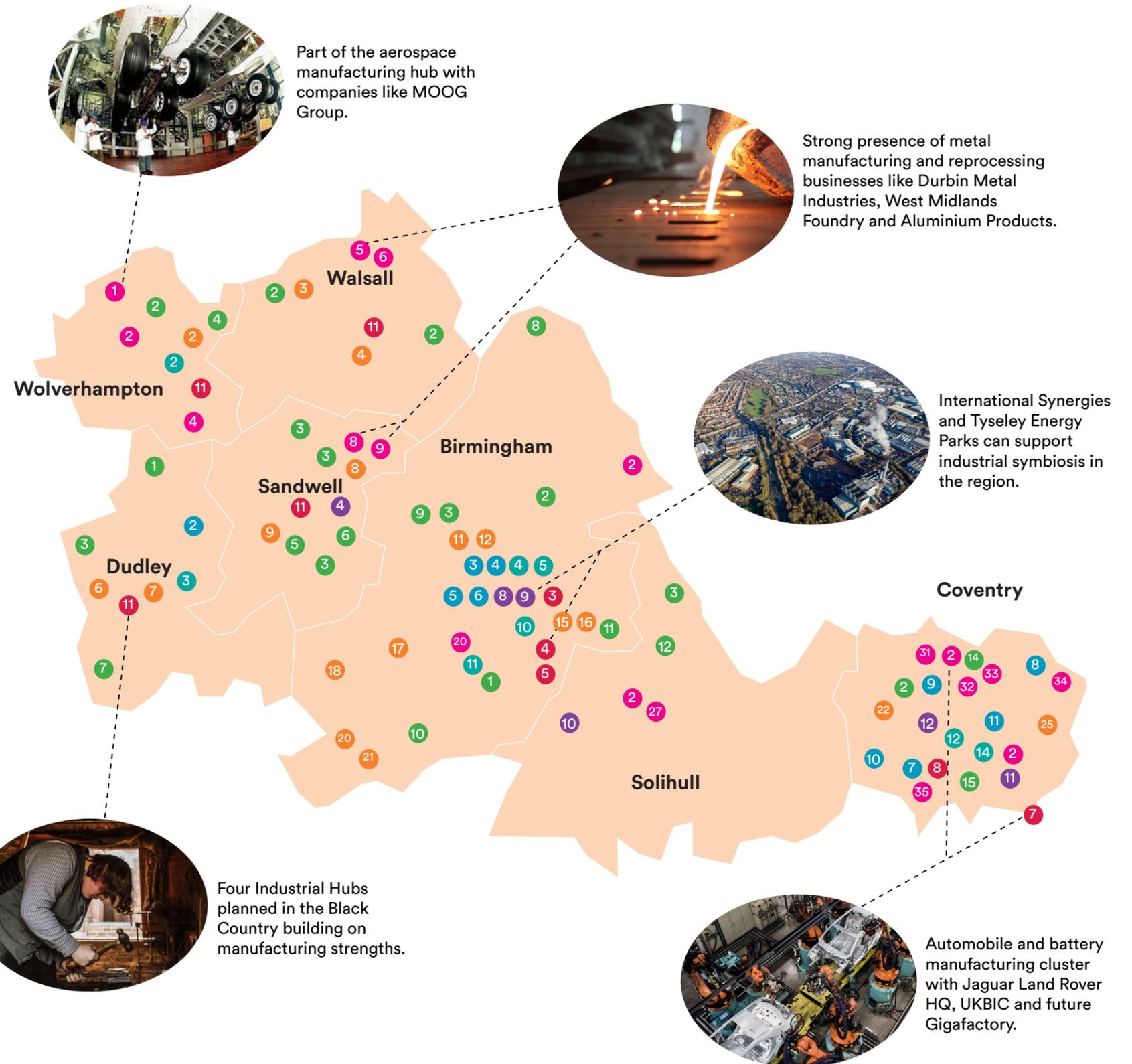
The clean tech sector poses a resource challenge. This sector, which includes electric vehicle, batteries, rapid charging infrastructure, wind turbines and other smart devices, relies heavily on the supply of imported scarce materials (such as rare earth, cobalt, manganese, graphite, scandium, neodymium and lithium) as well as highly refined metals (such as aluminium, composites, silver, nickel and copper).

The demand for these materials is predicted to grow by 2050, as high as 1000% for Lithium according to the [World Bank](#). Given the rapid increase in demand and potential scarcity of these raw materials, there is a need to increase efficiency in the use of these materials and to ensure that they can be recovered and recycled at the end of their life.

To that effect, circular economy interventions that would bring the most value to the region within the manufacturing sector include:

- Adopting a circular economy approach to electric vehicle, battery, and EV charging including high-value material recycling.
- Adopting circular economy approaches to metal recycling and to produce low carbon fuels from waste.
- Providing specialist circular design and development services for the manufacturing sector combined with the development of advanced material recovery technologies and facilities, including investment in robotics, robot/human interfaces and the use of artificial intelligence (AI) in resource recovery.

See Appendix 7 for more detailed information on the strategic interventions chosen for this priority area.



# Circular manufacturing Strategic interventions

## Circular Battery Manufacturing

**What?** Design the first truly circular battery factory, distinguishing the West Midlands Gigafactory from other similar projects worldwide.

**Why?** To meet the growing demand for electric vehicles and batteries, to ensure that scarce materials are recovered, to secure jobs in the automobile manufacturing sector.

**Role of WMCA?** Enable.

**Partners:** See Appendix 7 for complete partners list.



**Next Steps:**

- Convene all partners to establish formal partnership and develop project and research proposals.
- Build political support and an investment prospectus.
- Develop and submit funding proposals to support a wide range of applied development projects.

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## Circular Manufacturing Centre of Excellence

**What?** Establish a Circular Manufacturing Centre of Excellence to support circular design best practice and to develop advanced technologies (robotics, AI etc.).

**Why?** To test new technologies and processes for end of life resource recovery and circular manufacturing and to increase knowledge about circular manufacturing.

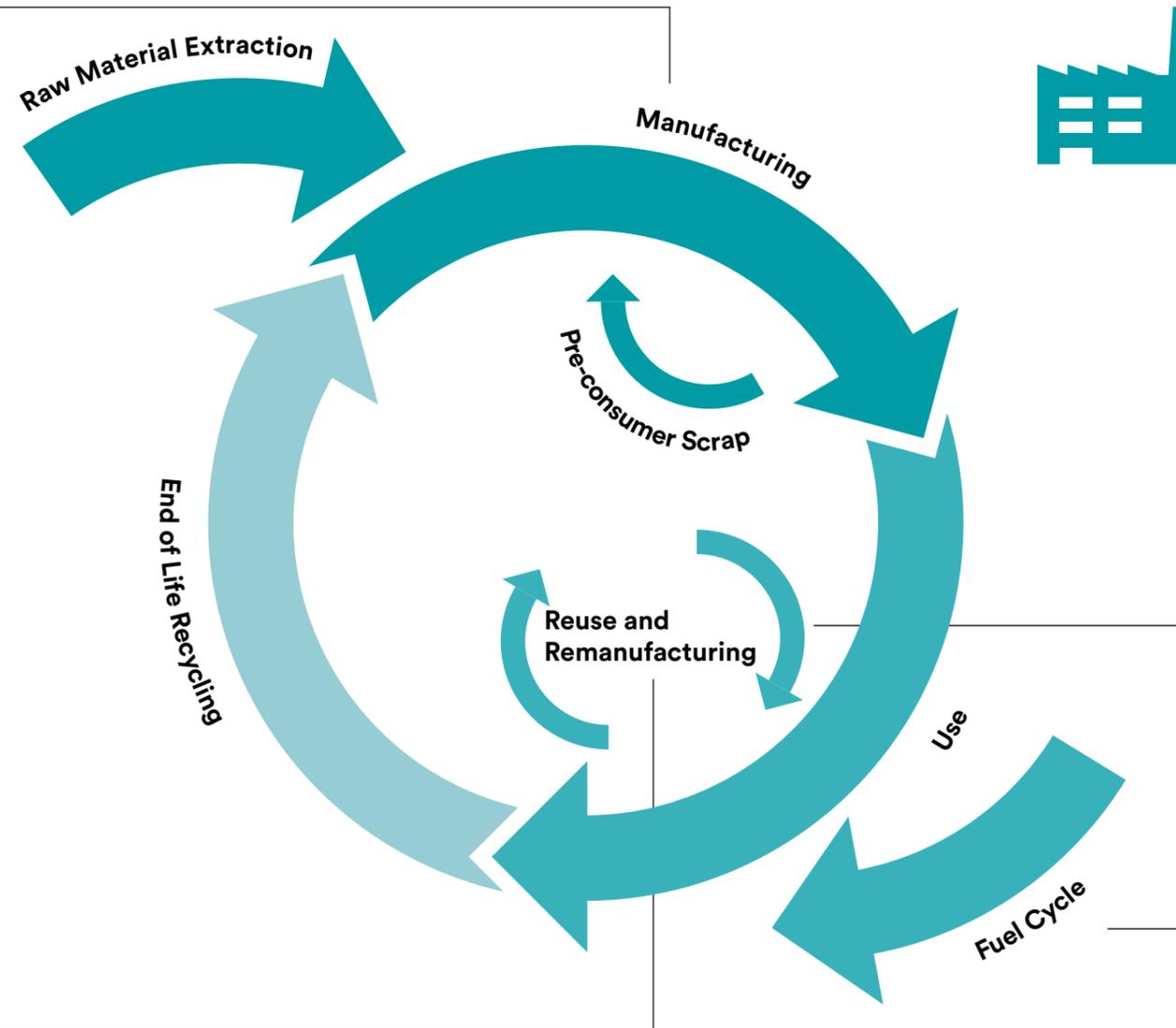
**Role of WMCA?** Enable.

**Partners:** See Appendix 7 for complete partners list.



**Next Steps:**

- Engage and convene identified partners to gauge support, to identify existing or potential locations for a centre of excellence and to share best practice.
- Develop and submit a major sectoral funding application for a centre of excellence and associated research/developmental projects.
- Support research into best practice for circular design in manufacturing and into advanced technologies.



## Industrial Symbiosis Delivery Programme

**What?** Implement a place-based industrial symbiosis delivery programme to cross-fertilise opportunities across the three priority areas.

**Why?** To reduce resource consumption, to support SMEs in adopting circular processes, to create/save jobs, to minimise environmental degradation.

**Role of WMCA?** Enable and potential delivery partner.

**Partners:** See Appendix 7 for complete partners list.



**Next Steps:**

- Select location for a demonstrator project, focusing initially on high-value metal recycling (such as aluminium) and water.
- Develop a funding proposal for the selected industrial symbiosis demonstrator project.
- Convene key partners to develop a region-wide industrial symbiosis programme, aligning it with existing business support.

## High-Value Fuels from Waste

**What?** Use advanced processing technologies to turn residual, municipal and industrial waste into high-value fuels for aviation, logistics, heavy plant and other manufacturing sectors.

**Why?** To increase the volume and value of resources generated from waste, to develop new technologies that can be exported globally.

**Role of WMCA?** Enable.

**Partners:** See Appendix 7 for complete partners list.



**Next Steps:**

- Engage relevant sectors to test appetite, secure support and establish formal partnerships.
- Identify one initial focus area (sustainable aviation fuel, sewage waste, etc.) and develop detailed plan and proposal for early funding.



With over 220,000 new homes and major infrastructure projects like [HS2](#) planned, embedding circularity within construction can unlock new opportunities, generate cost savings and build resilience across regional supply chains. Circular design and processes can also decrease the amount of virgin materials consumed and reduce environmental degradation associated with construction.

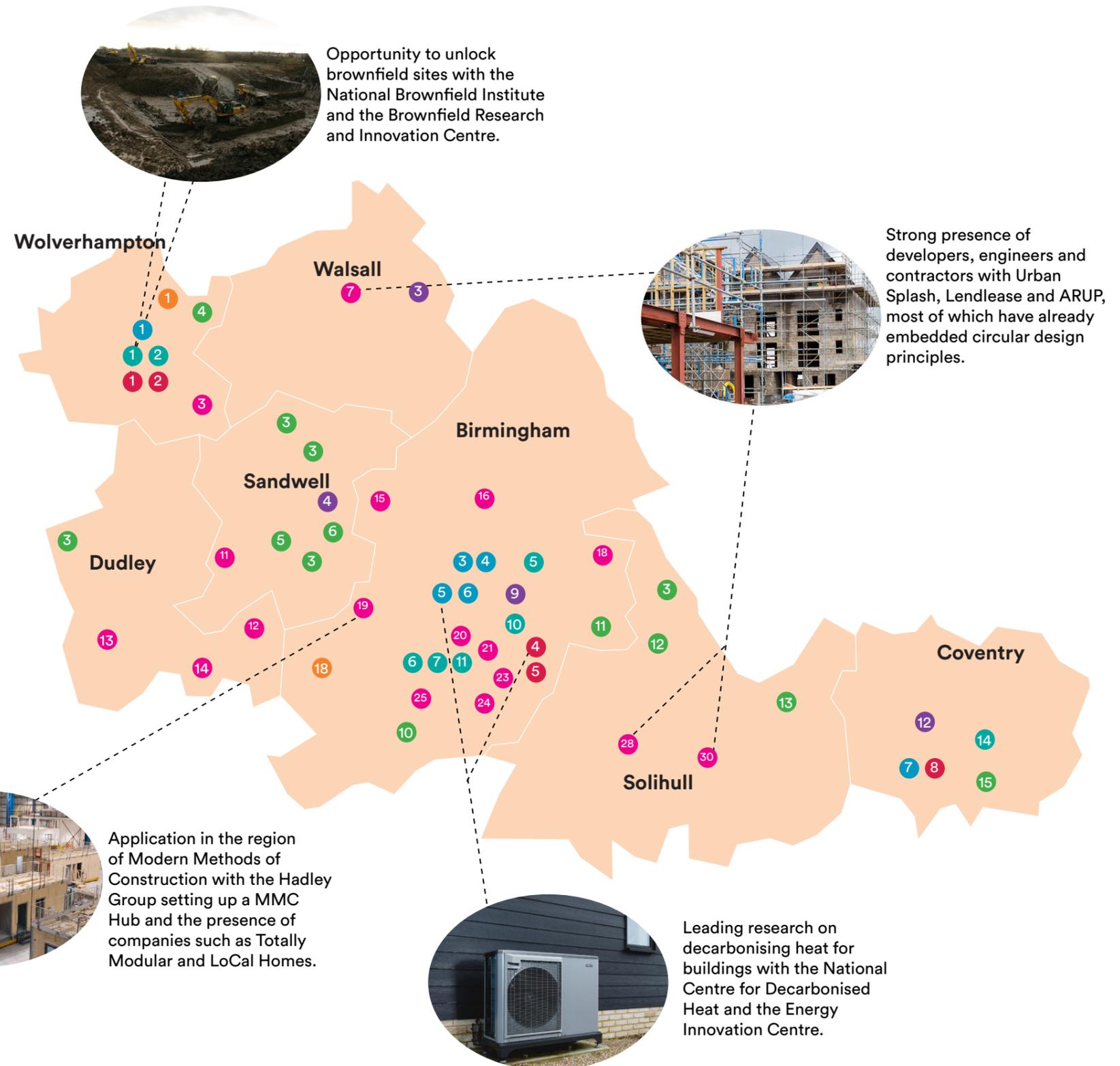
The West Midlands can leverage the funds it has secured to transform the construction, demolition and excavation (CD&E) sector. For example, WMCA and its constituent members have received several investment packages to support investments in infrastructure across the region. It has a £100 million Land Fund and £24 million Competitive Fund. WMCA and its constituent members have also received a £84 million investment to unlock and accelerate the region's pipeline of brownfield sites.

To that effect, circular economy interventions that would bring the most value to the region within the CD&E sector include:

Adopting circular design principles and construction processes for residential, commercial and major infrastructure projects. A particular opportunity is to create a physical and virtual resource recovery and material exchange hub to make better use of material wasted in construction.

- Unlocking the value of brownfield sites with the creation of a leading facility to provide a register of sites, and incentives for developing these sites. This can be spearheaded by Wolverhampton and their National Brownfield Institute.
- Supporting the growth of regional specialist circular products and services relating to the construction industry, creating a one-stop shop to deliver all required services. Working and mobilising supply chains.

See Appendix 8 for more detailed information on the strategic interventions chosen for this priority area.



# Circular construction Strategic interventions

## Brownfield Land Reclamation

**What?** Set up a facility and associated advisory services to unlock the development potential of brownfield sites of all sizes.

**Why?** To reduce resource consumption, wasted materials on brownfield sites, and the amount of soils and virgin materials imported.

**Role of WMCA?** Enable and Influence. Lead on own sites.

**Partners:** See Appendix 8 for complete partners list.



**Next Steps:**

- Explore option for the National Brownfield Institute to become leading facility.
- Convene partners to develop incentives including for smaller sites.
- Create a register of brownfield sites and develop a data-sharing platform.

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## Circular Repurposing Programme

**What?** Develop and implement circular approaches for refurbishing and repurposing commercial and residential properties, as well as public buildings and spaces.

**Why?** To minimise construction waste, to reduce virgin material extraction and to revitalise unused space.

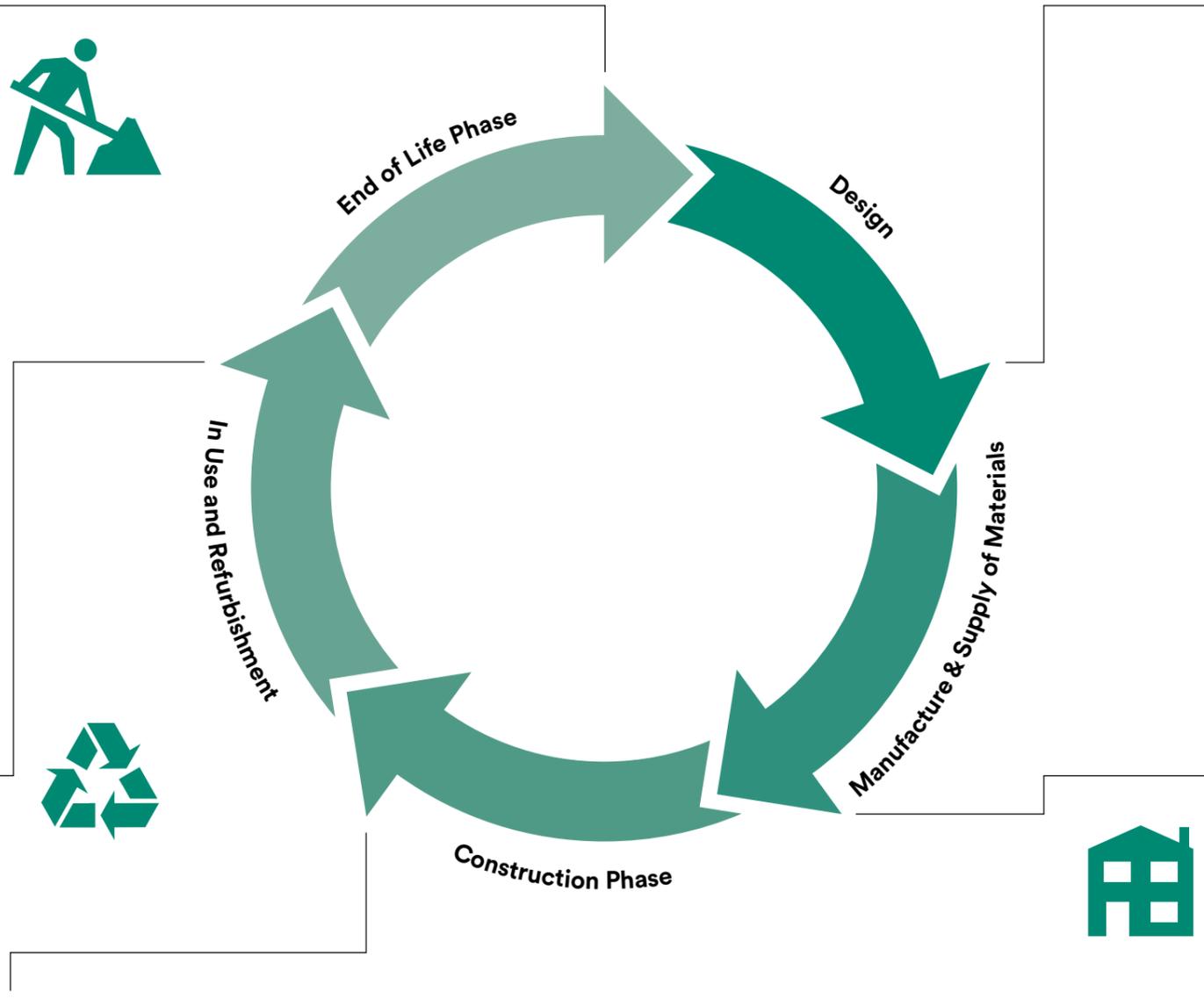
**Role of WMCA?** Enable and Influence. Lead on own sites.

**Partners:** See Appendix 8 for complete partners list.



**Next Steps:**

- Audit public spaces, high streets and unused/vacant commercial spaces to create a region-wide revitalisation investment prospectus.
- Support R&D in circular products, services and approaches that support repurposing and refurbishing.
- Publish guidance on alternative financing and delivery models.



## Circular Strategies for Infrastructure

**What?** Develop circular strategies and action plans for major infrastructure projects and utility providers.

**Why?** To mobilise and scale up circular supply chains, to encourage innovation, and to support circular, sustainable utility provision.

**Role of WMCA?** Enable and Influence. Lead on own sites.

**Partners:** See Appendix 8 for complete partners list.



**Next Steps:**

- Identify and convene major infrastructure and utility companies and their supply chains to develop projects and incentives.
- Create a forum for infrastructure and utility companies to share best practice.
- Publish best practice guidance for circular strategies for infrastructure and utility companies.

## Circular Building Product Initiative

**What?** Support the development of leading, regional circular buildings' systems, products and service offers.

**Why?** To create a suite of regional circular building products, to increase the number of circular products and services, to support regional job creation.

**Role of WMCA?** Enable and Influence. Lead on own sites.

**Partners:** See Appendix 8 for complete partners list.



**Next Steps:**

- Work with the Zero Carbon Homes Task Force and other key partners to select ten regional building product manufacturers/suppliers.
- Convene partners and experts to explore creation of a consortium of regional organisations to act as a one-stop shop for circular buildings' products, services and systems.

## Zero Waste Construction Hub

**What?** Launch a physical and virtual hub to recover and exchange materials, as well as share and incentivise circular design and processes.

**Why?** To use fewer materials and reduce waste on construction sites, to encourage material exchange within the built environment.

**Role of WMCA?** Enable and Influence. Potential delivery partner.

**Partners:** See Appendix 8 for complete partners list.



**Next Steps:**

- Determine best location for material recovery and exchange hub(s), developing feasibility and funding proposal.
- Mobilise and convene regional supply chains around circular construction methods (including MMC and AMC).
- Launch virtual hub and share best practice guidance and incentives for circular construction processes.

Thanks to its surrounding [rural areas](#), the West Midlands region as a whole remains one of the UK's main agricultural hubs, making the food and agricultural sector a key priority for this routemap. According to [DEFRA](#), the biggest agricultural contributors to the region's £2.4 billion outputs are milk, poultry meat, wheat and fruit. The West Midlands is also home to several farms, with income from farming increasing by 34% between 2015 and 2019. Grazing livestock accounted for 28% of farmed area, whereas cereal farms accounted for an additional 26%.

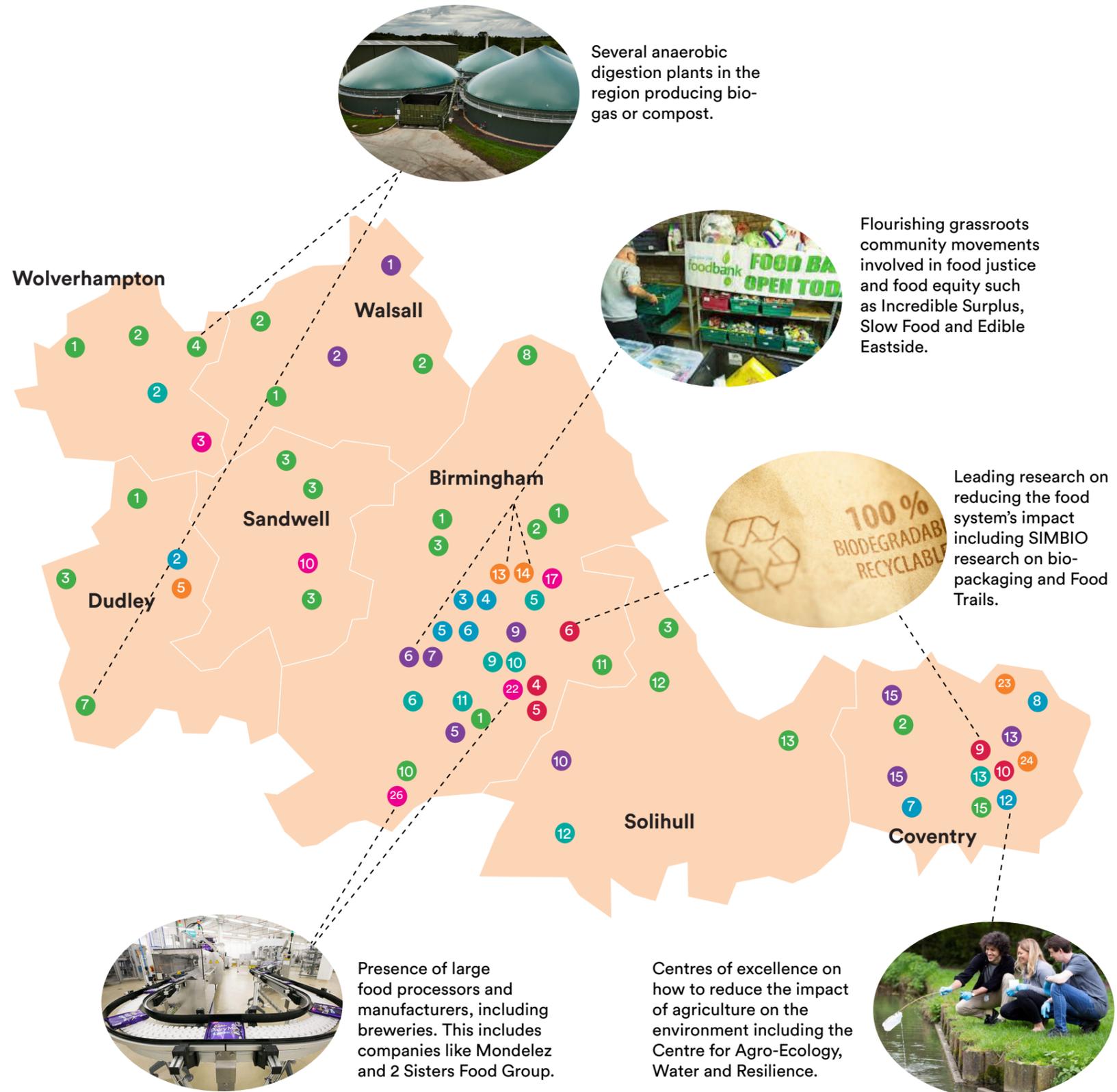
The food and agricultural sector was chosen as a priority area given the presence of large food processors and manufacturers, local agro-ecological farms and movements, as well as numerous community-based groups focusing on food. Numerous research projects, including Food Trails, are looking to make the region's food system more circular and to eliminate food waste across the supply chain. This routemap will support such research projects.

To that effect, circular economy interventions that would bring the most value to the region within the food and agriculture sector include:

- Adopting a systems-thinking approach to redesign the food system working with leading research institutions, regional agro-businesses and farms to deliver tangible social benefits and economic growth.
- Encourage more sustainable food consumption in the region, including improving distribution and access to food and supporting existing grassroots movements to continue their work as part of a recovery. Additionally, urban agriculture and urban horticulture opportunities should be further explored, building on existing initiatives and community groups such as District Eating.
- Unlocking the value of food and drink manufacturing waste and the potential of wastewater sludge for agricultural purposes. This will help close the nutrient loops, deliver new jobs and reduce environmental degradation.

See Appendix 9 for more detailed information on the strategic interventions chosen for this priority area.

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Several anaerobic digestion plants in the region producing biogas or compost.

Flourishing grassroots community movements involved in food justice and food equity such as Incredible Surplus, Slow Food and Edible Eastside.

Leading research on reducing the food system's impact including SIMBIO research on bio-packaging and Food Trails.

Presence of large food processors and manufacturers, including breweries. This includes companies like Mondelez and 2 Sisters Food Group.

Centres of excellence on how to reduce the impact of agriculture on the environment including the Centre for Agro-Ecology, Water and Resilience.

# Circular food

## Strategic interventions

### Circular Nutrient Loop

**What?** Close the nutrient loop by developing bio-technologies to recover and enhance value of food waste and other waste products (sewage etc.).

**Why?** To reduce use of finite resources, to retain important nutrients in the soil, to reduce negative environmental impacts.

**Role of WMCA?** Enable.

**Partners:** See Appendix 9 for complete partners list.



**Next Steps:**

- Engage with wastewater and sewage companies to identify technologies to recover nutrients from sludge for agricultural use and create an online platform to facilitate exchange with farmers.
- Support local authorities in streamlining food waste collection, including producing best practice guidance for food separation.
- Determine logistics required to transport food waste to anaerobic digestion and composting plants and then distribute compost to farms and inject biogas in local gas network.

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### Healthy Consumption

**What?** Raise awareness and encourage sustainable, local food consumption, working closely with existing communities and volunteer groups.

**Why?** To improve health of local communities, to reduce costs associated with unhealthy diets, and to reduce environmental impact of modern diets.

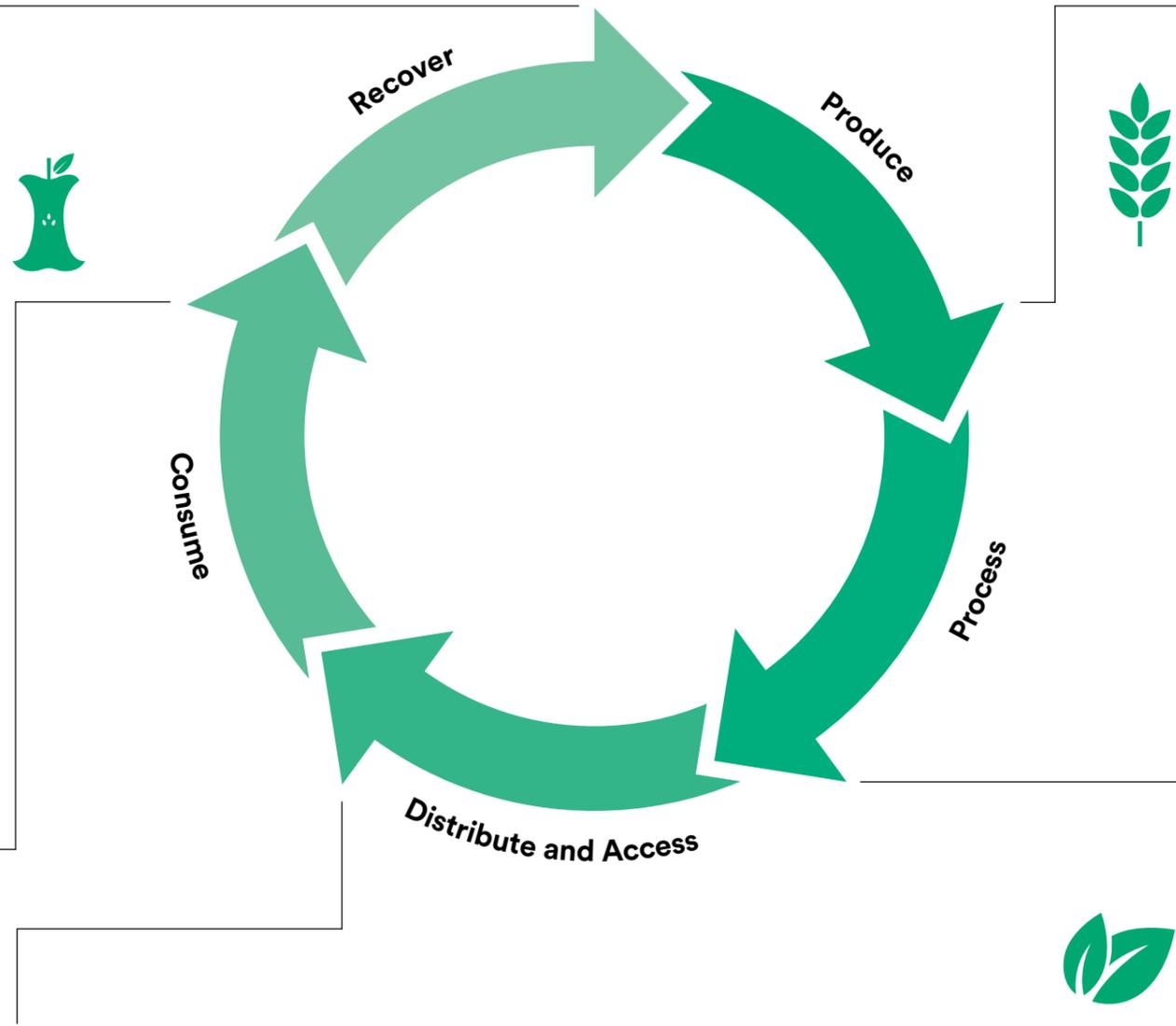
**Role of WMCA?** Enable and Influence.

**Partners:** See Appendix 9 for complete partners list.



**Next Steps:**

- Convene local authorities to launch a cohesive behavioural change programme for healthier diets.
- Lobby national government for stronger regulations on fast food advertisements (near schools etc.).
- Provide support to existing community/volunteer groups including access to finance and space.



### Circular Food Hubs

**What?** Create circular food hubs with optimised logistics to collect and redistribute food that would otherwise be wasted.

**Why?** To improve local communities' access to healthy, affordable food, to reduce waste food, and to ensure better redistribution of food.

**Role of WMCA?** Enable and potential delivery partner.

**Partners:** See Appendix 9 for complete partners list.



**Next Steps:**

- Determine logistics requirements to bring in and redistribute food that would otherwise be wasted.
- Based on logistics requirements, determine best location for central food hubs, making best use of vacant/unused spaces or publicly-owned buildings.
- Convene existing community/volunteer groups and other key partners to develop funding proposal for hubs.

### Regenerative Food Production

**What?** Support regenerative agriculture and permaculture practices as well as local food growing initiatives.

**Why?** To maintain soil health, to reduce food miles, to increase food security.

**Role of WMCA?** Enable and Influence.

**Partners:** See Appendix 9 for complete partners list.



**Next Steps:**

- Map existing sustainable, local food growing schemes and farms to identify best practice and gaps in provision.
- Convene key partners to develop incentives, support programmes and communal projects.
- Support local authority constituent members in implementing enabling policies, particularly in planning.

### Circular Food Manufacturing

**What?** Develop circular strategies for food and drink processors and manufacturers, focusing on opportunity to use food waste as a productive resource.

**Why?** To mobilise circular food supply chains, to reduce resource consumption and pollution, to support further R&D in sustainable agro-business processes.

**Role of WMCA?** Enable and Influence.

**Partners:** See Appendix 9 for complete partners list.



**Next Steps:**

- Develop proposal for bio-packaging and no single-use plastic at the Commonwealth Games.
- Convene agro-businesses, food processors and other key partners to map flows of resources and identify opportunities to trade resources.
- Commission audit of existing food technologies to identify where further support into R&D and commercial application required, including bio-packaging.

## Summary

A circular economy is a vital part of WMCA's overall approach to leading the green industrial revolution. There are many ways in which a circular economy can be developed, all of which should support a more inclusive and stronger economy, social value creation and a cleaner, greener environment.

The West Midlands already has exceptional strengths in its centres of excellence, research programmes, businesses and pilot projects focusing on circularity. These provide a fantastic springboard to accelerate the region's transition to a circular economy.

However, this transition remains a challenging, all-encompassing and demanding endeavour. It requires a set of coordinated enabling and strategic interventions across various sectors, involving multiple stakeholders and businesses as well as a radical shift in how we think about our economy.

It is why this routemap recommends that the West Midlands initially focuses on three priority areas and on builds enabling foundations to support a wider transition, based on extensive stakeholder engagement, a material flow assessment, existing circular economy expertise and aligned to the key regional and national strategies.

The priority areas selected are:

- **Circular manufacturing** with opportunities in advanced manufacturing, clean technology, vehicle and battery manufacturing, converting waste to high-value fuels.
- **Circular construction** with opportunities in brownfield land reclamation, repurposing vacant and unused spaces, circular design and construction processes and material recovery hubs.
- **Circular food** with opportunities in bio-technology R&D for agro-processing and agro-manufacturing, recovering and re-using food waste, and unlocking the potential of local social enterprises and community groups working on food issues.

## Recommendations

This routemap is the first step in formalising the region's journey towards a more circular economy. We recommend that:

### 1. WMCA:

- Publishes this routemap and shares best practice across the region.
- Works with key stakeholders identified in the routemap to:
  - prioritise strategic opportunities and develop detailed project and funding proposals.
  - prioritise the enabling actions in the routemap.
  - commission in-depth material flow analysis for key sectors, when and where needed to inform future actions, as well as other sectors such as retail, tourism or health care and life science.
- Establishes appropriate internal and region-wide governance, refreshing the current Taskforce to align with priorities to support delivery of the routemap.
- Aligns the actions in this routemap with other internal programmes and strategies.
- Takes proposals on resource requirements and investment opportunities to WMCA Board, once this more detailed work has been completed.

### 2. Local authorities in the West Midlands:

- Work with WMCA on developing relevant strategic opportunities as above.
- Identify opportunities to use their enabling functions such as waste, planning, procurement and other key strategies, plans and policies, to support investment in critical waste, energy and transport infrastructure that will create the conditions for a more circular economy.

**3. National government** provides funding and policy support for industry-wide transitions to a more circular economy. This is essential since the West Midlands cannot transition to a circular economy without the support of the national government.

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## WMCA Board

<b>Date</b>	17 September 2021
<b>Report title</b>	West Midlands Bus Service Improvement Plan
<b>Portfolio Lead</b>	Transport – Councillor Ian Ward
<b>Accountable Chief Executive</b>	Anne Shaw, Interim Managing Director, Transport for West Midlands email: anne.shaw@tfwm.org.uk
<b>Accountable Employee</b>	Pete Bond, Director of Integrated Transport Services, Transport for West Midlands Email: pete.bond@tfwm.org.uk

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

#### The WMCA Board is recommended to:

- (1) Authorise the principles for the West Midlands Bus Service Improvement Plan (BSIP), set out in the Background Papers.
- (2) Note that the scope and delivery of the West Midlands BSIP continues to be refined with key partners including local bus operators and local highway authorities, taking account of the desire for ambition to be shown.
- (3) Note that if principles cannot be agreed with bus operators, a further regulatory options of franchising exists to support delivery of the Authority's objectives, subject to understanding risks and mitigations, and these will be considered by the WMCA Board in November 2021 once the finalised BSIP is submitted.
- (4) Note the estimated cost of the BSIP ambition that will be submitted to Government.
- (5) Authorise the publication of the West Midlands BSIP once completed, as required under the National Bus Strategy for England to be published by the 31 October 2021.
- (6) Authorise the public consultation on a revised West Midlands Enhanced Partnership Plan, following publication of the West Midlands BSIP.
- (7) Delegate the responsibility for approving the final Bus Service Improvement Plan to the Mayor and Portfolio lead for Transport Portfolio Holder for the WMCA following engagement with the Strategic Transport Board relating to integration with CRSTS and wider bus policy, and with Transport Delivery Committee to ensure full understanding of impacts to the wider bus network, and integration with other services and modes.

- (8) Note the interdependency between the BSIP and the City Region Sustainable Transport Settlement (CRSTS) which is being reported separately.
- (9) Note the direct link between the funding from BSIP and the support required to maintain the existing bus network across the West Midlands beyond March 2022, as well as developing new services.

## **1 Purpose**

- 1.1 The purpose of this report is to seek approval for the West Midlands Bus Service Improvement Plan principles, ahead of the BSIP publication required under the National Bus Strategy for England (NBS) by the 31<sup>st</sup> October 2021.

## **2 Background**

- 2.1 The NBS published in March 2021, sets out the requirements for all Local Transport Authorities (LTAs) to access transformational funding from April 2022. TfWM is the LTA for the WMCA constituent area. The first step was to publish a notice of intent to pursue an Enhanced Partnership (EP) and/or franchising by the end of June 2021. By 31<sup>st</sup> October 2021, TfWM must publish a BSIP. By 31<sup>st</sup> March 2022 the LTA should have either an EP in place or be following the statutory processes for a franchising assessment.
- 2.2 The BSIP will aim to deliver a step change in bus services required to achieve the objectives of the NBS. Government will use our, and other Authorities' BSIPs to determine how to allocate the £3 billion of funding for bus to deliver the objectives of the NBS – covering both revenue and capital. As required by Government, our BSIP should:
  - Be developed by LTAs in collaboration with local authorities and bus operators, community transport bodies and local businesses, services and people.
  - Focus on delivering the bus network that LTAs (in consultation with operators) want to see, including how to address the under provision and overprovision of bus services and buses integrate with other modes.
  - Set out how it will grow bus use.
  - Set out how it will be delivered.
  - Be updated annually and reflected in the Local Transport Plan (LTP).
- 2.3 TfWM has an existing EP in place for the region and is also undertaking an assessment of the wider bus service reform options available through the Bus Services Act 2017. This ongoing assessment includes bus franchising options, and a report outlining the outcomes of this will be considered by WMCA Board in November 2021. The BSIP will set out the bus vision for the West Midlands. The current EP will be updated (by 31<sup>st</sup> March 2022) to reflect delivery of the BSIP vision. A separate franchising assessment detailing how, the BSIP vision could be delivered and pursued, will also be included. This is a requirement of the BSIP guidance, as WMCA have both options available for delivery. Through delivery, if the BSIP vision and outcomes cannot be delivered in partnership, franchising is identified as a mechanism which authorities can turn to deliver the BSIP.

- 2.4 The BSIP guidance encourages, LTAs, local authorities and bus operators to work at pace with communities to plan and deliver a fully integrated bus service with simple, cheaper, multi-modal tickets, more bus priority measures, maintaining high-quality information for all passengers in more locations and more zero emission buses and better turn-up-and-go frequencies including during evenings and weekends.

### **Current bus offer to passengers**

- 2.5 The region's bus network has an indisputable, but often undervalued, role in our transport system. It reaches every corner of our region, providing an essential mobility service to access employment, education, leisure and other key facilities as well as providing integration with other modes of transport. The West Midlands has the largest bus network in the UK (outside London) with 2,000 buses and 265 million boardings in 2019, across over 300 bus routes. Bus is the backbone of the West Midlands transport network accounting for around 80% of all public transport trips.
- 2.6 Over a third of residents in the West Midlands do not have access to a car and therefore rely heavily on bus and the wider integrated public transport system. As we recover from the pandemic, bus will play a role in supporting access to jobs, promoting inclusive economic growth and helping to achieve WM2041 goals.
- 2.7 Unfortunately, our public transport network including bus services and their passengers currently face numerous external challenges (i.e. perceived cost of travel and parking management) that we must tackle if we wish to increase patronage and provide support for the long term sustainability of services. The recent Covid-19 pandemic has also exacerbated many issues and with uncertainty on how our transport system will recover, it is difficult to know whether changes will last. In the short-term, and through the NBS, bus is flexible enough to adapt to changing travel patterns and accommodate the return in travel demand, providing critical connectivity for citizens.
- 2.8 With so many people within the West Midlands relying on the bus network, and a major aspect of our emerging LTP being to shift peoples travel behaviours to more sustainable modes, the BSIP offers scope to make the necessary changes and improvements to our bus services to enhance bus patronage and satisfaction levels.

### **Supporting Bus Operators**

- 2.9 Throughout the Covid-19 pandemic local bus operators have been financially supported by the DfT and WMCA to maintain the existing bus network. TfWM have continued to provide support in the form of maintaining contract payments for tendered services at pre-covid levels as well as payments for the English National Concessionary Travel Scheme (ENCTS) at the predicted rate assuming the pandemic hadn't occurred. It is likely that additional financial support will continue until the end of March 2022.
- 2.10 Commercial bus operators and TfWM have received funding from the DfT Covid-19 Bus Services Support Grant (CBSSG) which was designed to ensure bus services can continue to operate to full-service levels during the pandemic despite reduced patronage levels. This grant has been provided through to the end of August 2021.

- 2.11 From 1<sup>st</sup> September 2021, the DfT will support operators and local authorities based upon a grant formula rather than ‘topping up’ operators to cover their costs. Under the revised conditions for this grant operators are required to maintain a minimum of 90% of mileage of pre-covid levels, will be able to make a profit and also make commercial service changes.
- 2.12 The period of this new Bus Recovery Grant (BRG) will be from September 2021 to the end of March 2022. Beyond March 2022 the required revenue support to maintain the existing and baseline network will need to be the absolute priority within the BSIP. The level of support required will be dependent upon commercial revenue received and therefore passengers. If insufficient revenue support is provided through the BSIP then this could result in significant reductions to the commercial network unless additional local funding can be identified.
- 2.13 This supported baseline network will form the basis for any further improvements identified in the BSIP and also the base network for supporting the delivery of the Commonwealth Games in July 2022.
- 2.14 The BSIP will seek revenue support to maintain the current level of service as a minimum from April 2022 to end March 2023. During this period the network will remain under review and look to meet changing travel patterns and demand. From March 2023 we will seek to work with operators to revise the network based upon passenger recovery from that point forward.
- 2.15 Any revenue funding will be in addition to the WMCA continuing to provide funding for socially necessary subsidised services across the region for the period of the BSIP.

## **Targets**

- 2.16 The BSIP is required to have targets for improvement, with mandatory requirements, and additional targets for improvement proposed for our region:

### **Mandatory**

- Bus journey time for the region as a whole and for strategic centres
- Reliability improvements for the region as a whole and for strategic centres
- Passenger numbers and growth
- Average passenger satisfaction

### **Additional**

- Affordability of fares
- Safety and personal security
- Carbon and other bus emissions
- Bus operating costs
- Modal share (bus)

## **Longer-term transformation**

- 2.17 Many of the initiatives in the BSIP can be considered transformational and are intended to make the bus more attractive. Whilst improving the bus offer will be important, external issues will also need to be addressed, as set out in the recently

published local transport plan green paper. Behaviour change is critical, and we need to do more to shift journeys to public transport alongside other changes to travel patterns and behaviours. Bus has the greatest capacity and coverage to support modal shift up to 2030. This will require introducing the right mix of supporting policies to make public transport the most attractive option for certain journeys including reducing the need for parking and repurposing space for sustainable modes of travel and people as we respond to our Motives for Change.

- 2.18 The BSIP will be a 'live' document that must be reviewed at least every 12 months and reflecting our emerging Local Transport Plan. The review and updates to the BSIP will be managed by TfWM through the existing governance of the West Midlands Bus Alliance, with local bus operators, local highway authorities and other key stakeholders representing passengers and industry.

### 3. Financial Implications

- 3.1 The current estimated cost of the proposed areas of delivery in the BSIP, over the first 3 years to March 2025 is £542.49 million.

Area of Delivery	Estimated Revenue Cost (£m)	Estimated Capital Cost (£m)	Total Estimated Cost (£m)
Maintaining existing network of services (Apr 2022 – Mar 2023)*	84		84
Improve bus service provision	105		105
Improved network management	5.25		5.25
Bus priority/interventions		200	200
Ticketing/fares improvements**	0.8		0.8
Buses and decarbonisation		107	107
Information and branding (inc. RTI at all stops, replacement & branding of assets across the network)		39.8	39.8
Customer Charter inc. monitoring performance	0.28		0.28
Safer Travel	0.36		0.36
<b>TOTAL</b>	<b>195.69</b>	<b>346.8</b>	<b>542.49</b>

\*based on 80% recovery in Yr 1, 90% recovery in Yr 2 and full recovery in Yr3. This also includes an assumption that Concessions will not fully recover by April 2022 and the WMCA

\*\*cost is based on assumption that cost of sales will be met by operators

- 3.2 The BSIP will set out the Region's ambitions to improve customer experience and address key barriers to Bus travel. However, there are currently considerable additional pressures on the Bus market and the WMCA due to Covid-19, particularly around maintaining the existing network. Operators have been supported financially by a package of measures from both the DfT and from the WMCA, including the continued support through Concessionary payments whereby operators are currently being paid at assumed levels if Covid had not occurred rather than on actual patronage. If Bus patronage does not recover to pre-Covid levels, the Region will need significant financial support simply to maintain the status quo. If that support is not provided, there will be a significant risk to the WMCA that commercial services will no

longer be viable and there will, therefore, be increasing pockets of the network without sufficient bus service provision. Increasing pressure will be placed on the Authority to subsidise further routes as a result. Therefore, part of the BSIP funding will be earmarked to support existing services if the network has not recovered sufficiently by April 2022.

- 3.3 The figures shown above will continue to be refined over forthcoming weeks and prioritised according to the BSIP funding requirements guidance, as it is expected the available funding will be lower than the costs set out. The funding bid based on the BSIP will seek the maximum investment, whilst allowing new, agreed measures to be brought forward where not currently identified. The DfT cannot confirm specific funding allocations beyond April 2022 until the Spending Review later this year.
- 3.4 The proposed areas of delivery outlined in the BSIP complement the investment being sought through the CRSTS. In order to access the funding, there may be expectations on Authorities to continue to invest similar levels in areas such as Tendered and Demand-Responsive transport services to match the Government investment.
- 3.5 Once the level of West Midlands NBS funding is known, a further report will be brought to the WMCA Board to outline specific work packages that will be undertaken or prioritised with any revised costs.

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

- 4.1 There are no immediate legal implications flowing from the contents of this report

#### **5. Equalities Implications**

- 5.1 An Equality Impact Assessment has been conducted on the BSIP. The workstreams identified within the BSIP, if successful are likely to have a positive impact across the equality groups. Whilst there are some considerations that need to be given to mitigate any potentially negative impact, the BSIP overall showcases a clear goal in overcoming inequalities across the existing transport network.

#### **6. Inclusive Growth Implications**

- 6.1 The investment in new zero emission vehicles and associated infrastructure will be positive for inclusive in the West Midlands by supporting the following inclusive growth themes - Economic Growth; Health & Wellbeing; Employment & Skills and Environment.

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

- 7.1 The BSIP and revised Enhanced Partnership will cover the area of the West Midlands Combined Authority, as defined by in the West Midlands Combined Authority Constitution. Engagement has been held with neighbouring local transport authorities.

#### **8. Other implications**

None.

#### **9. Schedule of Appendices**

- 9.1 West Midlands Bus Service Improvement Plan – Principles.
- 9.2 BSIP Equality Impact Assessment.

## Background

This briefing provides details on the Principles of the emerging the West Midlands Bus Service Improvement Plan (BSIP) under the National Bus Strategy (NBS) for England to deliver better bus services and for passengers.

This paper is a supplement to the main WMCA Board paper on the BSIP, presented on 17<sup>th</sup> September 2021.

## Principle areas of delivery covered by the BSIP and what is proposed for the West Midlands

- Intensive services and investment on key corridors, with routes that are easier to understand, alongside demand-responsive and socially necessary transport, and integrated service patterns with other modes
- Significant increases in bus priority
- Lower and simpler fares
- Seamless, integrated local ticketing between operators and modes
- Local bus network presented as a single system, with clear passenger information
- Modern buses and decarbonisation
- Excellent customer service and passenger charter
- Safer and more secure bus travel

### **Intensive services and investment on key corridors, with routes that are easier to understand, alongside demand-responsive and socially necessary transport, and integrated service patterns with other modes**

2.1 The West Midlands bus network is comprehensive, 12,200 bus stops are served to provide 96% of the built-up area within 400m of bus stop with a weekday daytime service. The big challenge is that a clear passenger friendly core network has not been defined and adopted. There are gaps in geographic coverage of the turn-up-and-go core network, especially in the Black Country; and some evening and weekend frequencies are low.

2.2 A key priority within the BSIP from April 2022 will be to ensure that there is support to maintain the existing network to aid the economic recovery of the region post covid, provide stability for passengers and then build on this to encourage greater modal shift as requested in the NBS. It is estimated that during the first year of the BSIP the West Midlands bus network will require between £23m and £51m to maintain the vast majority of the pre-Covid network, and the additional enhancements to grow evening and Sunday frequencies will come on top of this.

2.3 The BSIP will define the extensive turn up and go core network, made up of the key routes connecting the main strategic and local centres; with improvements to weekend and some morning and evening frequencies in local areas. Underpinning the core network will be a series of local services which provide additional essential links for communities to their local commercial centres, and the core public transport network. Enhancing service frequencies and operating hours on the local network will ensure that bus becomes more viable alternative for those residents who rely on it and seek to encourage more residents to choose to use it. The key network principles are set out in the following table.

2.4 The estimated cost through the BSIP to improve bus service provision is subject to on-going appraisal but is expected to be in the region of approximately £105 million over the first 2 years.

2.5 We will explore bringing the on-road management of the bus network, using a comprehensive Automatic Vehicle Location (AVL) system and driver communication into a single, centrally managed place. This will allow combined coordination of services directly between operators so that decisions can be made collectively for the betterment of the

passenger rather than independently with limited visibility of the wider network. Such coordination will build upon measures already utilised by TfWM on Highways and other modes through the Regional

Transport Coordination Centre, already supported and staffed by local bus operators. The estimated cost for the improved network management functions is £5.25 million.

Core Network (turn up and go)	Monday to Saturday <ul style="list-style-type: none"> <li>• 15 mins between 0500 to 0700</li> <li>• 10 mins between 0700 to 1830</li> <li>• 15 mins between 1830 to 2330</li> </ul>	Sunday <ul style="list-style-type: none"> <li>• 15 mins 0630 to 0830</li> <li>• 10 mins 0830 to 1700</li> <li>• 15 mins 1700 to 2200</li> </ul>
Local Network	Monday to Saturday <ul style="list-style-type: none"> <li>• 30 mins between 0630 to 0800</li> <li>• 20 mins between 0800 to 1830</li> <li>• 30 mins between 1830 to 2300</li> </ul>	Sunday <ul style="list-style-type: none"> <li>• 60 mins 0700 to 0900</li> <li>• 30 mins 0900 to 1700</li> <li>• 60 mins 1700 to 2200</li> </ul>
Supporting Network	We will ensure that the supported services continue to develop under the same principles of the core and local networks for access to employment, education and other activities and to become a viable alternative to the private car.	
Demand Responsive	<ul style="list-style-type: none"> <li>• West Midlands Ring &amp; Ride</li> <li>• West Midlands on Demand</li> <li>• Community Transport</li> <li>• Linked Provision</li> </ul> <p>We will consider how each individual service can be brought together to complement each other, reduce the administrative overheads, and make more efficient use of the available resource. Additionally, we will consider how this resource can be used to provide a more flexible and sustainable solution for socially necessary supporting services, rather than traditional fixed route services, which doesn't meet customers' evolving needs.</p>	
Integration	The bus network will be enhanced to ensure that bus services are timed to meet light and heavy rail with a focus on meeting the specific times of first and last trains. In some cases, this will require the extension of the operational day for some services but within the principles as defined for enhancing the local bus networks.	

**Significant increases in bus priority**

2.6 TfWM need to explore retaining the current 86% of the core bus routes that average AM peak speeds of 18 km per hour or better, compared to 47% in 2019 pre-covid. There is also a need to recognise that for many trips longer than 4 miles in the West Midlands, these average speeds are too low for a bus network. This must involve greater bus priority and an increase of the current 53km of bus lanes; a larger bus rapid transit network and more bus lanes where there is congestion and space along high frequency routes (as stated in the NBS); whilst integrating our Local Walking and Cycling Plans where complementary and improving physical

access to inaccessible transport interchanges (i.e. Olton Station).

2.7 The BSIP proposes over a 110km of new bus lanes, expansion of the bus rapid transit (BRT) network, more cross-city region bus priority and investment to speed up buses and improve reliability on more services as part of the core network through targeted junction and corridor interventions. The estimated total cost of this significant increase in bus priority across the region is £630 million. This will be prioritised in the BSIP up to 2025, with BRT expansion, cross-city region bus priority and key interventions on the core network through a



£200 million investment, implemented through enhanced delivery approaches.

**Lower and simpler fares**

2.8 The recent reduction in fares is hugely positive, however single fares are still significantly higher in the West Midlands than they are in London and as such demand has suffered. Furthermore, each operator offers an array of ticket types across a multitude of validity periods, and this coupled with multi-operator and multi-modal tickets means there are thousands of tickets types to choose from and it takes a high level of expertise to ensure the right ticket is purchased. This is a recognised barrier for customers who are put off by the complexity.

2.9 In order to provide a vastly simplified and improved fare offer for customers, TfWM proposes to reduce the price of the nBus ticketing range to that of its current National Express counterpart (thus removing the price premium) and then to remove all other ticket types from the customer offer so that the only product range available is nBus. This would reduce the ticketing range from thousands to tens making it much easier for the customer to understand which ticket is best for them. It is also proposed that the price of single and return tickets are aligned across operators so that they too are simple and easy for customers to understand. It is also proposed that TfWM take over the provision of ticketing retail including B to B and engagement with Government. With a single nBus ticketing range, it is also proposed that circa 0.5% of all future nBus revenue is ring-fenced for marketing investment managed by TfWM. The estimated costs to develop and deliver this single nBus ticketing range and improved fare offers for customers in the first 3 years of the BSIP is £0.75 million.

**Seamless, integrated local ticketing between operators and modes**

2.10 Every bus operator can now accept a contactless payment card as payment for fares and National Express deliver best value capping for customers that just use their services. However, customers who wish to use their contactless card to pay for journeys on more than one operator or another mode can pay up to double the fare as there is no interoperability between ticket machines. TfWM has designed a broker to resolve this issue and is working to secure the £20 million needed to deliver it through the City Region Sustainable Transport Settlement (CRSTS); providing seamless, integrated local ticketing between operators and modes in the West Midlands, with opportunities for other regions to join and provide additional benefits for passengers.

**Local bus network presented as a single system, with clear passenger information**

2.11 Our ambition for clear passenger information and brand, across our assets are:

- All buses and waiting areas to be presented as one single integrated transport system under the West Midlands Transport brand, but with strong local identity
- Higher-quality, accurate information, accessible to new/infrequent users, inclusive
- Enhanced multi-modal and onward travel information at bus stations, transport interchanges and key travel hubs
- Improved and timely information on un/planned disruption, through the Regional Transport Coordination Centre
- Marketing and promotion of bus travel as a reliable and greener car alternative
- New ways of presenting information to support the ambition of the core network; 'Next fastest service to', expected arrival times (Real Journey Times), new larger service number displays

- Reduced number of timetable changes.

The estimated costs associated with improving the bus brand, assets and passenger information is £39.8 million.

### Modern buses and decarbonisation

- 2.12 The bus fleet needs to achieve a minimum 100% Euro VI (or better) standard, as part of a transition to zero emission. Investment in new zero emission buses provides an opportunity to attract new users; (a fully loaded double deck bus can take 75 cars off the road) helping to reduce congestion and further reduce the impact of transport on the environment.
- 2.13 By 2030, with funding support, it is aimed to have nearly 90% of the 2,000 strong bus fleet zero emission. National Express West Midlands has set its own ambition to be zero emission by 2030. WMCA will transition the subsidised bus services to zero emission by the same 2030 timeframe, for another 200 zero emission buses, coupled with Coventry's all-electric bus operations by 2025. This will leave the remaining buses in the region with a target date of 2037, subject to operator agreement. Through the 'live' BSIP, TfWM will work with operators to identify the required financial support, to accelerate this programme to make all buses in the West Midlands zero-emission by 2030, whilst delivering zero emission corridors serving the most affected areas of air quality. The current estimated total cost of the transition to zero emission is £1.1 billion. This doesn't include any costs for extra vehicles that may be required to provide increased service frequency and coverage. In the first year of the BSIP, an additional £2 million will be required to achieve a minimum 100% Euro VI across the fleet, alongside £105 million to deliver more zero emission buses in the first 3 years of BSIP.

### Excellent customer service and passenger charter

- 2.14 The West Midlands Bus Alliance published its first Customer Charter in May 2019. The Charter has been adopted by operators in the region and promises to focus on delivering a high quality, safe, reliable, cleaner, green and accessible local bus network. The Charter also describes how Bus Alliance partners will act, through a responsible, honest, listening and informative approach to our customers. The existing Charter was developed collaboratively with bus operators and Transport Focus and demonstrates our experience so far in developing customer promises that stakeholders collectively agree and sign up to.
- 2.15 To develop further our 'customer excellence' we will give passengers a stronger voice; develop a new Bus Passenger Charter and standards with tangible outcomes customers can expect to experience when using the bus; and provide mechanisms for redress to ensure standards are upheld. We will ensure our Charter is easy to understand, accessible in alternative formats and available. It will include the objective of first contact resolution wherever possible; passenger engagement opportunities; and redress and escalation arrangements. The estimated cost of a new Charter through the BSIP is £250,000 with ongoing costs for monitoring and performance of £10,000 per annum. No cost provision has been made at this stage for potential payments of compensation to passengers.

### Safer and more secure bus travel

- 2.16 Customer satisfaction with personal safety needs improving to levels achieved in high bus use cities such as Nottingham and Brighton, for at stop and on bus elements. Our current customer satisfaction levels for safety are 10 percentage points lower than these comparable cities. We know that this



is a significant barrier to modal shift, with DfT figures suggesting 11.5% more journeys would be made if passengers felt safer.

- 2.17 There are several key deliverables that will begin to create that further step change in improving passenger perception of safety, aligned to our Safer Travel Plan. These include our new Bus Byelaws to tackle anti-social behaviour on buses; better personal security information; increased visibility of staff on the network; improved and increased CCTV on-board; a greater focus on groups who may be vulnerable to crime or have a lower perception of personal safety; increased training for better passenger safety on-board; improved waiting environments (linking with projects such as 'step together'); support for staff; and working to increase powers available to tackle crime and anti-social behaviours. The estimated cost through the BSIP is £360,000 per annum.

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## **EQUALITY IMPACT ASSESSMENT TEMPLATE**

An Equality Impact Assessment (EqIA) is a review of a new or existing policy which establishes whether the policy has a differential impact on specific equality groups and identifies how the policy can help promote inclusion and improve equality of opportunity for different groups of people. The term policy is interpreted broadly and refers to anything that describes what we do and how we expect to do it. It can range from policies and procedures, to strategies, projects, schemes and everyday customs and practices that contribute to the way our policies are implemented and how our services are delivered. An EqIA aims at improving the WMCA's work, by promoting equality and ensuring that the proposed or existing policy promotes equality can benefit a wide range of people and will not disbenefit

<b>DIRECTORATE</b>	Transport for West Midlands
<b>PEOPLE RESPONSIBLE FOR CONDUCTING AND OVERLOOKING ASSESSMENT</b>	Edmund Salt, Bus Development & Partnerships Manager
<b>NAME OR TITLE</b>	Bus Service Improvement Plan (BSIP)
<b>DATE OF COMPLETION</b>	August 2021
<b>DATE DUE FOR REVIEW</b>	At next review stage
<b>PERSON RESPONSIBLE FOR ARRANGING REVIEW AND MONITORING</b>	Edmund Salt

### **A. ABOUT THE POLICY**

#### **1. Describe the main aims, objectives, activities and outcomes of the policy. Who is expected to benefit?**

In line with funding requirements for the National Bus Strategy (NBS) for England, WMCA need to publish a Bus Service Improvement Plan (BSIP), by the 31<sup>st</sup> of October 2021.

The BSIP has been produced in partnership with bus operators, community transport bodies, local businesses, services and people. The BSIP identifies key objectives which will drive forward the improvement of the bus service across the West Midlands. The BSIP outlines how WMCA, in collaboration with the parties indicated above, will increase bus patronage, address poor integration with other transport modes as well as the under provision and overprovision of bus services; the workstreams that will deliver these objectives are indicated within the BSIP. The BSIP will be monitored and updated on an annual basis, it will also be reflected in Transport for West Midlands' Local Transport Plan.

The BSIP and the respective workstreams have been developed as a means of reforming our existing bus offer.

The main aim of the BSIP is to provide a high-level layout of WMCAs delivery ambitions when it comes to bus service reform across the region, identifying workstreams which will help support the delivery of a fully integrated service that is accessible for all. The proposals within the BSIP adhere to the priorities of NBS and has identified key targets for improvements including:

- Reliability and journey times
- Bus patronage
- Passenger satisfaction
- Fare affordability
- Perceptions of safety
- Operating costs
- Carbon emissions (and other bus emissions)
- Modal share

In order to fulfil these targets, different workstreams have been established with defined commitments identified. These are:

- **Intensive services and investment on key corridors, with routes that are easier to understand**
  - Establishing a 'turn-up-and-go' core network that supports key transport hubs and local centres; a local network that will provide links to local amenities, including employment, education, leisure and connections to the core network/ rail service.
  - Underpinning these networks will be a supporting network, consisting predominantly of the subsidised bus services, which adheres to the same principles as the core and local networks, as opposed to than solely providing essential means of travel (as currently delivered).

- **There will be significant increases in bus priority**
  - Investment will be put into the development of over 110km of new bus lanes with more cross-city bus priority to combat current issues around reliability, specifically punctuality and journey times
  - Target improvements around the length of journeys 4 miles or more
  - Expand the Sprint Bus Rapid Transit network
  
- **Fares will be lower and simpler**
  - Refine the approach to ticketing, alleviating complexities around multi-modal and multi-operator tickets.
  - Reduce the price of the nBus tickets to match that of National Express as well as aligning the price of single and return tickets across operators.
  - The removal of all other ticketing types – meaning the only ticketing range available would be nBus.
  - Proposal for TfWM to oversee the provision of ticketing retail
  
- **There will be seamless, integrated local ticketing between operators, and this will be across all types of transport**
  
- **Service patterns will be integrated with other modes**
  - Improvement of the bus network to ensure services align with light and heavy rail frequencies; making sure the first and last train times are met.
  - Assessing the potential for TfWM to centrally oversee the on-road management of the bus network via driver communication and Automatic Vehicle Location (AVL). This will build upon existing measures applied through the Regional Transport Coordination Centre (RTCC), which is already supported by local bus operators.
  
- **The local bus network is better presented as a single system that works together, with clear passenger information**
  - Consistent branding and presentation across the West Midlands public transport network (Bus, Metro, Rail and Sprint Bus Rapid Transit)
  - Enhanced Real Time Information, including information detailing 'next fastest service to' as well as the ability to communicate planned and unplanned disruption across the network
  - Accessible information, easy to understand for new/ infrequent users

- **Modern buses and decarbonisation**
  - In order to achieve the aims set out in WM2041, the WMCA decarbonisation strategy, buses across the West Midlands need to be, as a minimum, Euro VI standard. Funding from the BSIP will support the delivery of 100% of the bus fleet achieving this ambition by 2030.
  
- **Give bus passengers more of a voice and a say (inclusive of safer travel objectives, outlined below)**
  - A new Bus Passenger Charter to be developed in collaboration with bus operators and respective partners, including customer representation

**Safer and more secure bus travel:**

  - Improvements in information on health and safety and personal security, including easier methods of reporting incidents, with a greater focus on groups who may be more vulnerable and/or have a negative perception of safety.
  - Enhanced presence of capable guardians on the bus network, e.g. inspectors, and improved CCTV to offer reassurance to passengers
  - Improvements in measures for drivers, increased training for better on-board health and safety as well as allocated time and space for drivers to be supported when victims of crime, including the reporting process.
  - Building on existing projects designed to improve safety across the network inc. waiting areas and walking routes
  - Operating a collaborative approach to tackling crime and anti-scoail behaviour, increasing the powers available and addressing the underlying causes of such.
  
- **More demand-responsive services and ‘socially necessary’ transport**
  - Working to ensure that existing provision (Ring and Ride, West Midlands on Demand, Community Transport and Linked Provision) can be better integrated to improve efficiency.
  - Explore the longer-term potential of this provision, assessing how it can be utilised to be a more flexible, viable solution to socially necessary supporting services
  
- **Longer-term transformation of the network through Bus Rapid Transit and other measures**
  - Consider the potential of a ‘Future Bus Transport Zone’ that incorporates all existing projects, as well as new workstreams identified in the BSIP, such as Sprint Bus Rapid Transit and bus

decarbonisation, to promote bus as a viable alternative to other modes, particularly reliance on car.

- Being open to innovative trials and concepts to further enhance the attractiveness of bus as well as support the 'Mobility as a Service' ethos.

Ultimately, the aim is to enhance the bus offer across the region, placing bus as a practical alternative to car travel.

Benefit:

An increase in bus patronage will help drive further the BSIP proposals and result in continuous improvement of the bus network as well as other modes of public transport.

Prioritising bus across the network will help alleviate existing barriers customers have when it comes to using bus currently e.g. journey times and frequencies. Bus users will be more likely to remain loyal to the bus network which can have a confounding impact on congestion and journey times. Having bus as a strong contender against car usage will also likely influence patronage across other modes of transport, such as metro and rail, as well as the potential for the region to take up more active travel methods.

Conversely, if the workstreams identified within the BSIP don't adequately fulfil their objectives, whether this is due to funding or otherwise, there is a risk that the current bus offer of the West Midlands will decline (see evidence base below). Typically, the most vulnerable groups in society will be the most harshly impacted by any negative outcomes. This is all the more prevalent as these groups have also been disproportionately impacted by the Covid-19 pandemic, which has also increased their reliance on public transport.

## **B. EQUALITY RELEVANCE/IMPACT**

### **2.Does the policy affect the public or employees directly or indirectly? In what ways?**

The proposals outlined within the BSIP will have direct impact on citizens who use the Bus network across the West Midlands. In addition to this, the wider public will be indirectly impacted. The workstreams that are noted within the plan, if successfully delivered, will have confounding impacts on congestion across the West Midlands.

**3. What information is available on the equality issues in the key target groups<sup>1</sup>?** (what inequalities, discrimination /and health inequalities currently exist in relation to the target groups? What information/data do you have that explains why these inequalities exist and how they are maintained?)

### **West Midlands demographics**

The West Midlands has the second highest fertility rate of all UK regions. The population is projected to increase by 9.6% by 2038. The growing population is likely to become increasingly diverse. The changing population may result in the need for more infrastructure and pressure on the environment.

*Race and Ethnic Background:* The West Midlands Metropolitan area has the largest non-White regional population outside of London. Asian or Asian British is the ethnic group that makes up the biggest non-white proportion of the population. 69% of the population have a White British ethnic background, which compares to an average of 80.5% in England and Wales. Birmingham is the most ethnically diverse district (47% being minority ethnic groups), followed by Wolverhampton, Sandwell and Coventry. The two biggest ethnic minority groups are Pakistani (at 7.3%) and Indian (at 6.8%)<sup>2</sup>. According to the University of Birmingham IRIS department, Birmingham is now classified as a 'Super diverse' city composing 187 different nationalities/ethnicities. There are distinct concentrations of minority ethnic communities within the metropolitan area.

*Faith or Belief:* People in the West Midlands Metropolitan area have a greater level of religious affiliation than in England overall. 53.8% of the population declared that they are Christian. This compares to 59.3% in England and Wales. 20.3% of the population declared that they have no religion, whilst 12.2% declared that they are Muslim.

*Sex:* The split between the sexes (50.5% female and 49.5% male) is similar to England and Wales.

*Age:* The West Midlands Metropolitan area has one of the highest proportions of population aged under 16 and a lower proportion of people aged over 65 compared with other regions. The mean age is 37.4 which compares to 39.4 in England and Wales. Birmingham specifically is described as the youngest city in Europe, with under 25s accounting for nearly 40% of the population. The West Midlands Metropolitan area also generally has a lower percentage of people aged 65+ with the exception of Solihull and Walsall that have higher proportions of people above retirement age than nationally.

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<sup>1</sup> Equality target groups: Age, gender disability, race, religion and belief, pregnancy and maternity, socio-economic, sexual orientation

<sup>2</sup> These figures are based on Census 2011 data and are likely to be significantly higher once the next Census of 2021 is conducted

Sexual Orientation: 2.3% of the West Midlands population identified themselves as gay, lesbian or bisexual in 2018<sup>3</sup>. However, key organisations such as Stonewall estimate the figure to be higher at 5-7%.

Disability: The West Midlands Metropolitan area has a larger percentage of people in households with a limiting long-term illness (6% of households compared to 4.7% in England and Wales). It also has a slightly larger proportion of disabled people than England and Wales (19% versus 18% in England and Wales).

## **Deprivation**

### **Indices of Multiple Deprivation**

The 2019 Indices of Deprivation are used to analyse data across England, at a small, local area level, to measure deprivation. These figures take into account numerous factors including: income deprivation; employment deprivation; education, skills and training deprivation; health deprivation and disability, crime; barriers to housing and services and living environment deprivation. All of these statistics are taken into account and generate a national ranking on the Index of Multiple Deprivation, the numbers are lower for deprived areas. According to the Indices of Deprivation 2019<sup>i</sup>, only Coventry saw an improvement in its ranking (going from 59 to 81). Wolverhampton maintained its ranking at 19 whereas the other local authorities within the West Midlands region saw a decline. Birmingham is still listed as the most deprived area in the West Midlands, dropping 5 places to 6<sup>th</sup>; Sandwell is now 8<sup>th</sup> after previously being 12<sup>th</sup>. The report also shows that Dudley has become more deprived, now being ranked 104 compared to 2015s ranking of 111. Solihull remains the least deprived area within the West Midlands but has still fallen in terms of rankings, now being listed as 206<sup>th</sup> which is 4 spaces below its previous ranking of 210. Walsall has fallen the most in its listing, dropping 10 places to 31<sup>st</sup>. This shows that, not only is the West Midlands significantly deprived on a national level, the trend suggests it is becoming increasingly deprived. When the Indices of Deprivation are analysed further, it shows that 428 out of 1546 of the Lower Layer Super Output Areas (LSOAs) within the West Midlands are in the top 10% of the most deprived areas within England. People from lower socio-economic backgrounds, minority ethnic people and disabled people are significantly more likely to live in the most deprived areas within the region.

45.6% of households are located within the 20% most deprived areas in England. Average incomes in the West Midlands are 9% below the national average. Overall, the West Midlands Metropolitan area has a higher proportion of working age residents claiming out of work benefits compared to England and a higher percentage of working age residents who are economically inactive. The West Midlands Metropolitan area has smaller percentages of managers, professionals, small employers and self-employed workers. Conversely, it has higher percentages in the never worked and student categories, though there are differences by district.

### **Key transport inequalities**

In the West Midlands, transport poverty is widely dispersed across the region but is more concentrated in urban peripheral areas. Transport accessibility is a key issue across numerous demographics.

#### **Car ownership, transport dependence and mobility options**

The percentage of car ownership within the West Midlands Metropolitan area positively correlates with the English Indices of Multiple Deprivation. Levels of deprivation impact the likelihood of being able to purchase a car. Solihull shows the highest percentage of car ownership. People on the lowest income centiles are much less likely to own a car and some of the most deprived wards have under 50% household car ownership. This is a stark difference compared to the 25% regional non-ownership levels. Groups much more likely to be reliant on public transport are: Single parents (primarily women); young and older people; black and minority ethnic people (minority ethnic people twice more likely to live in a household with no car ownership); people on low incomes; part-time workers; unemployed people (3/4 of jobseekers do not own a car); disabled people (only 38% of people with mobility difficulties are main drivers or have household access to a vehicle). The majority of bus and foot travel are made by individuals from the lowest income groups whereas train, metro and bicycle trips are mainly made by those who fall within the highest income groups. A significant percentage of West Midlands residents rely on public transport, primarily buses, to get around. White British people are more likely to live in a household with access to a car or van than any other ethnic group. Black people are more than twice as likely as white people to live in a household with no access to a car or van; there has been a marked drop in car ownership amongst young people. Even though car ownership can pose an advantage to many, 67% of car-owning households in the lower income groups report experiencing car related economic stress as running costs can be prohibitive. Car owners and main drivers in households are the least mobility constrained across all social groups. They make more trips over longer distance for all journey purposes giving them higher levels of access to activity, employment and other opportunities. Mobility and accessibility inequalities are highly correlated with social disadvantage. Lower income households travel much less and travel over much shorter distances than higher income household. They make nearly 20% fewer trips and travel 40% less distance

than the average household. People who depend more on bus for work tend to be lower paid, live in more deprived areas and are more likely to turn down jobs due to transport issues, than those on higher incomes, who tend to use cars and trains more often.

#### Location

Inequalities in the provision of transport services are strongly linked with where people live, and the associated differences in access to employment, healthcare, education, and local shops. People with more money have more options in both where to live and how to travel and good transport links drive up the cost of housing. The lack of private vehicles in low-income households (discussed above also with references to different protected characteristics), combined with limited public transport services in many peripheral social housing estates, considerably exacerbates the problem.

#### Commuting costs and transport affordability

Lower income households tend to spend a relatively high proportion of their income on commuting costs (25% compared to 13% for higher income households). Transport costs can even exceed wages for some on very low incomes, after tax and benefit withdrawal. Public transport costs has been reported to be the biggest issue faced by young people when accessing employment, education or training. Research has shown that there is a marked relationship between job accessibility by bus and employment outcomes. Issues with transport have been linked to low participation in post-16 education and college dropouts – which mostly impacts low-income households. One consequence of having no access to a car and poor transport links is an increased reliance on taxis, which tend to be more expensive per mile than other options. The poorest households take more taxi journeys than other income groups. Similarly, people relying on cash to buy daily tickets as and when required and not affording weekly/month/annual passes end up spending more on an annual basis in comparison to those who are more financially secure and can invest in a travel pass. A number of groups are especially affected as they are more likely to live in more deprived areas on lower incomes or be unemployed (Single parents, young and older people, black and minority ethnic, part-time workers, disabled people).

### Network accessibility

Disabled people are more reliant on public transport in comparison to other groups, yet 1 in 5 disabled people within the West Midlands have reported having difficulty accessing the public transport network as a result of their condition. Barriers such as a lack of integration between different modes of transport, inaccessible infrastructure (buses/stations/shelters etc.), poor access to key services, service frequency, poor staff and passenger attitudes or/and awareness, safety concerns and inadequate, inaccessible and complicated information provision contribute to difficulties for disabled people when it comes to using public transport

### Ring and Ride

For those who find it difficult or impossible to use conventional public transport because of a visible or hidden disability Ring and Ride is the main transport alternative. However, Ring and Ride is not a viable transport option for many disabled people who cite difficulties in using the service for a number of reasons: difficulty in booking journeys; difficulty securing return trips; the lack of a cross boundary service; the inability of Ring and Ride to take them to hospital appointments; punctuality of the service; not seen as an attractive option for many younger, disabled people. Ring and Ride patronage is continuing to fall while it is also becoming clear that DRT solutions are essential to help avert risks of social isolation and exclusion for those unable to use public transport

### Perceptions of safety

Perceptions of safety is a key barrier when it comes to accessing public transport. Young, minority ethnic people, LGBTQ+, disabled people and women are more likely to feel unsafe using public transport. Young people in particular feel anxiety around public transport safety. LGBTQ+ groups and women feel vulnerable and fearful of crime when waiting at stations, shelters and interchanges. Within the West Midlands, disabled and young people are more likely to be concerned by the behaviour of other passengers, such as rowdiness, abusive behaviour, smoking and the consumption of alcohol as our surveys also indicate

For some, fear of discrimination can be a major hinderance for using public transport. For the West Midlands between March 2018 to February 2019, 191 hate crimes were reported. A campaign to make reporting of this easier was introduced in March 2019 resulting in a 27% increase with 243 hate crime events reported up until February 2020. This data includes hate crimes against all protected characteristics: race, religion, disability, gender identity and sexual orientation. This includes assaults on staff and is extracted from all WMP hate

crimes which contain the word 'bus' in the location, which means they could have taken place on board a bus or at a bus stop or station.

In the majority of crimes that occur across the bus network, the driver is the victim. Given the fact that the bus driver demographic is predominantly men from minority ethnic backgrounds, poor safety on buses will have a negative equality impact on such individuals.

#### Investment in bus services

As per the Marmot report (2020), nationally, the prioritisation of road and train travel over buses has widened inequalities in access to essential services, employment and social interactions. Between 2010 and 2017 funding for bus travel reduced by 45%. This has had disproportionate impact on all these groups who are primarily reliant on bus travel.

#### Poverty statistics

Since 2010 there have been increases in child poverty particularly in families with parents in work (37% of children in Birmingham live in poverty). Poverty rates have also increased for pensioners.

Minority ethnic communities experience higher rates of poverty (twice as high on average), child poverty and ill health and are more likely to be employed in hazardous, low-skilled work and live in poor housing conditions compared to their white British peers. For people of Black, Bangladeshi and Pakistani origin rates of poverty can be as high as 50%. In 2018/19 46% of minority ethnic children lived in families in poverty after housing costs, compared with 20% of children in White British families. Nearly half of those in poverty in the UK in 2018, 6.9 million people, were from families in which someone had a disability (Social Metrics Commissions, 2020). Since 2010, net expenditure per person in local authorities in the 10% most deprived areas fell by 31% compared to a 16% decrease in the least deprived areas (Marmot, 2020).

## Digital inequalities

Digital skills are typically lower for those who are from deprived backgrounds. As society shifts more towards online systems and phasing out face-to-face interaction, those who do not possess sufficient skills or knowledge will struggle to adapt. As a result of this, the inequality gap will widen, with these individuals becoming more isolated. Just under 60% of individuals from lower income groups do not have access to the internet whereas 99% of individuals within higher income groups do.

3% of the population within the West Midlands do not have a bank account. These individuals rely solely on cash as a means of purchasing goods and accessing services, such as public transport. Interestingly, even though over 90% of adults own a debit card, the percentage of those who utilise online transactions is much less. Nationally, 7.5% of adults have never used the internet and within the West Midlands Metropolitan area, 13% of residents have never sent an online message or email.

95% of non-disabled adults were listed as recent internet users whereas this was only 78% for disabled adults. Contrastingly, this is not consistent with the internet usage of young disabled adults in the 16 to 24 demographic; 98% of disabled young adults were listed as recently using the internet which is close to the 99% of non-disabled young adults. This suggests that disabled people from older age groups are more disadvantaged when it comes to digital inequalities. Moreover, this is applicable to the overall older demographic, regardless of disability. Almost half of people aged 75 and over are not recent internet users. This may cause issues for the older population, with government forms and bill payments gradually moving online, these individuals may have great difficulty navigating the systems and subsequently paying their bills etc.

Nationally:

- 4.1 million adults living in social housing are offline
- 5.9 million adults have never used the internet
- 20% of disabled adults have never used the internet
- Adults aged 16 to 24 have the highest rates of internet use
- 67% of those not in paid work or full/part time education said they had never paid for public transport tickets online (compared to 52% in full time work; 53% in part time work and 60% in education).

### Covid-19 and transport reliance

People facing the greatest deprivation experienced a higher risk of exposure to COVID-19 as they are more likely to live in densely populated, urban, polluted areas, in overcrowded households and work as key or shift workers. These people were more likely to have continued travel to work. Less than one in ten of the lower half of earners (who are also least likely to own a car) said they had the option to work from home during the lockdown, compared with half of the higher earners. Black and minority ethnic workers also make up a disproportionately large share of key workers and were thus also impacted. This also manifested in travel stats in the region which show that black and minority ethnic cardholders and people from lower income groups travelled more than white card holders with recovery of patronage by white cardholders being much slower compared to other ethnic groups.

The pandemic also had an impact on people's finances and employment status. Those on low wages were seven times as likely as high earners to have worked in a sector that has been shut down. Those aged 25 and younger are more than twice likely to work in a sector that has been forced to close. Women were about one third more likely than men to work in a sector that has been shut down as a lot of women work in retail and hospitality. Preliminary research also indicates that the number of adults who were food insecure significantly increased after the lockdown. At risk vulnerable disabled people have also had to shield because of health conditions which may have resulted in a drop in income if they cannot work from home. Disabled people and older people may have had a range of concerns during the lockdown including access to care and medication, increased social isolation, potential loss of carer support and the possibility of increased costs for food as they may have had to shop locally in more expensive shops or may have had to travel by taxis as public transport is reduced. During the lockdown, bus travel and generally public transport was significantly reduced which would have had a significant impact on key workers and those reliant on public transport to get around. Those relying on public transport would have also been at higher risk of contracting COVID-19. In the longer term a reduction in bus demand may result in a reduction in service frequency or service quality which is likely to negatively impact these groups

### Environmental inequalities

Road traffic is the primary source of nitrogen dioxide (NO<sub>x</sub>) emissions nationally and regionally and buses are major contributors. Air pollution causes the equivalent of 40,000 early deaths every year. Some groups of people are more likely to be negatively impacted.

Environmental inequalities occur where specific communities experience a poorer environmental quality. Young children, young adults, minority ethnic people and households in poverty have the highest levels of exposure to air pollution because they are more likely to live in urban, densely populated areas with higher pollution sources. Socially and economically disadvantaged people and some ethnic minority groups may also experience increased susceptibility to the negative air pollution-related health effects, ranging from conditions such as respiratory irritation and cardiovascular disease to premature death, as a result of higher underlying baseline disease rates in deprived communities.

Children and older people are also more susceptible to certain health impacts. An example of this susceptibility is the higher rates of asthma in children, the symptoms of which can be exacerbated by poor air quality. Higher exposure to air pollutants increases the risk of lung cancer, respiratory infections, stroke, ischemic heart disease, chronic obstructive pulmonary disease and depression.

The severe impact of Covid-19 on people from minority ethnic groups has been linked to air pollution and overcrowded and poor-standard homes by a study of 400 hospital patients.

#### Cycling and walking inequalities

Between 2010 and 2018 there was a 5% increase in walking trips per year for adults for those on the lowest income and 14% for those on the highest income. Cycling is primarily popular with white, under 40, males with medium to high household income. Women, minority ethnic groups, disabled people, older people and people from deprived neighbourhoods are significantly under-represented in cycling.

**4. Is the policy likely to have a positive or negative impact on any equality target groups? Please elaborate** (Is it likely to affect some groups differently in either a positive or negative way? What elements of the policy will have a differential impact?)

When it comes to our current bus offer, there have been clearly identified accessibility and inclusion barriers across the different protected characteristics, highlighted in question 3.

There is typically a high reliance on bus and public transport for more vulnerable groups. Buses provide everyday mobility, and support reducing social exclusion by connecting people to jobs, work, education, shopping and social activities – such as seeing friends and family. They are particularly important and a vital lifeline for those who lack access to a private car. Groups much more likely to be reliant on public transport due to lack of access to a private car and higher deprivation levels are: Single parents (primarily women); young and older people; black and minority ethnic people (minority ethnic people twice more likely to live in a household with no car ownership); people on low incomes; people living in deprived areas; part-time workers; unemployed people (3/4 of jobseekers do not own a car); disabled people (only 38% of people with mobility difficulties are main drivers or have household access to a vehicle). While around 25% of West Midlands residents do not have access to a car, the figures tend to be higher for these groups. Given the higher-than-average deprivation areas in the region and the diverse population demographics (a younger than average population and higher percentages of minority ethnic residents) an effective bus transport system is imperative in the region.

The majority of bus and foot travel are made by individuals from the lowest income groups whereas train, metro and bicycle trips are mainly made by those who fall within the highest income groups. Due to reliance on bus travel, the aforementioned groups are more likely to benefit from an improved bus network but are also most likely to be negatively impacted by bus related challenges.

Key challenges of the bus network are outlined in more detail below:

<b>Challenges</b>	<b>Details of issues</b>	<b>Equality Impact</b>
Ticketing complexity and travel affordability	<p>Difficult for passengers to travel between bus operators and modes for the lowest capped fare. Not easy to make complex, multi-leg trips by the bus network at affordable rates</p> <p>Both rail and bus fares have risen at a higher rate compared to the median household disposable income. On the other hand, motoring costs have remained relatively level with the median household disposable income and in stark contrast to public transport costs, the general cost of purchasing a vehicle has declined.</p>	<p>Whilst bus operators across the West Midlands have reduced their fares in response to the pandemic, there is a risk that fees will increase significantly once bus patronage has reached pre-pandemic level.</p> <p>Those from lower socioeconomic backgrounds and young people may find it difficult to afford bus fare, which can restrict their opportunities for employment, education, skills and leisure.</p>

	<p>There is a risk that Covid-19 and changing travel patterns may result in increase in fares to overcome to financial impact the pandemic has had on operators.</p> <p>More complicated routes are especially costly as is faster travel (using bus as part of a multi-modal journey with rail and Metro)</p>	<p>Similarly, job seekers may struggle to afford the necessary transport costs to attend job interviews, subsequently relying on the local job market, which may be more saturated and consist of lower-level jobs which will therefore pay a lower wage.</p> <p>The complexity around ticketing, and moving away from cash as a means of purchasing, risks segregating individuals with lower levels of income from accessing the network at all, these individuals also tend to heavily rely on public transport to travel and access opportunities.</p>
<p>A network that has wide coverage, is fast, integrated, reliable with frequent services, offers good connectivity and ease of use</p>	<p>Increased journey times which make it more difficult for people to access employment, education and other opportunities at longer distances</p> <p>Reliability of the network is lower than levels seen in high bus use cities with fewer buses arriving on time or near time</p> <p>Over time, changes in land use and the segregation of services have led to journeys being more dispersed making a number of destinations not as easily accessible by public transport</p> <p>For a number of developments, public transport accessibility and connectivity/integration is not planned well or funded for</p>	<p>Many opportunities to develop skills and access employment will be restricted. Those from lower socioeconomic backgrounds, who tend to rely more on public transport modes, may not be able to justify the longer commute time (and potentially increased cost). This can have a greater impact on jobs and skills prospects, making them more likely to stick to jobs within a close proximity – which may be lower skilled and pay less. Similarly, this can saturate the local jobs market, making it less likely to secure employment which can have a confounding impact on the</p>

	<p>The network does not always serve struggling centres in a way to help them recover, or help new, developing centres grow inclusively and sustainably</p> <p>Longer term trends indicate that the journeys we make will be longer and therefore less viable by the current bus service offering, resulting in people carrying out these longer journeys by car or/and not being able to make these journeys at all</p>	<p>unemployment rates and local economy.</p> <p>Whilst concessionary pass holders receive free travel on public transport within the West Midlands (across all modes), they may be discouraged from using public transport due to poor connectivity. For example, if the closest bus stop is a 10 minute walk away, disabled and elderly customers may struggle to fulfil this part of their journey, potentially aggravating existing health conditions. Making them more reliant on cars/taxis which can come as a greater cost in the longer term.</p> <p>Longer bus journeys will have a disproportionate impact on those who rely heavily on the network, whether it is to access school, employment, appointments or for childcare purposes. This will be predominantly young people, those from lower socioeconomic backgrounds, minority ethnic communities, disabled and older people as well as single parents and job seekers.</p>
<p>Perception of safety and anti-social behaviour as well as wider customer satisfaction</p>	<p>Lower levels of customer satisfaction compared to other comparable regions</p> <p>Customer satisfaction with personal safety is lower than levels achieved</p>	<p>Safety is a key concern for women, young people, older age groups, minority ethnic communities, LGBTQ+ people and disabled people when it</p>

	<p>in high bus use areas. While crime levels are low and the region is one of the safest public transport wise, perceptions of safety do not reflect the crime figures and based on customer feedback may have an impact on choosing bus as the preferred mode of transport</p> <p>Negative perceptions of bus travel, and vehicle standards, and of level of customer care by drivers.</p>	<p>comes to accessing public transport.</p> <p>Whilst the BSIP workstreams seek to make the bus network more inclusive, if perceptions of safety isn't addressed then the network is still arguably inaccessible for these protected groups.</p> <p>Instances of crime across the bus network are predominantly against bus drivers themselves, who are overrepresented by minority ethnic males.</p>
<p>Information availability and accessibility</p>	<p>The network can be confusing in terms of service numbers, route planning, information provision</p> <p>The network is not always consistently or well-presented and does not have a well-understood hierarchy of service types with core routes easy to distinguish.</p> <p>Information is not always easily accessible to all passengers (in terms of channels employed, or not inclusive in terms of individual needs), or is confusing</p>	<p>A lot of the information around public transport is predominantly shared through online platforms, such as social media and websites. Such methods are inaccessible to those who don't have internet access or an appropriate device which is necessary to access such information, such as people from low socioeconomic backgrounds.</p> <p>Similarly, disabled people and those within older age groups may have difficulty accessing this information due to lack of sufficient digital skills.</p> <p>Accessibility of information poses as a big barrier to transport for disabled customers and those from minority ethnic communities where English isn't a main</p>

		language. Information that isn't presented to suitable accessibility standards can prevent these users from accessing public transport altogether.
Accessible transport services	Continued reduced Ring and Ride patronage and a service that does not necessarily meet the needs of a wider range of disabled residents	<p>For many disabled customers, the commercial bus network is inaccessible, making them more reliant on Demand Responsive Transport. However, if the service fails to meet the needs of its customers, it risks segregating these individuals altogether.</p> <p>In addition, this can increase reliance on taxi hire which can be a substantial cost, particularly when there is a need to make frequent visits to appointments/ shops etc.</p>
Design accessibility and inclusivity	While there have been improvements in transport and design accessibility there are still gaps which is reflected in customer satisfaction levels of people with physical and hidden disabilities	<p>Key affected groups are older people and disabled people – both visible and hidden disabilities</p> <p>Disabled customers can experience difficulty when accessing the bus network due to infrastructure and vehicle design.</p>
Declining bus demand, funding reductions to the Levy with potential impact on current provisions e.g., complementary concessions, subsidised bus	<p>Low bus mode share in the region (8%) compared to comparable urban areas</p> <p>20% decline in passenger journeys over a 10-year period. Moreover, due to Covid-19, sharp decline in bus demand with only partial recovery. (up to 65%). Reduced</p>	Any impact on funding for concessionary passes will have a significant impact on concessionary pass holders, who are predominantly disabled and elderly who also rely heavily on the transport network. Funding constraints may also mean

<p>services, information provision and accessible transport services</p>	<p>patronage result in reduced revenue and combined with increases in bus operating costs, a potential medium to longer-term decline in service provision (a smaller bus network or more infrequent services) and poses a challenge to the assisted travel revenue budget/discretionary funding (due to an increase in public sector funding needs to cover gaps)</p> <p>New covid-19 related ways of working and changes in travel patterns may continue to have an impact on bus travel demand longer-term</p> <p>Continued funding reductions to the Transport Levy which is reflected in decisions regarding assistive travel policies and the subsidised network</p> <p>The cost of operating subsidised bus services in 2019/20 has increased to £9.4 million from £8.5 million in 2018/19. Due to the pandemic, costs have further increased to £11.5m in 2021/2</p> <p>With many trips more than 4 miles, there is need for better integration with other modes of transport as many longer trips are too long</p> <p>Currently the network does not sufficiently support access to night-time shift work on peripheral business parks and there are some gaps in geographic coverage of the turn up and go core network</p> <p>Evening frequencies are low</p>	<p>that a number of other groups from lower socio-economic backgrounds who are heavily reliant on public transport to get around (e.g. young people) are likely to disbenefit.</p> <p>Accessible transport services, such as Ring and Ride, are a necessity for some protected groups, in some cases being the only appropriate method of public transport for them. Any cuts in such services risks segregating those who are most vulnerable in our society, risking their independence. In addition, should this provision be removed, service users will be more likely to rely on taxis and private car hire which will be a substantial cost over the longer term.</p> <p>Subsidised bus services are in operation because there has been a clearly identified, social need for them, for example they provide access to healthcare and local amenities. Predominantly located across poorly connected areas anyway (which also correlated with deprivation), the removal of such services means these social needs would no longer be met. Generally, the most impacted from such</p>
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	<p>The number of commercial bus service kilometres decreased by 1.5% in 2019/20 while the number of subsidised bus service kilometres decreased by 5.7%</p> <p>Car mileage has vastly increased across the West Midlands and we now have one of the highest regions of car ownership in England. This has put increasing pressures on public transport services, including bus, which are needing to compete with the rising popularity of the car being the favoured choice of travel.</p> <p>A reduction in active travel and increased car use is likely to result in decreased bus travel (loss of active bus travel stages)</p>	<p>changes will be from vulnerable groups, such as those from lower socioeconomic backgrounds, minority ethnic communities and disabled customers.</p>
Increased congestion	<p>Increased congestion slows buses (bus speeds have been falling by 1% annually) and restricts access to opportunities by extending journey travel times</p>	<p>Facing longer journey times will impact all customer demographics. However, more vulnerable groups, who typically have a greater reliance on bus travel, will be the most impacted by this as a result. These groups are predominantly young people, minority ethnic communities, those from lower socioeconomic backgrounds, disabled people and elderly customers.</p>
Environmental challenge	<p>A very ambitious aspiration of transitioning to net-zero carbon emissions by 2041 but a number of vehicles are not environmentally friendly while modal shift to the car and increased congestion is hindering such aspirations</p>	<p>An increase in car usage will have a significant impact on air pollution levels during high congestion areas, which are typically more deprived. As a result, health inequalities linked to high air pollution are likely to occur amongst groups that</p>

		typically populate these areas (generally people from lower socioeconomic background and minority ethnic communities).
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One of the key priorities of the BSIP is to mitigate and overcome these challenges to ensure bus is accessible for all and integrates all modes of public transport within the region. By addressing the inaccessibility within our current bus offer, it will help place bus as a realistic alternative to car travel.

<b>BSIP Workstream</b>	<b>BSIP Principles</b>	<b>Equality Impact</b>
Services and Network	<ul style="list-style-type: none"> <li>• Intensive services and investment on key corridors, with routes that are easier to understand</li> <li>• Service patterns will be integrated with other modes</li> <li>• More demand responsive services and ‘socially necessary’ transport</li> </ul>	<p>There is an emphasis within the BSIP around enhancing the offer of our subsidized bus services and supporting local networks. Having a sufficient local network will ensure socially necessary transport continues, meaning the needs of residents will continue to be met. In addition, by further developing this network, it opens up the potential for greater benefits to residents, on top of meeting their socially necessary needs. For example, making sure the local network successfully feeds into the greater core network, will open up more opportunities for leisure, employment, education and others, therefore mitigating existing barriers</p> <p>Easier to understand routes will alleviate the anxieties customers may have around accessing the network and utilising other modes. Such as customers who don't have English as a main language, disabled customers as well as elderly customers.</p>
Fares and Ticketing	<ul style="list-style-type: none"> <li>• Lower and simpler fares</li> </ul>	<p>Lower fares will ensure bus is affordable for those with lower levels of disposable income, opening up the prospect of travelling further for opportunities.</p>

		<p>Alleviating the complexity of the current ticketing offer makes it more likely that customers will be able to select the ticket option that offers the most value to them, subsequently saving money.</p> <p>By addressing seamless ticketing across operators and modes, it can help alleviate the barriers customers may face when using different modes of public transport. This is an identified accessibility barrier when it comes to the different equality groups, a confusing process discourages them from applying a multi-modal approach to public transport. The proposed ticketing reform will increase the likelihood of passengers taking advantage of the public transport network, saving money in the longer term as well as opening up more areas for opportunities.</p>
<p>Bus Priority</p>	<ul style="list-style-type: none"> <li>• There will be significant increases in bus priority</li> </ul>	<p>Increasing bus priority will have a confounding impact on journey times, improving the potential for bus to become a suitable alternative to car/ taxi travel. This can have a positive impact on groups previously mentioned that are restricted by poor journey lengths.</p> <p>Moreover, prioritizing bus will also help reduce congestion across the network, as more people see the potential to switch to using public transport, it'll also support the journeys of those who need a car, such as disabled people with adapted cars. This will also have a subsequent impact on air quality and pollution across traditionally highly congested areas, which can</p>

		help improve health equalities across these localities.
Information, Assets and Brand	<ul style="list-style-type: none"> <li>The local bus network is better presented as a single system that works together, with clear passenger information</li> </ul>	<p>A streamlined approach to branding and information will help support the understanding of the network across the different modes of travel, making it easier for passengers to navigate overall whilst also greatly benefitting more vulnerable groups, such as customers with learning disabilities and those who don't have English as a main language.</p> <p>An improvement in passenger information will have a positive impact on the customer base overall, but will have a particularly positive impact on more vulnerable groups. Features such as 'Next fastest journey to' can help increase the confidence of passengers when it comes to accessing the network.</p> <p>Enhanced Real Time Information (RTI) with the feature to update with immediate disruption/ travel changes ensures customers are kept up to date. This can help customers when it comes to journey planning ahead of time, whilst also ensuring customers are made aware as quickly as possible of any immediate changes, for example a disabled customer could adapt their route to accommodate the disruptions whether planned or not.</p>
Buses and Decarbonisation	<ul style="list-style-type: none"> <li>Modern buses and decarbonisation</li> </ul>	Introducing more environmentally friendly buses will have a confounding positive impact on vulnerable groups. Areas with high levels of air pollution typically correlate with higher levels of

		<p>deprivation, which in itself correlates with poor health inequalities.</p> <p>The modern buses will include an additional space for wheelchair users and more clear signage around priority seating. These enhancements are likely to alleviate some anxieties of customers and encourage them to access the network.</p> <p>However, it is worth noting that there are some concerns amongst disabled customers around the inaudibility of such buses, so audio alerts for such buses are a key requirement.</p>
Customer Excellence	<ul style="list-style-type: none"> <li>• Give bus passengers more of a voice and a say</li> </ul>	<p>The development of a customer charter will ensure TfWM holds itself to account, outlining to customers our objectives and principles.</p> <p>By empowering customers to provide their feedback, issues can be identified, which may have a negative equality impact, and can be dealt with accordingly. This can also serve as a way of mitigating any potential negative equality impact in future.</p>
Safer Travel		<p>Addressing concerns around driver safety and training will have a confounding impact on perceptions of safety across the network, if drivers feel safe and supported, they will feel more confident to address any poor behaviour they come across, which will subsequently enhance the passenger perceptions of safety.</p> <p>By applying a targeted approach to the different equality groups, it</p>

		<p>ensures the identified approaches are fit-for-purpose as they will be tailored to their respective audiences. The impact of this may improve customer confidence in the security measures that are in place, enabling them to feel they are safe when accessing the network. As a result, it may encourage an increase in bus patronage across these groups.</p> <p>Enhancing CCTV measures and the visibility of capable guardians can help alleviate any fears and worries customers may have around safety, particularly if they are from groups more vulnerable to crime.</p> <p>Improving the information available on safety measures, such as how to report instances, can encourage more people to come forward. This will help provide a more accurate picture of crime across the bus network. The more refined data will enable us to determine whether there is a disproportionate probability amongst certain demographics of being victims of crime. Such data will allow more fit-for-purpose solutions to be developed and implemented, helping enhance the perceptions of safety across the network overall.</p>
<p>Longer term transformation</p>	<ul style="list-style-type: none"> <li>• Longer-term transformation of the network through Bus Rapid Transit and other measures</li> </ul>	<p>Likely to have positive impact on a number of groups by offering an integrated travel experience and by enhancing travel options. Innovative solutions (e.g., mobility credits) are also looking to address key concerns/barriers identified in previous sections and are likely to positively impact on different</p>

		protected characteristics (provided they have embedded equality considerations at design stage)
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**5. Have you consulted interested parties (including representatives from the equality target groups ) who will/may be affected by the policy? What were the outcomes of the consultation? If you haven't conducted consultation, is there need for consultation and who are you planning to consult?**

. Throughout the development of the BSIP, the respective workstreams worked closely with the WMCA Equalities team to ensure any potential equality impact was taken into account, with revisions implemented where necessary in order to mitigate any identified issues. In developing the BSIP we have reviewed a number of previous surveys, consultation and engagement activities. The BSIP will form the basis of a new EP Plan that will be consulted on in November. Individual projects and initiatives (e.g., bus priority etc.) forming part of the EP plan will undergo equality impact assessments at planning/design stage or/and engagement with the public and equality groups (where relevant)

**6. Is further research needed (i.e. consultations, working groups, surveys, data) to properly assess impact on the different equality target groups? If yes, how will it be undertaken and by when?**

Public consultation will be required post-publication of the BSIP and at EP plan stage (in November)..

**7. What measures does, or could, the policy or strategy include to help promote inclusion and equality of opportunity for and/or foster good relations between people from different equality groups?**

As a standard, the BSIP and its respectiver workstreams have been developed with the core aim of improving the bus network across the West Midlands. A key focus has been on improving the accessibility of bus as a mode of transport, whilst also enhancing the accessibility of other modes. However, in order for the BSIP and ensuing EP plan to be as accessible and successful as possible, some considerations needs to be taken into account:

- Reviewing the role of Ring and Ride, Community transport etc. to ensure that they can provide a more flexible solution for social necessary supporting services can help meet customer evolving needs, However, it is also important to continue to consider accessibility needs of customers who are unable to use conventional public transport and may still require a door-to-door service to fixed destinations. That element of the service would needs to be embedded within new solutions. .
- Key in delivering services that help support diverse customer needs is continued engagement with the customers (e.g., ring and ride users) and their involvement in the co-design of services. It is important to scope out what elements of the plan would require customer input and engagement ensuring it is meaningful and outcome focused Mode integration will need to take into account the accessibility needs of disabled customers at planning/design stage – it needs to be integrated and considered from the outset
- Cash-based purchasing is still the main method of ticketing for many from lower socioeconomic backgrounds. Whilst there is likely to be an emphasis on contactless purchasing/as a means of topping up your account, it's important that it's still successfully communicated that tickets can be purchased through cash and that these options remain available and do no financially disbenefit those who are
- While a consistent branding can help provide clarity and support integration, it is also vitally important that accessibility requirements (e.g. in relation to fonts, colour contrast) is not compromised. Testing of proposals with key access groups can also help support this
- Passenger information needs to meet diverse customer needs – the trend to online provision and reduction in face-to-face customer provision is likely to negatively impact a number of protected characteristics. Therefore, enhancements in information provision will need to consider mitigation for any negative impact from the shift to online provision
- Customer satisfaction needs to be monitored by broader segmentation, such as disabled customers, minority ethnic customers etc.
- Infrastructure and vehicle design considerations to be embedded within existing proposals

**8. Do you think that the policy in the way it is planned and delivered will have a negative, positive or no impact on any of the equality target groups (please tick as appropriate)?**

**Positive impact:** where the impact on a particular group of people is more positive than for other groups

**Negative impact:** where the impact on a particular group of people is more negative than for other groups

**Neutral impact:** neither a positive nor a negative impact on any group or groups of people, compared to others.

EQUALITY TARGET GROUP	AGE	GENDER (including gender reassignment)	DISABILITY	MATERNITY	RACE	RELIGION/BELIEF	SEXUAL ORIENTATION	SOCIO-ECONOMIC
POSITIVE IMPACT	X	X	X	X	X			X
NEGATIVE IMPACT								
NEUTRAL IMPACT						X	X	

**9. If adverse/negative impact is noted to any of the listed equality target groups, can it be justified, i.e. on the grounds of promoting equality of opportunity for any other group/s?**

The Bus Service improvement plan is likely to have positive equality impact on a number of protected characteristics as it has taken into account existing barriers and has highlighted areas that could help address such barriers. A number of additional considerations have also been included in question 7

## **10. ACTION PLAN**

**What practical actions can be taken to promote inclusion and reduce/remove any adverse/negative impact?**

<b>Issues to be addressed</b>	<b>Actions required</b>	<b>Responsible officer</b>	<b>Timescales</b>	<b>How would you measure impact/outcomes in practice</b>
Feasibility of implementing proposed suggestions in question 7.	Workstreams to be reviewed and amended where possible	Respective BSIP workstream leads	When in-depth project planning commences	Any changes will be identified within the more refined project documents for each workstream

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<sup>i</sup> <http://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>



## WMCA Board

<b>Date</b>	17 September 2021
<b>Report title</b>	City Region Sustainable Transport Settlement Bid
<b>Accountable Chief Executive</b>	Anne Shaw Interim Managing Director TfWM email: anne.shaw@tfwm.org.uk
<b>Accountable Employee</b>	Mike Waters, Director of Policy, Strategy & Innovation email: mike.waters@tfwm.org.uk
<b>This report has been considered by</b>	WMCA Senior Leadership Team 25 August 2021 WMCA Programme Board

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

#### WMCA Board is recommended to:

1. Note that WMCA have been invited to submit a City Region Sustainable Transport Settlement (CRSTS) bid into Government to support capital transport investment within the region (April 2022 to March 2027), with both Highway Maintenance and Integrated Transport Block being subsumed within this new fund.
2. Note that the actual final allocation will be between a range of £0.780bn and £1.280bn for the five years, with the final allocation being dependant on the quality of the region's bid relative to the other seven city regions.
3. Agree the principles and total quantum of the bid as set out in Section 6 (totalling £1.735bn) and agree the approach towards:
  - a. Over programming against the upper limit to ensure the best chance of assembling a deliverable programme as projects mature through the lifecycle process and as the final funding allocation is currently unknown.

- b. The provisional exclusion of the Levelling Up Fund (LUF) bid for the Metro Depot in the core submission, noting if the LUF bid is not successful, the funding requirement will have a high-priority call against the CRSTS.
4. Approve the prospectus based submission for the bid which is to be finalised and submitted to Government following and subject to CA Board approval, as shown within Appendix 1.
5. Note that dependent upon the final agreed financial allocation, WMCA will be required to locally agree a programme which fits the funding envelope allocated by Government.
6. Note the requirements placed on WMCA as the accountable body and the management / monitoring arrangements which accompany this fund.
7. Agree for the release of the £8.9m CRSTS Prep-fund revenue monies already received by WMCA in accordance with the schedule and approach set out in Section 9 (in order to allow capacity development and readiness for delivery from April 2022 onwards).

## **1. Purpose**

- 1.1 To set out the approach towards the submission of a regional transport infrastructure programme into Government to be considered as part of the City Region Sustainable Transport Settlement (CRSTS) and seek approval for this.

## **2. Background**

- 2.1 On 20 July 2021, WMCA and other Mayoral Combined Authorities received guidance from DfT pertaining to the CRSTS. Previously badged as the Intracity Transport Settlement, the fund is a five-year capital settlement to enable the region to achieve the Government's ambitions in terms of Transport investment, Carbon reduction, economic growth and levelling up. The guidance requested that the WMCA submit a bid on behalf of the region as soon as possible after the end of August and, subject to consent at this Board, the prospectus attached and various supporting technical documents will be submitted to Government for consideration.

## **3. Characteristics of the Fund**

- 3.1 The guidance received from DfT invited WMCA to submit a bid on behalf of the region covering the period April 2021 to March 2027. The precise value of the settlement has not been confirmed and WMCA have been asked to provide a bid within a range of £0.780 billion and £1.280 billion for the five-year period.
- 3.2 The fund will be wholly capital in nature but is supported by a supplementary revenue capacity fund of £8.9 million which has been received by WMCA.
- 3.3 The CRSTS fund sits alongside other funding streams, such as the £5 billion national commitment for buses and cycling and the £4.8 billion national Levelling Up Fund, which is also available to the eight identified regions. These

in turn sit alongside funding for Large Local Major schemes, the Major Road Network, Strategic Road Network and national railway investment.

- 3.4 The CRSTS fund subsumes three separate funds previously provided by Government, namely Highway Maintenance Block (and the associated incentive funds), Integrated Transport Block and the final year of the Transforming Cities Fund (£71.5m). HMG have indicated it is the start of a strategic move towards a single consolidated multi-year transport settlement.
- 3.5 The fund requires the region to demonstrate a 'local contribution' of at least between 15% and 20% of the total fund. Whilst local match needs to be 'fully additional' to HM Government resources (including borrowing levered from Gainshare) there is no specific requirement to identify new, incremental match funding to supplement the grant. All local contributions will be spent within the Local Authority where they originate and there is no intention to introduce any form of cross subsidy.
- 3.6 In most cases, match funding will constitute transport spend which the WMCA and Local Authorities are / were intending to commit from their own (non Government) resources and there is no intention or suggestion that match funding will be pooled regionally.
- 3.7 Whilst the fund will operate at a regional level with WMCA and Local Authorities expending any grants awarded to them as the project sponsor, WMCA will also be the accountable body for the overall funding. The guidance specifically states that the funding settlements for each area, and the outcomes it has agreed, will be published on a single easily accessible website. Delivery against those outcomes will be monitored and that data will also be regularly published in the same place, giving government and the local electorates the opportunity to judge each Mayoral Combined Authority's performance.
- 3.8 Delivery performance will be monitored through a series of metrics designed to allow local electorates to compare performance between different city regions and Mayoral Combined Authorities will bear responsibility for cost and schedule overruns.
- 3.9 To facilitate the monitoring it is proposed that arrangements will comprise quarterly programme progress reports (via Strategic Transport Board) and annual reporting to WMCA Board. The annual report will incorporate a formal refresh of the overall CRSTS programme.
- 3.10 The final settlement awarded to WMCA (expected October 2021) within the ranges detailed above, will depend on the strength of the WMCA bid (including relative to the other seven MCA bids). Successful bids must clearly show how they will serve the following objectives, shared by the government and all MCAs:
  - Driving growth and productivity through infrastructure investment;
  - Levelling up services towards the standards of the best;
  - Decarbonising transport, especially promoting modal shift from cars to public transport, walking and cycling.
- 3.11 The new approach to funding moves towards addressing a long standing ask of central Government, namely the provision of multi-year funding settlements.

For some years transport funding has been subject to quick turn-around competitive and relatively small funding national funding pots. CRSTS, especially when viewed alongside Active Travel and Bus Service Improvement Plan funding, provides an opportunity to plan funded improvements to the transport system in a more integrated way over a more realistic delivery period. This will also aid resource planning, skills development and retention of key delivery staff for all Local Authorities, as well as alignment with other key policy areas such as housing, environment and skills.

- 3.12 Finally, the bid proposal is required to set out a plan for fiscal sustainability based on existing powers and expected funding. If investments are likely to need ongoing revenue support, proposals must show how this will be met within the wider fiscal sustainability plan, through the implementation of other measures (such as schemes which lower operating costs) or additional funding which can be sought over the time frame.

#### **4. Approach Taken to Bid Assembly**

- 4.1 During the Summer of 2021, TfWM have been engaging with Strategic Transport representatives to obtain the relevant transport priorities for each of the constituent areas. A ranking system was initially designed to ensure those politically important schemes which form part of the current Investment Programme (but remain unfunded) could be factored in as a first call. It is considered that where those schemes are compatible with the CRSTS from a delivery perspective, that they are adequately reflected in the bid.
- 4.2 Following the incorporation of these projects, other local priorities which are considered to have a strong correlation with the bid objectives have been included in dialogue with senior transport officers and Local Authority Cabinet Members for transport.
- 4.3 During the assembly of the bid a critical consideration highlighted by Local Authorities was the need to maintain an adequate level of autonomy and agility in undertaking activities previously funded from Integrated Transport Block. It is proposed that, whatever level of funding is allocated, the intention for the ITB and maintenance programmes is to provide a significant uplift from the current allocations. This will be finalised with Local Authorities once the final funding allocation is known. As set out in more detail below, the submission to HMG contains a 21% uplift to ITB and 18% uplift to maintenance funding.
- 4.4 The recently refreshed WMCA Single Assurance Framework which the funding must operate through has been reviewed. It has been confirmed that there is no barrier to the elements of this CRSTS fund which are intended to replace ITB and Maintenance being operated in a sufficiently agile way (including the necessary operational discretion of individual Authorities); whilst also accommodating the retrospective reporting requirements of Government set as conditions of the fund.
- 4.5 It should be noted that the CRSTS programme has been developed in parallel, and to be complementary to, the Bus Service Improvement Plan (BSIP) proposal, which is also seeking WMCA Board approval for submission to Government. As an example, the CRSTS programme includes Smart

Ticketing, Sprint and Interchange improvements with BSIP covering Cross City bus priorities. Together these two programmes of interventions will provide high-quality enhancements to the overall bus offer in the West Midlands.

- 4.6 On 20 August 2021, Strategic Transport Board reviewed the programme and endorsed the programme which is summarised and represented in this report and proposed submission prospectus.

## 5. Characteristics of the Regional Bid

- 5.1 Building on the work undertaken to develop the Local Transport Plan Green Paper, as well as supporting National Transport priorities, the following Programme Themes have been generated to help shape the CRSTS submission. The table below demonstrates each theme's link to each programme's primary LTP outcome.

<b>Delivery Programme Theme</b>	<b>Interim Outcomes Supported</b>	<b>Impact</b>
<b>Making Behaviour Change Easy</b>	Reduced transport carbon emissions	Address Climate Change
<b>Supporting Inclusive Growth</b>	Improved equity of access	Improved Social Mobility
<b>Connecting our Places</b>	Improved access to labour and supply chains	Improved Access to Workforces, economic opportunity and productivity
<b>Healthy Streets and Spaces</b>	Increased Active Travel	Improved Health and Wellbeing
<b>Creating Resilient Networks and Communities</b>	Reduced KSI's	Improved Economic Opportunity and Productivity, increased jobs
<b>Delivering a Green Revolution</b>	Reduced transport carbon emissions	Generate Economic Activity from sustainable mobility industries

- 5.2 The following key principles which shape the submission have been developed and agreed with the Strategic Transport Board:

- A replacement to Integrated Transport Block (called Local Area Network Improvement Programmes) is included in the submission. It is recommended that this should be no lower than the current base position, with the bid to Government setting out a significant increase in each of these programmes to a total of 21% overall. The final level will need to be confirmed by WMCA Board (alongside the rest of the programme) once the final funding allocation awarded by Government is known.
- Allocations for Highway Maintenance follow the same principal as the ITB replacement listed above, with the bid to Government incorporating a significant increase of 18%.

- In addition to the Highway funding above, a further £40m has been factored in for Urban Traffic Control upgrades, road safety measures and KRN enhancements.
- The existing distribution formulas for the replacement of Integrated Transport Block and Highways Maintenance funding are proposed to remain unchanged.
- Due to the requirement to integrate Transforming Cities Funding, the Wednesbury Brierley Hill scheme has been added to the programme as it allows the region to include significant match funding from farebox revenues.
- The £50m Levelling Up Fund Transport bid for the Metro Depot has not been included in the submission but will need to be brought into the programme as a priority in the event the Levelling Up bid is not successful.
- A programme of investment targeting Inclusive Growth Corridors complements existing WMCA and Local Authority activity to deliver housing and employment land.
- Significant funding towards Metro, Rapid Transit, Very Light Rail and conventional rail proposals.
- Programmes initiatives for Behaviour Change, EV charging and Walking and Cycling supporting the delivery of WM2041 ambitions.
- A number of schemes focused on making sure the West Midlands is ready for the arrival of HS2.
- Improvements to Smart Ticketing and bus priority through the completion of Sprint routes on the A45/A34 and a series of multi-modal corridor improvements across the West Midlands that support the complementary Bus Service Improvement Plan (BSIP) submission.
- The total value of match funding currently aligned to the programme exceeds the 15-20% threshold requirement which HMG have set out. Local contributions will be subject to affordability and, where appropriate, approved via partners' governance and assurance frameworks.

## 6. Summary of CRSTS programme themes

Programme Title	Value Award sought (% of CRSTS)	Programme Overview
Supporting Inclusive Growth	£311.2m (18%)	<p>Programme focused on driving inclusive growth and jobs, levelling up and housing delivery on six high priority corridors. Elements include:</p> <ul style="list-style-type: none"> <li>- Dudley Road corridor improvements to support connectivity between Smethwick and Birmingham.</li> <li>- East Birmingham to Solihull transport investment including sustainable travel improvements and development work to progress the Metro corridor</li> <li>- A package of improvements between Walsall and Wolverhampton including development funding for the Wolverhampton to New Cross Hospital Metro extension and improvements to the A454.</li> <li>- Sprint A34/A45 Phase 2 to deliver the full priority measures in the Black Country and Solihull.</li> <li>- Improve interchange facilities at Dudley Port and sustainable access improvements to the new Metro stops on the Wednesbury to Brierley Hill line.</li> <li>- Improvements to cycle connectivity around the University of Warwick to neighbouring residential areas, stations and Coventry city centre.</li> </ul>
Connecting our Places	£607.2m (35%)	<p>Programme to build on public transport investment and boost connections across our key centres and corridors. Deliverables include:</p> <ul style="list-style-type: none"> <li>- Developing our Metro ambitions with a package of investment comprising essential renewals to sustain operations on Line 1 between Wolverhampton and Birmingham and work to develop the case and begin delivery on new routes across Birmingham and the Black Country.</li> <li>- First Coventry VLR route from Coventry Rail Station to City Centre (subject to R&amp;D phase).</li> <li>- A new transport hub for Sutton Coldfield and a package of investment in transport infrastructure and service enhancements to support regeneration</li> <li>- To introduce a new station at Aldridge and including the reintroduction of passenger services on this section of the Sutton Park rail line.</li> <li>- Developing the case for a number of new stations across the conurbation including key priorities such as Tettenhall in Wolverhampton.</li> <li>- The wholesale redevelopment of Solihull station</li> <li>- Improvements to Snow Hill Station</li> <li>- New P&amp;R facilities</li> </ul>
Healthy Streets and Spaces	£236.8m (14%)	<p>Package contains measures aimed at encouraging more active travel and reducing the volume of trips made by car to improve health and reduce environmental impacts. Highlights include:</p> <ul style="list-style-type: none"> <li>- A range of walking and cycling improvements (including segregated cycleways across a range of corridors in the Black Country, Birmingham, Solihull and Coventry.</li> <li>- Public realm improvements across the West Midlands to support regeneration and provide attractive spaces.</li> </ul>
Creating Resilient Networks	£407.2m (23%)	<p>A programme to ensure our highway networks utilise the latest technology and methods to operate and function effectively and safely. Initiatives include:</p> <ul style="list-style-type: none"> <li>- The maintenance of our highways and structures.</li> </ul>

and Communities		<ul style="list-style-type: none"> <li>- Further investment in roadside infrastructure and technologies to support the Regional Transport Coordination Centre</li> <li>- A range of multi modal corridor improvements across the West Midlands to improve highway capacity and traffic signal operations, road safety, walking, cycling and bus priority.</li> <li>- Improvements at key junctions on the highway network to reduce accidents and improve journey times.</li> </ul>
Delivering a Green Revolution	£58m (3%)	This programme builds on the many other de-carbonisation initiatives across the other programme themes (including public transport and active travel measures) and delivers a series of critical new capabilities. It aims to accelerate green technology by working with the private sector to deliver infrastructure to build consumers' confidence in zero-emission vehicles such as Ultra-Rapid Charging Stations, on-street charging points and charging points in key centres. This programme also directly supports the EV agenda and wider regional priorities for a Gigafactory, providing enhanced access to this key development location.
Making Behaviour Change Easy	£101.6m (6%)	<p>Programme of initiatives to build upon and scale-up work supporting behaviour change. There is a focus on initiatives which aid transport interchange between modes and services and make sustainable travel choices easier and more accessible for all. Significant initiatives under this theme include:</p> <ul style="list-style-type: none"> <li>- Delivery of contactless payment capping using debit card or phones across all public transport operators and modes.</li> <li>- Delivery of Mobility Hubs which bring all relevant transport choices into one accessible place with other key services such as pop-up businesses or community services. These particularly support local neighbourhoods and local centres with sustainable travel options and more choice.</li> </ul>
Data and Programmes	£13m (1%)	Programme to support the monitoring and evaluation of CRSTS programme. Investments made will help to unlock future funding by enhancing the evidence base to justify future scheme development and delivery.

## 7. Over Programming

- 7.1 It is important to note that the bid is currently overprogrammed by 36%.
- 7.2 The concept of over-programming will allow new, agreed schemes to be brought forward for delivery where priority schemes may, for example: prove to be undeliverable (due to physical constraints or programming constraints preventing delivery before the end of the funding period); or the benefit / cost ratio proves to be too low once the business case work is refined.
- 7.3 A 30% over-programme against the top-level allocation was initially planned but this increased to 36% following the decision by DfT to overlap CRSTS with the final year of the Transforming Cities Fund.
- 7.4 The WMCA bid value as shown within this report totals £1.735bn with the top of the range confirmed by DfT being £1.280bn. The value to be confirmed by DfT is unlikely to be above £1.280bn and indeed may be lower than this value. As such, it is recommended that WMCA Board consider and (if necessary) agree this approach whilst noting that a set of further discussions will be required to define a set of 'core' and 'reserve list' schemes once the final fiscal allocation is confirmed.

## 8. Fund Management

- 8.1 As the accountable body for the fund, WMCA will be required to approve commitments through its assurance framework (Single Assurance Framework) in the same way as the Investment Programme is managed, with incremental approvals being agreed relative to the stage each project is at within the lifecycle (i.e. strategic / outline / final business case).
- 8.2 Approvals for individual schemes and grants will need to be accompanied by specific agreements which document the intentions for the funding. These will need to reflect any final documentation and requirements set out by DfT and allow for effective change control in the event there is a variation in cost, time or scope. Notwithstanding this, as detailed above, WMCA will ensure maintenance and Integrated Transport Block replacement funds can be deployed by Local Authorities in an agile manner, with local autonomy over these funds.
- 8.3 Reimbursement to scheme promoters is also expected to be in line with the principles adopted in managing the Investment Programme.

## 9. Capacity Fund

- 9.1 WMCA is in receipt of £8.9m of 'Capacity Funding', which was originally provided when the fund was known as 'Intra-city funding'. These are the only funds of a revenue nature available to support the delivery of the CRSTS programme.
- 9.2 The vast majority of individual scheme development costs should be capitalised against the capital grant allocations for those schemes included in the final CRSTS programme schedule (to be finalised following confirmation of the total allocation). The WMCA SAF provides a mechanism for scheme promoters who wish to draw down development funding in advance of producing a Full Business Case to do so.
- 9.3 It is proposed to focus the use of this funding on capacity building and strategic programme development to ensure rapid and effective delivery. This will include:
  - Taking schemes which are intended for delivery in 2022/23 (the first year of the CRSTS period) to FBC readiness: It is estimated £1-2m of the fund will be required for this. As these schemes are nearer to delivery they are also the schemes which are most likely to be selected even if the final CRSTS allocation made by HMG is towards the bottom end of the funding range.
  - Developing robust Area Based Delivery and Implementation Strategies: As part of the parallel and on-going exercise to refresh the Local Transport Plan (also a requirement of the CRSTS funding) it is proposed to have four area based strategies. These will focus on the interpretation of the overarching LTP policies and strategies into a 5-10 year detailed and prioritised area based delivery plan. They will set out the order and phasing of schemes, relative priorities for road space allocation and detailed interaction of schemes with housing, land and wider regeneration policies.

TfWM will draw these up under a common framework, but working hand and glove with each relevant Local Authority who will lead the development of the content.

- Capacity and tool development: Each delivery organisation will need to invest in staffing, skills and programme tooling development to be ready to deliver CRSTS schemes effectively. This will include the development of modelling assets and appraisal skills and preparation for the monitoring, evaluation and reporting requirements of the CRSTS fund.

- 9.4 DfT and Treasury have also advised that the prep fund should be used to support any costs necessary for the development of options arising from the response to the National Bus Strategy, including development of longer term strategy for Bus Service Improvement Plans. A separate report will be considered by WMCA Board pertaining to this activity, but a £1.5m allowance will be made from within the total Capacity Funding allocation to support this activity. This will be held by WMCA pending separate appropriate approvals, but if not utilised will be distribution in proportion to the other allocations.
- 9.5 Furthermore a 10% contingency allowance will be retained (£890,000) and held back whilst the programme management arrangements are being established and costed. Such costs might potentially include requirements for additional evidence, appraisal or legal costs which would not be capitalisable against TfWM or Local Authority allocations, but will need to be funded to facilitate the efficient delivery of the overall programme over the five year period. Once DfT confirm the precise funding allocation for the West Midlands (and associated conditions) and the precise programme management arrangements can be established, should the full sum not be required, it will be held as a generic contingency against the programme
- 9.6 For simplicity and to enable rapid mobilisation it is proposed to simply distribute the Capacity Funding on the same basis that Integrated Transport Block funding has previously been distributed, namely on a Local Authority per capita basis with a 25%:75% split between TfWM and Local Authorities. The percentage allocation to each authority is set out in the table below, with the values based on mis 2020 population levels published in 2021.

	£
Total Capacity Fund Available	8,900,000
Less : Contingency at 10%	890,000
Less : BSIP	1,500,000
Remaining Available	6,510,000
TFWM Allocation	1,627,500
Local Authorities Allocation (By Population)	
Birmingham	38.8% 1,893,900
Coventry	12.9% 629,850
Solihull	7.4% 361,300
Black Country Authorities	40.9% 1,997,450
Sub Total	6,510,000
Total Allocated	8,900,000

## **10. Next Steps**

- 10.1 Subject to agreement to the programme by WMCA Board, the bid will be submitted to DfT for consideration with a formal decision on the value of the fund expected in the Autumn. Following confirmation of the value of the fund by DfT, it is likely that subsequent approval will be needed by WMCA Board as to those schemes which form a part of the 'core' programme and those which may be placed on a reserve list, in the event that some of the core schemes prove not to be viable or deliverable against the fund within the period to March 2027.

## **11. Financial Implications**

- 11.1 The Financial Implications are set out in the report.

## **12. Legal implications**

- 12.1 There are no direct legal implications arising in regards to the recommendations set out in the report. Notwithstanding this, Legal notes that the capital projects identified in respect of the City Region Sustainable Transport Settlement bid will require legal support and assistance to facilitate the delivery of those projects. Given this, legal will assist and support as necessary particularly in ensuring that funding agreements between the parties set out terms and conditions on which the funding is being made available by WMCA. The WMCA will need to ensure that decisions around programming after agreed allocation follow the usual principles of good governance including transparency, equitability and proportionality.

## **13. Equalities implications**

- 13.1 The proposed programme is likely to help support connectivity and improve the transport network, with a subsequent positive equality impact. At design stage individual schemes would need to undergo equality impact assessment to ensure equality considerations are embedded. Following confirmation of the funding allocation a full programme level business case will be required by HMG and this will include a comprehensive equalities assessment.

## **14. Inclusive Growth Implications**

- 14.1 The schemes for investment have been selected by theme and location and ensure that many of the region's most underinvested places are prioritised. This potentially covers several of the inclusive growth fundamentals:
- Climate resilience: resulting from investment into low carbon modes of transport and demand reduction.
  - Connected Communities: creating the right sort of mobility for the right places, based on social links as well as economic ones.
  - Health and Wellbeing: making it easier to choose active travel modes and improving air quality.

- Equality: ensuring that people can access mobility regardless of where they live in the WMCA area.
- Inclusive Economy: ensuring that people can travel quickly and conveniently to employment opportunities.

14.2 As this proposal may not be funded in full, it is important consider the programme match against the final allocation, to ensure that areas with the greatest need are not disadvantaged. Any areas not benefiting from direct CRSTS investment should be considered for application of other funding pots wherever possible.

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

15.1 The report encompasses the West Midlands region. The CRSTS fund is specifically targeted at the constituent authority area, with existing Integrated Transport Block and maintenance funding for this area being wrapped in and the fund being attached to a requirement for a refreshed Local Transport Plan. ITB and maintenance funding for the non-constituent area is not impacted by CRSTS. Notwithstanding this many of the identified initiatives provide significant benefit to the wider travel to work area, and as the LTP is refreshed continued dialogue will be held with non-constituent Transport Authorities to ensure good alignment and synergy between priorities and investment proposals.

## **16. Other Implications**

16.1 There are no other implications

## **Appendices**

Appendix 1 – Draft CRSTS Prospectus



# **West Midlands City Region Sustainable Transport Settlement**

Draft of CRSTS prospectus v9.0 09 September 2021

## Document Status:

This is a draft document for consideration by WMCA Board and pending feedback and comments will be finalised for submission, including completion of a Foreword by the Mayor and WMCA Portfolio Lead for transport.

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# 1 Foreword from Mayor and Transport Portfolio Lead

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Andy Street, Mayor of the West Midlands

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Councillor Ian Ward  
Portfolio Lead for Transport  
Leader of Birmingham City Council

## 2 Introduction

The City Region Sustainable Transport Settlement (CRSTS) is a new, consolidated fund for local transport investment in England's eight large metropolitan areas. The UK Government has committed at least £4.2bn of new money over the next five years, from financial year 2022/23 to financial year 2026/27. Existing funding for small scale transport capital improvement schemes and highways maintenance will also be rolled into CRSTS as a move towards greater consolidation of transport capital funding streams.

This prospectus sets out the West Midlands Combined Authority's proposed CRSTS programme of transport investment – to be delivered through Transport for West Midlands (TfWM) and our constituent Local Authorities. This programme is designed to meet the ambitious vision set out in our recently refreshed Local Transport Plan Green Paper<sup>1</sup> for a greener, more active, fairer and economically successful West Midlands, whilst taking strides towards our 2041 carbon neutral target as part of the #WMM2041 initiative.

Our sincere hope is that CRSTS will enable an ambitious, multi-decade strategic investment programme – prioritised and delivered locally. This must move the dial in addressing local and national objectives, in particular the levelling up agenda which is so critical to one of the regions hardest hit by COVID. Anything less risks us treading water and missing the opportunity to invest in programmes complementary to key national initiatives such as HS2.

As we prepare for negotiations with Government, our £1.7bn ask from CRSTS would leverage a further £554m of local contributions, evidence of the priority we place on transport in the West Midlands. This will deliver a £2.3bn programme of transport investment over five years. The investments range from essential maintenance and renewals to keep our transport network moving, through extensive active travel and community-focussed improvements, to innovative and transformational projects such as Coventry Very Light Rail, Metro extensions, rail and Bus Rapid Transit improvements.

Picture 1: Prime Ministerial visit to Midlands Metro depot



The interventions have been carefully selected to maximise growth outcomes, enable modal shift, and improve accessibility – especially in traditionally under-served and deprived areas of the region. We are acutely aware that the pandemic has exacerbated some of our longstanding economic challenges around inequality, poverty, and poor health. Transport investment through CRSTS will play a critical role in opening up opportunities for communities across the region, to allow us to quickly regain growth momentum and avoid long-term economic scarring.

Investment in the West Midlands is also good for the country. Our central location at the heart of the UK's transport networks – 90% of the UK population is within a 4-hour train or car journey – means that transport improvements in the region translate into widespread benefits for the country and the union at large.

The delivery of the CRSTS programme will build on WMCA's long track record of partnership working, successful delivery, innovative solutions and our robust and well-established governance and decision-making process for transport investments. These have been developed and strengthened following the agreement of our two devolution deals in 2015 and 2017, and during delivery of our £8 billion 30-year Investment Programme and Transforming Cities Fund –

including expansion of the Midland Metro extensions, our first Sprint Bus Rapid Transit route, and new rail stations at Perry Barr and University. Investments under the CRSTS programme will also align with previously identified growth opportunities for our economy to help deliver jobs and productivity growth for our region, including in our emerging 'Future of Mobility' cluster.

CRSTS is not the only funding route available for delivering West Midlands' transport priorities. Our CRSTS programme has been developed to avoid any double counting of funding asks. The schemes described in this prospectus will be delivered as part of a single integrated transport programme alongside other funds – the Levelling Up Fund, Bus Service Improvement Plan, Active Travel, Major Road Network and Large Local Majors, local EV charging infrastructure funds.

The remainder of this prospectus is structured as follows:

- [Section 3](#) sets out the strategic case for new investment in the West Midlands, and how the programme is aligned to local and national policies and objectives.
- [Section 4](#) describes how we have prioritised the investments within our CRSTS programme
- [Section 5](#) explains the proposed investments under our six programme themes: Connecting our Places, Supporting Inclusive Growth, Healthy Streets and Spaces, Creating Resilient Networks and Communities, Delivering a Green Revolution, and Making Behaviour Change Easy.
- [Section 6](#) illustrates the benefits that the transport programmes will bring to address the shared objectives of driving growth and productivity, contributing towards levelling up and decarbonisation, and delivering value for money.
- [Section 7](#) describes the funding ask through CRSTS and our substantial local contribution.
- [Section 8](#) sets out how we will deliver.

<sup>1</sup> Local Transport Plan Green Paper – [link](#).

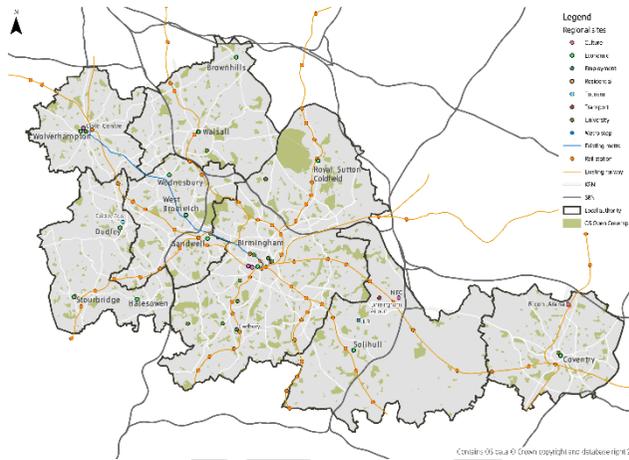
# 3 Strategic case for a new investment approach via CRSTS

## 3.1 The West Midlands economic context

The West Midlands (WM) city region is the largest MCA area in the country; home to 3.0 million residents and 91,150 businesses which employ 1.3 million people and generate £70.3bn per annum in GVA. Between 2010 and 2018, output in the WMCA grew by 2.5% on average YoY (compared to the national average of 2.4%) and the age profile of the area is young, with a quarter of residents aged under 19, the highest share of young people of all UK metropolitan areas. The West Midlands is one of the fastest growing regions in the UK, with our population set to increase by 440,000 people by 2035, requiring 165,000 new homes and a step-change in our transport network's capacity and connectivity.

Our region competes on a global stage; with our economy characterised by high exports (particularly in machinery and transport goods, which represent 71% of all goods exports compared to 41% nationally) and significant Foreign Direct Investment (between 2015/16 and 2019/20 the WM region ranked 3<sup>rd</sup> behind London and the South East as a location for FDI), both are underpinned by the strength of our existing strategic domestic and international connections. Indeed, the economic geography of our city region is a significant asset, with Birmingham city centre at its heart and the two fast growing cities of Coventry and Wolverhampton. These have significant economic potential that could be unlocked through investment in better connectivity (see Figure 1). The surrounding areas of southern Staffordshire, Warwickshire and north Worcestershire bring complementary strengths in terms of business, housing and leisure offers. The region's central location at the heart of the road and rail network, together with Birmingham Airport, means that it is well connected to the rest of the UK and international markets.

Figure 1: Map of City Region



Our distinctive sectoral strengths, from world-leading automotive and aerospace innovation, green technology to health and life sciences, are globally competitive and set us apart from other regions.

Figure 2: WM Sectoral Strengths

Current Regional Strengths include:



West Midlands' key sectors punch above their weight across many performance metrics, including their productivity and employment contribution. For example, 25% of the UK aerospace sector is based in the Midlands and 10% of all UK aerospace jobs. The region is also at the forefront of shaping the future of mobility in the UK, employing 180,000 people in the transport technology sector (2.5x more than any other region).

Emerging Regional Strengths include:



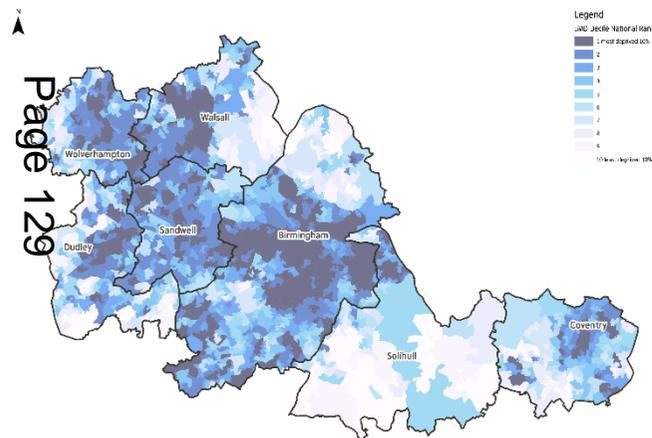
The West Midlands is home to some of the most innovative businesses in the UK, owing to the strength and resources of our universities, science parks and research institutes (the region educates 160,000 students each year with c50% studying STEM related subjects), together with the skills of our workforce and transport connections, which together promote a rich environment for innovation and R&D. We attract £398 per head of private sector R&D investment (ranking 3<sup>rd</sup> amongst regions in the UK) whilst receiving less than £83 per head of public sector investment (ranking last amongst regions in the UK). The West Midlands has also consistently been a hot bed for innovation and entrepreneurship, with strong one-year enterprise births growth to 2019 (+16.4% versus 5.4% at the UK level) and higher overall number of enterprise births than the UK average (the WM has 67 enterprise births per 10,000 population compared to 58 at the UK level).

Prior to the COVID-19 pandemic, the West Midlands experienced 9 years of steady growth with a boom in the

business and professional services sector; technology-driven manufacturing and city centre construction growth. Our manufacturing base was becoming more productive and the automotive sector was responding to the challenge of a carbon neutral future.

However, whilst we are in a strong position to leverage our economic strengths, we must also address the emerging effects of the pandemic and tackle some of our longstanding economic challenges to level up all areas of the West Midlands. These challenges include pockets of inequality, entrenched poverty, youth unemployment, lower skills and poor health outcomes. As we invest in the future, we must ensure that all communities across the region can access economic opportunity and play their full part in maximising the growth potential of our region, with transport investment under our CRSTS playing a critical role in opening up those opportunities.

Figure 3: Map of Deprivation in the region



Across the West Midlands, we have several pockets of significant deprivation (see Figure 3 above). Overall, 19.2% of WM LSOA's sit in the 10% most deprived areas in the UK, however, this figure rises to 41% in Birmingham neighbourhoods, followed by Walsall at 26% and Wolverhampton at 21%. The distribution of gross income in the West Midlands is also unequal – 72% of people have a

total income below the regional average of £23,200 (the national average is £24,400). TfWM is striving to address these issues, and recently invested significantly in affordable and high-quality transport connections across the region. As outlined in Section 6, the investment associated with the CRSTS programme will enable us to continue to reduce the cost of living and barriers to employment for some of our most deprived communities.

Whilst COVID-19 has exacerbated many of these challenges and has impacted the region's service and export based sectors the most, there remains a unique opportunity to build back better from the pandemic, and ensure we carry forward the reputation for economic success the region has built in the new millennium. It is critical that we quickly regain this growth momentum, to avoid a steep rise in unemployment and long-term economic scarring. Moreover, the region is home to sectors of national importance such as advanced manufacturing, automotive and the business and professional services sector – ensuring a strong recovery in the West Midlands will support the wider growth of the nation.

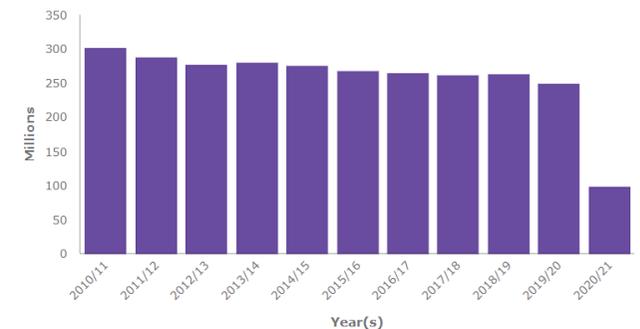
### 3.2 The West Midlands transport context

The West Midlands' central location positions our region at the heart of the UK's transport networks and international connections. Strong transport connectivity is vital to the economic prosperity of our region, supporting the productivity and growth of our key strategic sectors (including aerospace, professional services and transport), as well as providing our most deprived communities with improved access to economic opportunities.

Between 2016 and 2018 there were 2.3 billion trips made in the West Midlands, 70% of which were made by car, 10% via public transport, comprising bus (8%), rail including West Midlands Metro (2%) and 20% via active travel. This compares to 61% of trips being made by car nationally, alongside 7% via public transport, 29% via active travel and 3% via other modes in 2018 (based on National Travel Survey data).

Recent investments in the West Midlands Metro will triple the networks size, linking Wolverhampton and Dudley with the heart of Birmingham City Centre and carrying 30 million passengers per annum. Nevertheless, bus remains the prime mode of public transport for our residents, and particularly for those without access to car, making up around 259 million journeys in the West Midlands in 2017/18. Unlike other city regions outside London, the West Midlands benefits from limited fragmentation of bus services, with 94% of bus journeys provided by a single operator; National Express. National Express works closely with TfWM, alongside local councils and other bus operators as part of the West Midlands Bus Alliance to ensure services are integrated across the region. We also benefit from one of the safest public transport networks in the UK, with crime rates on our bus network reducing by 60% over the last decade. However, much like the rest of the country, we have faced a long-term decline in bus patronage. Notwithstanding recent positive changes, we have seen changing behaviour patterns (preferences to travel by car), increasing cost of bus fares relative to motoring costs, and declining service coverage (in part because of declining bus speeds), with bus boarding's falling by 2% year-on-year in the 10 years preceding 2020. These trends risk being exacerbated by the pandemic, with a 61% fall in bus patronage in 2020/21 as a result of the pandemic (See Figure 4 below).

Figure 4: Bus Passenger Journeys 2010/11 to 2020/21



The investment underway in the first corridors of our Sprint network, linking Walsall, Solihull, Birmingham city centre and Birmingham Airport, is an important step in reducing journey times for passengers and stimulating bus use. Further investments in our Sprint network proposed under both the CRSTS programme and with additional bus priority proposals in our parallel Bus Service Improvement Plan are critical to building on this momentum and sustaining and promoting bus travel in our region over the medium term.

Meanwhile uptake of active travel in the city region remains limited. Recent investments such as the Starley Cycle Network have helped to expand active travel options in the region. However, the WM is currently the combined authority with the lowest share of cyclists – with only 9.6% of adults cycling at least once per month, against 16.1% nationally. Moreover, only 63.2% of adults walk at least once per week, below the national average of 63.8%. Much of this is a function of long standing under investment in critical infrastructure, and further investment in new cycleways and active travel corridors are a critical step in promoting the use of active travel modes in the region.

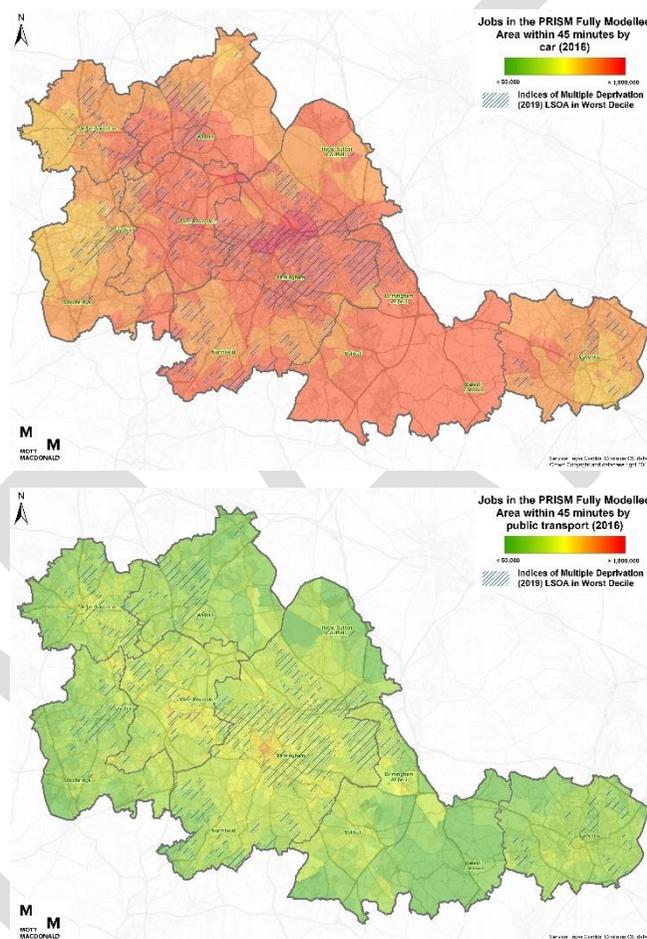
The ongoing development of our refreshed Local Transport Plan has highlighted a number of key challenges as set out in our Motives for Change (see [Section 3.4](#)) for our transport network which our proposed investment under the CRSTS programme, as part of a long-term and integrated approach to transport investment in the West Midlands, is critical in helping to address. These issues are summarised below:

### Accessibility and affordability of public transport

Historically, investments in transport have supported local economic growth in our region, subsidising services for the benefit of those less mobile and supporting innovation in mobility products and services. However, the quality of access to public transport still varies considerably across our region and this variation can act as a significant barrier for lower income households and more vulnerable groups accessing economic opportunities and realising their full potential. Job accessibility declines significantly for residents who are reliant on public transport, and this tends to be most pronounced in deprived areas of the region where car ownership is less common. Indeed, most West Midlands residents could access more than double the job

opportunities within 45 minutes of where they live with a car than without a car (see Figure 5).

*Figure 5: Job accessibility in WM region with a car vs with public transport (2016)*

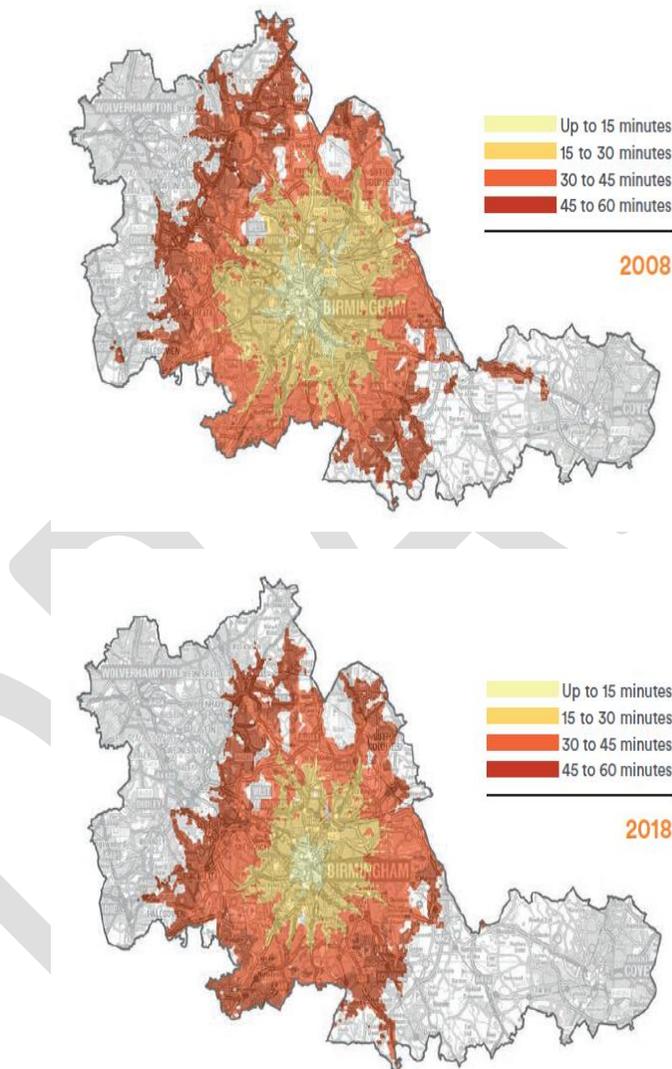


Despite its important role, bus within the West Midlands has experienced a long-term decline in passenger numbers, under both absolute and 'per head' measures, in common with other UK metropolitan areas outside London. The fall in services, alongside increased congestion, has resulted in reduced accessibility to key urban centres for those that are reliant on public transport. For example, Figure 6 shows how access to Birmingham city centre within 45-60mins via buses has sharply declined over the past decade. However, targeted investments have had success reversing trends around the speed and frequency of services. For example, a £9.2m investment along Services X51, 934, 997 in Birmingham and Black Country has led to a 14% patronage increase. The CRSTS programme will be vital in helping us to capitalise on this momentum and spread it across the region (see [Section 6](#) for more detail on this).

The impact of transport externalities (e.g. pollution, noise, poor road safety and severance) are also often felt most by those in our most deprived areas. For example, the rise in killed or seriously injured casualties in the region since 2013 have been predictably clustered around high-density urban areas with high levels of traffic flow and deprivation.

The complexity of ticketing and affordability of public transport is also deemed a barrier to all types of customers of the network, particularly for journeys involving multi-leg trips by bus across the region's network and between bus, Metro and rail. Single fares are still significantly higher in the West Midlands than they are in London (for example, the daily cap on TfL bus and tram services is £4.65 whereas in West Midlands it is £6.80), which has been a contributing factor to declining demand. The issue is even more stark by international standards, wherein our region ranks in the bottom quartile for public transport affordability of 66 major global cities, with 5.36% of our region's residents' monthly income spent on public transport. Simplification of ticketing, through Smart Ticketing, multi modal fare capping and travel planning tools which provide simplified, trustworthy, and affordable public transport options is key to addressing these challenges and reducing car reliance.

Figure 6: Access to Birmingham city centre within 45-60mins via bus (2008-2018)

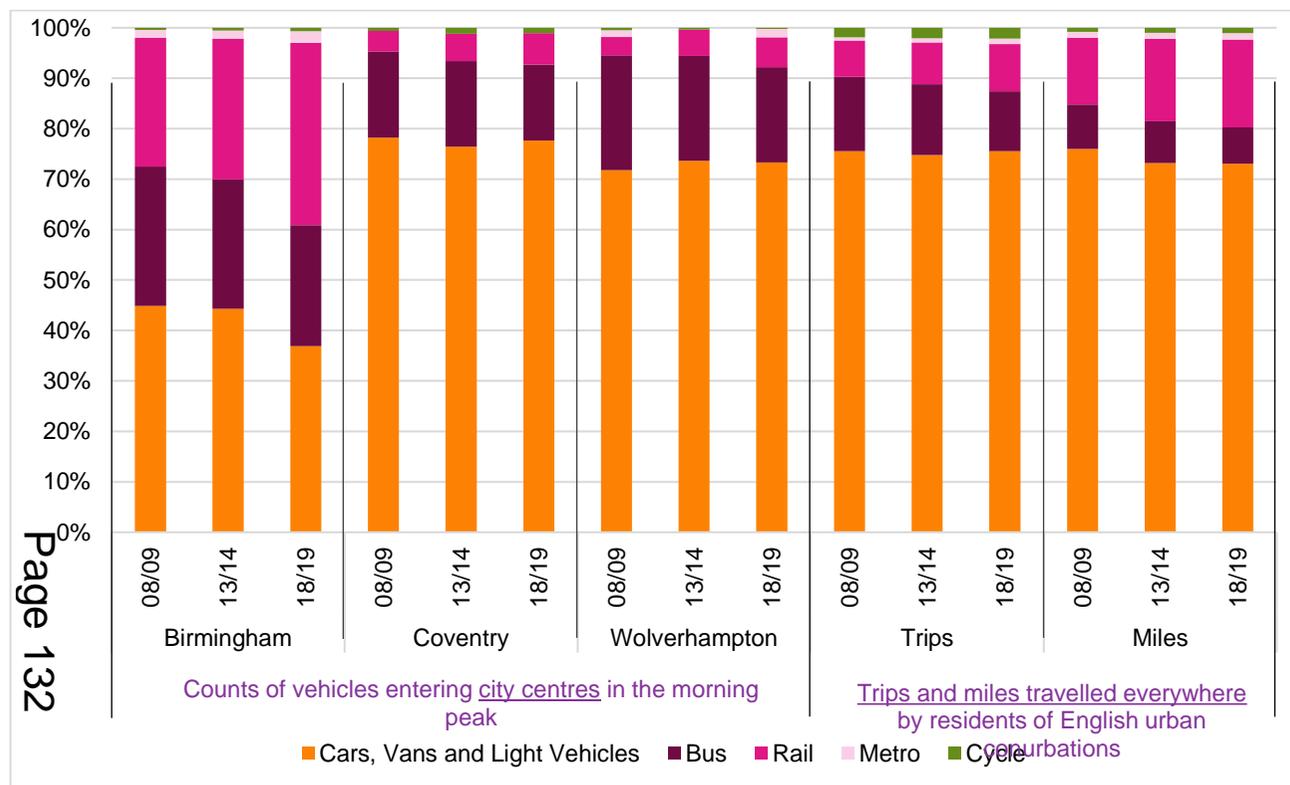


### Growing reliance on road travel

Despite our region's efforts to invest in sustainable transport alternatives, car mileage has significantly increased (+6 billion miles) across the West Midlands over the last 25 years. Although the current share of public transport commuting in Birmingham city centre is relatively high, across the wider area (including our two other major city centres in Coventry and Wolverhampton), cars, vans and light vehicles dominate modal share (see Figure 7). Across the area, two in five journeys under two miles are currently being made by car. The reliance on road travel not only results in congestion, poor air quality and negative consequences for our environment, but contributes to declining health outcomes more broadly in the region by reducing the share of walking and cycling and active travel associated with public transport.

Without the significant investment proposed in our public transport network, alongside ambitious measures to promote behavioural change and targeted measures aimed at demand management, these historic trends are set to increase over the next 20 years, with the share of households not owning a car expected to fall to 18% in 2040 (down from c22% today). The reliance on road travel has also been exacerbated by the COVID-19 pandemic, which has resulted in significant changes to how, when and why we travel. Data collected in support of our recent BSIP evidence paper highlighted that 94% of car owning residents enjoy the independence car ownership gives to them. Without significant investment to stimulate and accelerate the recovery of public transport demand, we risk seeing a permanent shift in behaviour which undermines our economic growth, levelling up and net zero ambitions.

Figure 7: Comparing mode shares to/from centres with mode share for all travel (2008/9 to 2018/19)



The West Midlands has an ambitious target to be net zero as a region by 2041. To deliver this will require significant modal shift as well as a substantial increase in the number of zero emission vehicles on the road. However, under a business-as-usual scenario, current carbon emissions from road travel (car, LGV, HGV, and bus), rail and Metro will only fall to 3.183 MtCO<sub>2</sub>e by 2027 (the end of the CRSTS funding period) and 2.490 MtCO<sub>2</sub>e by 2027, which will fall significantly short of our net zero ambitions. Nearly all the business as usual carbon emissions from transport are attributable to cars, LGVs, and HGVs (buses and rail accounted for approximately 1% of emissions respectively), while the uptake of EVs remains lower in the West Midlands at 0.35% relative to the UK average of 0.47%.

CRSTS is a significant step in the right direction, with 2000 proposed EV charge points and ambitious PT and active travel investments. The West Midlands will continue to pursue other decarbonisation opportunities outside the scope of CRSTS to meet its net zero ambitions.

### Summary

Our programme of investment in transport has a critical role to play as the region looks forward and plans for COVID-19 recovery. By connecting our residents to new jobs and educational/training opportunities, coupled with the delivery of skills plans and unlocking and delivering much needed housing across the region; we can support the regeneration of our local centres and neighbourhoods and drive productivity and level up our most underserved communities. This will further improve our health and well-being, and last but by no means least; help us address the urgent challenge of climate change.

### 3.3 Our investment themes

Our emerging Local Transport Plan (LTP) strategy is underpinned by the 'Avoid-Shift-Improve' Framework which provides a set of principles from which strategic and local measures can be shaped and established:

- 'Avoid' travel in the first place where possible, e.g. through homeworking.
- 'Shift' to shorter journeys and lower-carbon modes

### Congestion, air quality and the environment

The reliance on private road transport has led to a built environment which prioritises car-based travel and has resulted in a legacy of a hazardous, unattractive environment for pedestrians and cyclists, including poor air quality that we are now addressing through investments like those in the CRSTS. Air pollution in the West Midlands affects some 2.8 million people, reducing life expectancy by up to 6 months, while the carbon saving potential from installing 2,000 EV charge-points, as proposed within the scope of West Midlands' CRSTS programme, is estimated to be capable of saving £16.9m million per year in direct and indirect economic costs.

The reliance on private road transport also generates congestion in city centres and key transport corridors across the region, which in turn contains the economic growth potential of our region. The average Birmingham driver lost 134 hours in congestion in 2018, with congestion costing £2.3bn per annum across the West Midlands metropolitan area.

- ‘Improve’ measures to decarbonise the vehicle fleet.

Alongside these strategic priorities for transport, our investment themes under the CRSTS programme have been shaped to support our wider ambitions around delivering jobs and growth, levelling-up deprived communities and meeting our decarbonisation targets. We have identified six themes to guide investment which are the building blocks for ensuring transport investment delivers for our region (see Table 2 in [Section 3.6](#) which outlines how each of the six CRSTS investment delivers on key national priorities for the CRSTS programme: Economic growth and productivity, levelling-up and decarbonisation):

- **Connecting our Places** – This programme will build on existing programmes to continue investment in public transport connectivity by boosting connections across our key centres and corridors. As we move closer to the arrival of HS2 a targeted public transport investment programme of rail, rapid transit and bus; underpinned by enhanced interchange facilities will enable the West Midlands to build back better.
- **Supporting Inclusive Growth** – This programme is focused on driving inclusive growth, levelling-up and housing delivery in six high priority corridors. The programme takes a place-based approach to delivering targeted packages of work to complement and maximise the existing investment, unlock housing and employment opportunities and offer new and existing residents safe and sustainable transport choices to deprived areas of the region. Key schemes will include £100m in transport upgrades along the Walsall to Wolverhampton corridor, including beginning development on the Metro extension to New Cross Hospital, to unlock 4,500 new homes and regenerate local urban centres and programmes to support Smethwick and Icknield, Sandwell to Dudley, Walsall to Birmingham, Coventry to Solihull and East Birmingham/North Solihull including kickstarting the development of the Metro route in this key corridor.
- **Healthy Streets and Spaces** – This package contains measures aimed at encouraging more active travel and reducing the volume of trips made by car to improve

health and reduce environmental impacts. The programme will also target improving air quality for residents and visitors to WM, as well as providing a wider range of affordable travel options which will be crucial in meeting our ambition to be net zero by 2041.

- **Creating Resilient Networks and Communities** – This theme delivers junction and corridor route improvements to highways and the Key Route Network across the WM, whilst also investing in road safety and innovative technological infrastructure. These schemes will improve multi-modal connections, reduce barriers to active travel by making our roads safer to use, and address congestion and capacity constraints.
- **Delivering a Green Revolution** – This programme aims at decarbonising the largest sources of carbon emissions on the road, focusing on research and development, building a robust supply chain for zero emission technologies, and delivering supporting infrastructure to build consumers’ confidence in zero-emission vehicles. Major schemes include the £10m WM EV Public Chargepoint Fund and the £7m WM ULEV Scheme.
- **Making Behaviour Change Easy** – The programme of investment within this theme will provide a step-change in both the attitude and behaviour of individuals by providing frictionless access to sustainable transport across the region. The initiatives put forward are based on in-depth analysis of the travel needs, preferences and choices of residents in the WMCA region. Significant initiatives that fall under this theme include £27m for Very Light Rail R&D, a Regulatory Sandbox for agile development of regulatory reform in partnership with industry, a Local Network Improvement Plan to better facilitate multi-modal travel, smart ticketing (e.g. Swift payments scheme), and micromobility schemes including eBikes and eCargo Bikes.

### 3.4 Our objectives for the CRSTS investment programme

Our Local Transport Plan Green Paper sets out five ‘Motives for Change’ – the reasons why we should consider changing

the way we travel. These are focussed on creating a fairer, greener, healthier, happier and more prosperous West Midlands, and delivering on our #WM2041 carbon reduction pledges. As outlined in [Section 3.3](#), alongside the Motives for Change are a series of related objectives that govern our proposed CRSTS programme and link directly to our six investment themes.

Figure 8: Why change?



However, these are not just objectives for the next five years – they will support our long-term ambition to build back better and level up our region for inclusive growth. They are as applicable to CRSTS as they are to investment delivered through other routes (e.g. Bus Service Improvement Plans, WM Investment Programme, Active Travel Fund) as we aim to deliver a single integrated transport programme over a series of five-year transport settlements.

Table 1: CRSTS themes reflection of Local Transport Plan Green Paper 'Motives for Change'

Motive for Change	Objective	Description	Link to CRSTS theme
Sustaining economic success	Inclusive economy	We will inclusively grow our economy by reducing the economic costs of transport's externalities, maintaining the network, and levelling up access to opportunities for those less mobile.	<ul style="list-style-type: none"> <li>Supporting Inclusive Growth</li> </ul>
	Mobility market transformation	We will position the West Midlands as a global leader in future transport by creating a local transport market that enables innovation, development and deployment of transport products and services.	<ul style="list-style-type: none"> <li>Making Behaviour Change Easy</li> </ul>
Creating a fairer society	Fair access	We will improve equity of access to opportunity by ensuring everyone has safe, usable and affordable travel choices.	<ul style="list-style-type: none"> <li>Supporting Inclusive Growth</li> <li>Connecting Our Places</li> </ul>
	Fair impacts	We will reduce the impact of traffic on people's health and wellbeing by improving road safety, reducing air pollution, and reducing noise.	<ul style="list-style-type: none"> <li>Creating Resilient Networks and Communities</li> </ul>
Supporting local communities and places	Local access	We will improve local sustainable travel connectivity and reduce severance within and between neighbourhoods.	<ul style="list-style-type: none"> <li>Healthy Streets and Spaces</li> <li>Connecting Our Places</li> <li>Creating Resilient Networks and Communities</li> </ul>

Motive for Change	Objective	Description	Link to CRSTS theme
Supporting local communities and places	Streets for communities	We will reduce the dominance of motorised traffic in local neighbourhoods to enable repurposing of streets.	<ul style="list-style-type: none"> <li>Healthy Streets and Spaces</li> <li>Creating Resilient Networks and Communities</li> </ul>
Becoming more active	Physically active	We will enable safe, convenient and accessible walking and cycling opportunities, to increase active travel, improving health, wellbeing and productivity.	<ul style="list-style-type: none"> <li>Healthy Streets and Spaces</li> </ul>
Tackling the climate emergency	Transport decarbonisation	We will rapidly reduce transport carbon emissions at a rate consistent with WM2041 ambitions.	<ul style="list-style-type: none"> <li>Making Behaviour Change Easy</li> <li>Delivering a Green Revolution</li> </ul>

Work is underway to develop a set of specific targets and metrics for the new Local Transport Plan. We will identify key measures across a range of policy outcomes including decarbonisation, accessibility, health and wellbeing, safety and security and economic impact. These will be developed during the autumn in parallel to the ongoing development of the CRSTS programme.

### 3.5 Alignment with local policies and strategies

West Midlands is well-placed to capitalise on the economic opportunity presented by the 5-year CRSTS investment programme, as we have been developing a series of long-term strategic plans setting out our ambitions for sustainable and inclusive growth. These include:

- **Local Transport Plan Green Paper<sup>2</sup>** – This sets out the key challenges and opportunities facing our transport system since the first Local Transport Plan was adopted in 2011. This is currently acting as the key consultation document with the public to help inform our new LTP which is due to be published later in the year. This will set out our policies to promote safe, integrated, efficient and economic transport to, from and within the area as well as plans to implement those policies.
- **WM2041<sup>34</sup>** – Our framework for developing a series of 5-year plans to decarbonise the WM in response to the pressing climate emergency and the ambition for the region to be carbon neutral by 2041. It calls for a substantial investment programme in the order of £40bn over 21 years (2020-2041) and a 10-point strategy for decarbonising the region. The CRSTS programme will support several key pillars of this strategy, including active travel and cleaner transport, electric vehicle charging infrastructure, and behaviour change around travel patterns.
- **West Midlands Local Industrial Strategy** – Our integrated plan to drive long-term sustainable economic growth across the whole of the West Midlands. Developed locally and agreed with government, this Local Industrial Strategy (LIS) sets out the priorities to increase the productivity of the West Midlands and the national economy. It places the ‘Future of Mobility’ at its the heart and is a key strategic enabler of Inclusive Growth.
- **Inclusive Growth Framework** – Our framework to help ensure socially equitable and environmentally sustainable growth secures long term benefits for everyone in our region. The concept of ‘Inclusive Growth Corridors’ are reflecting the approach of the Inclusive Growth Framework by creating more holistic vehicle for investment – which goes beyond ‘site-by-site’ development, embedding whole-system thinking and offering the possibility of a different order of change for communities and places.
- **Local Plans** – Our local authorities have developed a series of local plans (covering Birmingham, Solihull, Coventry and the Black Country) which detail where and how much housing and employment space is needed in the region. The CRSTS investment programme has been developed with an eye to helping to unlock housing and connecting up future employment centres across the West Midlands.

<sup>2</sup> Local Transport Plan Green Paper – [link](#).

<sup>3</sup> #WM2041 - [link](#)

### 3.6 Alignment with national policies and strategies

West Midlands is well positioned to deliver on the key national priorities of the CRSTS programme (including economic growth and productivity, levelling up and decarbonisation – see Table 2 below) and wider transport policy agenda of Government (including the National Bus strategy and Cycling and Walking investment strategies) having placed these at the heart of the WM CRSTS investment themes. These are set out further in [Section 6](#) as to how the programme delivers benefits in these areas.

- **Economic Growth and Productivity** – Given the challenges with accessibility and connectivity in our region, our CRSTS transport programme has been designed to improve access and connections between workers and business, driving productivity both locally and nationally by enhancing business competition, allowing businesses to better match with the right suppliers, customers and employees, and increasing the likelihood that ideas, knowledge and innovations are diffused across the WMCA economy. Our themes **Connecting our Places, Creating Resilient Networks and Communities** and **Supporting Inclusive Growth**, along with the projects that sit beneath them, all centre on driving productivity and net additional economic growth both locally and nationally.
- **Levelling Up** – Taking into account the economic geography of our region, with strong urban centres surrounded by pockets of acute deprivation and poorly connected rural communities, we have put forward a transport programme with inclusive growth and accessibility at its heart. The transport projects under **Supporting Inclusive Growth** and **Connecting our Places** are focussed on levelling up the lives and connectivity of the most deprived in our region. These interventions will play an important role in regenerating city and town centres, unlocking new affordable housing and development, improving health and amenity through active travel, and importantly providing access to work, leisure and educational opportunities to deprived communities.
- **Decarbonisation** – This is a key priority of the CRSTS programme and for our region, with three investment themes directly focused on addressing the pressing climate emergency: **Healthy Streets and Spaces, Making Behaviour Change Easy** and **Delivering a Green Revolution**. The transport initiatives investment themes mirror the recommendations outlined in DfT’s Transport Decarbonisation Plan published in 2021 and prioritise modal shift and the rollout of electric vehicles to the road. The schemes will also help ensure developments can come forward in more sustainable locations across the region.

<sup>4</sup> WM2041 Fiver Year Plan 2021-26 – [link](#)

Table 2: Alignment of CRSTS Programme Investment Themes with key national priorities

Alignment with Key National Priorities	CRSTS Programme Investment Themes						Alignment Summary
	Healthy Streets and Spaces	Making Behaviour Change Easy	Connecting our Places	Delivering a Green Revolution	Creating Resilient Networks and Communities	Supporting Inclusive Growth	
Economic Growth and Productivity							The CRSTS transport programme has been designed to improve access and connections between workers and business, driving productivity both locally and nationally.
Levelling Up							Investment under the breadth of CRSTS themes target a range of measures of levelling up the lives and connectivity of the most deprived pockets in our region (see Figure 15).
Decarbonisation							All our CRSTS themes contribute to differing degrees to addressing the pressing climate emergency in our region, including through modal shift and the rollout of EVs.

- The **National Bus Strategy (NBS)** – Announced in 2021, the NBS proposes ambitious and far-reaching reforms to how services are planned and delivered in order to reverse declining bus patronage rates. Investment in the WM bus network is a key pillar of our CRSTS transport programme, helping to bring forward corridor improvements and station upgrades that will ease congestion and improve services along key route.
  - **Active Travel Investment** – Government has earmarked £2bn for **Cycling and Walking** investment strategies to deliver a step-change in active travel in UK. Our CRSTS transport programme shares the same ambition for the WM, with projects under Healthy Streets and Spaces and Making Behaviour Change Easy encouraging a shift to active travel patterns in order to improve air quality, combat climate change, improve health and wellbeing, address inequalities and tackle congestion on our roads.

# 4 How we have identified and prioritised schemes for CRSTS

## Introduction

Since formation of the West Midlands Combined Authority (WMCA) in 2016, we have worked with our members to prioritise how and where we invest with the finite resources available to the CA. This has meant we have invested time in identifying a pipeline of investment projects that are needed to support the region's need, alongside developing an evidence-based and balanced approach to prioritising between investments. We have built upon this experience in identifying and prioritising schemes over the five-year CRSTS programme that are aimed at delivering real benefits to the West Midlands right from the outset.

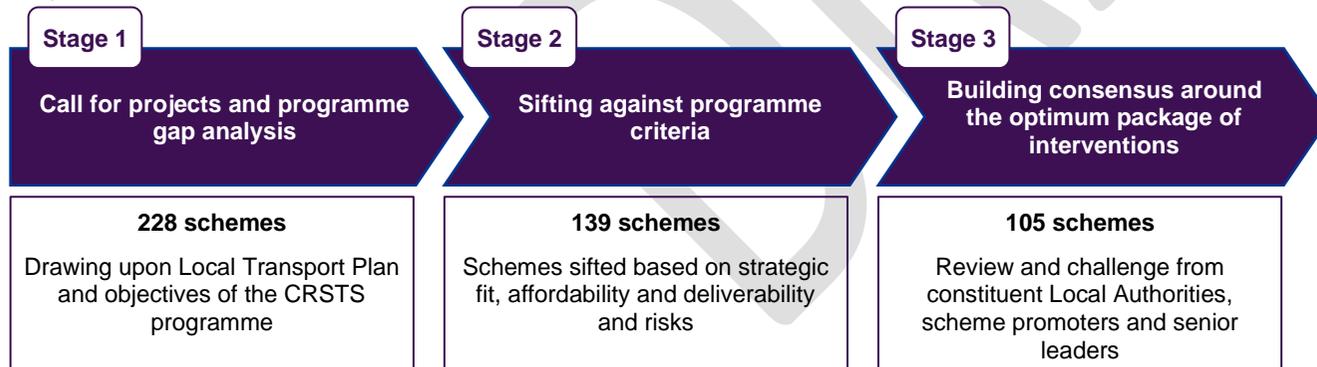
Our process commenced in 2020 in anticipation of CRSTS. We have taken a structured, iterative and collaborative approach based on a clear prioritisation framework, with criteria linked to local and national objectives, with buy-in from Local Authority partners and the Mayor.

## Our programme development process

Given the needs of the West Midlands discussed in [section 3](#), inevitably even at the upper range of funding available through CRSTS there is insufficient money to develop or deliver all of the projects we would want to across the West Midlands. There are currently a significant number of projects in the pipeline, all at different stages of development. It was essential that the process to develop our programme allowed all projects to be assessed on a fair and objective basis regardless of the stage of maturity of individual schemes.

With this in mind, we have followed a three-stage process when developing our programme.

Figure 9: Programme Development Process



## Stage 1 – Call for projects and programme gap analysis

We undertook an exercise to refresh and review the current position of the capital pipeline across the West Midlands based on existing or desired transport scheme proposals over the next 15 years. This early stage call for projects from Local Authorities and within TfWM allowed scope for new proposals to be developed to address current challenges and support the delivery of local and national objectives.

This resulted in a refreshed pipeline of over 200 individual transport schemes, which were identified during this process, conducted once in 2020 and again in spring this year.

We then carried out a programme-level gap analysis to identify the extent to which the desired outcomes were not being fully met, using an evidence base of technical work undertaken when drawing up our Local Transport Plan and the linked themes and objectives for the CRSTS programme. Where gaps were identified, we developed new proposals to be included within the project pipeline and also refined existing schemes to better align to the overall outcomes sought.

## Stage 2 – Sifting against programme criteria

The next stage was to sift the 'long list' pipeline of schemes based on strategic fit, affordability and deliverability to generate a first cut of proposals for the CRSTS programme.

To facilitate this process we collated a consistent level of key information for each scheme including: a problem statement, anticipated outcomes and benefits, the thematic driver for the intervention, timescales for development and delivery, barriers to delivery, an indicative cost range and, where appropriate, complimentary and/or alternative funding routes.

Our prioritisation framework was then applied using assessment of the following criteria:

- **Strategic fit:** schemes were assessed against national priorities, the emerging LTP objectives and the CRSTS delivery programme themes. As part of this we considered whether a proportionate amount of work had been undertaken at the different stages of development to articulate the benefits of individual schemes, and sought further details where necessary. We then used logic maps to visualise how schemes contribute towards objectives. We also considered the fit with our emerging Inclusive Growth Corridors (cross boundary corridor packages which support inclusive, zero carbon growth) and Local Delivery Plans (area-based strategies which support LTP outcomes - see [section 3.3](#)).
- **Affordability:** we assessed whether the level of investment required justified the rationale and benefits of each scheme, and whether the programme as a whole fell within a reasonable funding envelope. As part of this, we considered links with other funding programmes to ensure CRSTS was the most appropriate route, as well as the extent to which any investment could level local funding.
- **Deliverability and risks:** we looked at whether the programme and funding commitments could be met, within the timescale necessary, what level of local and political support they had, and how sensitive scheme costs and benefits were to uncertainty stemming from COVID.

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### Stage 3 – Building consensus around the optimum package of interventions

Fine-tuning the programme was an iterative process. There were extensive discussions with constituent Local Authorities, scheme promoters and senior leaders to review, clarify and challenge the programme. This included:

- Review and challenge from our Strategic Transport Officers Group (STOG) culminating in a specially convened STAR Chamber session.
- Engagement with our Strategic Transport Board, Met Leaders and the Mayor to agree the shape of the programme.
- Final approval by the West Midlands Combined Authority board on 17 September 2021.

As a result of this process we have developed a robust, prioritised programme of transport investments that maximises the positive contributions towards economic growth, carbon reduction, levelling-up transport and economic inequalities, health and supporting communities across the West Midlands. This includes a mix of delivery over the next five years, and development where schemes have a strong case for development funding via CRSTS for delivery beyond this window.

Work now continues to further develop business cases for schemes at the front end of the delivery timeframe.

## 5 Our proposed investment programme 2022-27

### Introduction to the West Midlands CRSTS programme

Our proposed programme of transport investment is designed to meet the ambitious vision set out in our Local Transport Plan for a greener, more active, fairer and economically successful West Midlands. The interventions have been carefully selected to maximise growth outcomes, enable modal shift and improve accessibility – especially in traditionally under-served and deprived areas of the region.

Our proposed programme is intentionally ambitious. Anything less risks us simply treading water for the next five years – covering essential maintenance and renewals and already committed projects but missing the opportunity to move the dial on transport investment. It is essential that HMG's national objectives for improved transport outcomes are reflected in our own regional ambitions for change. We want to deliver innovative, high quality projects that provide genuine improvements to people's lives in the West Midlands, attract people to new active forms of transport, and make strides towards our 2041 carbon neutral target as part of the #WM2041 initiative.

### The scope and scale of our proposed programme

As we prepare to enter into negotiations with the department, our £1.7bn ask from CRSTS would leverage a further £554m of local contributions, to deliver a £2.3bn programme of transport investment over five years. This would range from essential renewals and maintenance, through extensive smaller scale active travel and community focused improvements (which are relatively quick and low risk to deliver), to some larger targeted transformational projects such as Metro extensions, heavy rail enhancements, new very light rail routes and Bus Rapid Transit schemes. We have worked hard with our local partners to maximise the level of our local contribution – ours

is high and that reflects the relative criticality for the West Midlands of transport investment. Our ambition and needs are high, and we are taking climate change and economic recovery very seriously. Given the inclusion of previous funding commitments by HMG (such as TCF) we are seeking incremental investment to allow us to deliver meaningful change.

We have packaged our CRSTS programme into six themes, aligned to the Motives for Change described in our Local Transport Plan (see [section 3.3](#)). Each theme delivers benefits that cross-cut national objectives to improve growth and productivity, contribute towards levelling up and decarbonisation, and deliver value for money.

Our themes are inter-linked and complementary. The investment made through our *Connecting our Places* theme provides the region-wide public transport network at the heart of TfWM's CRSTS programme. It enables much of the complementary investment in other programme themes to thrive. A well-connected and accessible public transport network will help *support inclusive growth* corridors and *make behaviour change easier* by providing fast and efficient connections between key centres and corridors. Investment will support *resilient networks* by helping to provide a viable public transport alternative for residents and releasing capacity on our highway network. This will lead to reduced car usage and associated carbon and particulate emissions to help us *deliver a green revolution*. Provision of attractive urban realm in our centres and facilitating effective interchange between active and public transport modes will complement our *healthy streets and spaces* initiatives.

Finally, better intra-regional connectivity for the West Midlands will generate national benefits, improving travel times for those passing through or visiting the region, as well as indirect spillover of economic activity to neighbouring regions.

### Theme 1: Connecting our Places - £607m funding required from CRSTS

**Overview:** This theme comprises a targeted programme of public transport investment across rapid transit, rail and bus, complemented by enhanced interchange facilities.

We will blend both delivery and development to ensure we have the solutions fit for the short and medium term to enable the West Midlands to build back better.

**Strategic rationale:** this investment builds on the momentum gained through current public transport improvements including Metro expansion, new rail stations and the first Sprint Bus Rapid Transit route. As we move closer to the arrival of HS2, boosting public transport connections across our key centres and corridors will be all the more important.

This investment will unlock development around public transport hubs, catalyse economic activity in our centres, and provide residents with the same levels of opportunity to access employment, health, education and leisure opportunities. A better public transport network for the West Midlands that offers a viable alternative to car travel will reduce carbon emissions, directly addressing our climate emergency.

#### Picture 2: Solihull Station Redevelopment



Table 3: Key Schemes – Connecting Our Places

Scheme	Description
Metro £285m	A package of investment comprising essential renewals to sustain operations on the original Line 1 between Wolverhampton and Birmingham, which is now over 20 years old; the completion of the 11km Wednesbury to Brierley Hill metro extension to better connect this underserved and deprived corridor; and the development of further route options from Wednesbury to Walsall and the Hagley Road route to the west of Birmingham linking into the Black Country.
Coventry Very Light Rail £133m	Currently at a higher technology readiness research and development stage, this exciting project employs our regional automotive expertise (and thereby directly supporting our Local Industrial Strategy) to deliver an innovative and affordable light rail system. This project aims to deliver all the benefits of trams – low floors, comfort, efficiency, reliability – but at a fraction of the cost of traditional light rail schemes. CVLR will be lightweight and use 100% renewable energy, providing a real alternative to the car and thereby helping to improve air quality and reduce congestion. The first route will connect major employment, commercial and education sites between Coventry city centre and the newly improved railway station (opening late 2021), supporting city centre regeneration at Friargate and City Centre South with commercial mass transit services that will complement existing bus and rail services within the city.
Future Bus £30m	We will complement BSIP investment by developing measures to improve bus connectivity between HS2, Birmingham Airport and Solihull. We will also bring forward our region-wide Demand Responsive Transport offer by investing in a fleet of zero-emission vehicles and depot facilities, building upon the already committed All Electric Bus City programme in Coventry which will see all buses in the city be electric by the end of 2025, and developing the back office systems necessary to allow customers to book journeys on demand using a single integrated platform.
Rail £46m	We will introduce a new station at Aldridge and continue to make the case for reintroducing passenger services on the remainder of the Sutton Park Line to provide enhanced orbital rail connectivity. We will support the

Scheme	Description
	delivery of essential components of the Midlands Rail Hub – including Snow Hill Platform 4 and Kings Norton remodelling – to improve rail connectivity to the south and west of Birmingham. As delivery of HS2 gathers pace we will also support the development of master planning activity between Curzon Street and Moor Street station to secure a world class gateway and interchange. We will begin the development work needed to progress new stations in high priority locations such as Tettenhall in Wolverhampton, Coventry and East Birmingham.
Interchange £109m	Underpinning all of this activity will be a significant programme of interchange improvements. Major new gateways at Sutton Coldfield and Solihull (see call-out box) will provide iconic access points to these regional centres and catalyse further investment and regeneration. Four future park and ride sites at rail/Sprint stations will support interchange between transport modes and further improve connectivity.
Snow Hill Growth Strategy £50m	Snow Hill is one of Birmingham City Centre’s three main rail stations providing local and regional services, and direct connections to London. The scheme involves the major redevelopment and transformation of Snow Hill rail station and its immediate environs, and improved transport connectivity within the Snow Hill area. This is predicted to support 112,000sqm of new office-led development accommodating over 7,700 jobs and 200 homes.

**Interactions with other programmes:** This investment will support and build upon a number of other programmes linked to the arrival of HS2 and the WM Investment Programme including University Station, Metro Birmingham City Centre to HS2, Dudley Interchange, Sprint and Perry Barr station. Investment in bus priority measures as part of our Bus Service Improvement Plan (BSIP) will be complemented by the expansion of the rapid transit network alongside a refresh of the DRT offer in the West Midlands. This programme will maintain the momentum generated from previous investment and act as a springboard for further investment towards even greater connectivity across the West Midlands.

The **wholesale redevelopment of Solihull train station** is required to ensure it is fit for purpose to deal with significant forecast growth in passenger numbers. The redesigned station will include an enlarged new internal public concourse, upgraded facilities and enhanced public realm at the station entrance. Sustainability has been at the heart of the design from an early stage, with numerous features such as onsite energy generation, electric vehicle charging, biodiverse planting and energy efficient systems.

**A brand-new station at Sutton Gateway** will provide access to Sutton Coldfield town centre and Sutton Park, enabling residents and businesses [direct] access to the future HS2 link. The rail station will be integrated with a new bus interchange serving Sutton. The project will provide a much-improved arrival experience for visitors into Sutton Coldfield and enhanced pedestrian and commuter access to the town centre. Sutton Gateway will complement other developments in the town and support growth proposed in the Birmingham Development Plan.

Picture 3: Snow Hill Gateway Growth Strategy



## Theme 2 Supporting Inclusive Growth - £311m funding required from CRSTS

**Overview:** This programme is focused on driving inclusive growth, levelling up and housing delivery in six high priority corridors across the West Midlands (see [section 3.4](#)). The programme takes a place-based approach to delivering targeted packages of work to complement existing investment, unlock housing and employment opportunities and offer residents safe and sustainable transport choices. The interventions – ranging from new walking and cycling routes, game changing rapid transit links, and further phases of the SPRINT Bus Rapid Transit network – have been carefully chosen to enhance the environment, increase wellbeing and maximise the potential and success of our diverse population.

Picture 4: High quality Transit Stop along SPRINT Bus Rapid Transit network



**Strategic rationale:** Our Local Industrial Strategy sets out the region’s commitment to driving a more inclusive economy. Addressing transport inequality is also a key part of our Local Transport Plan. Our six Inclusive Growth Corridors align with areas of high deprivation, with housing supply shortfalls. Transport investment will be a key catalyst for growth and regeneration. We will use the investment through CRSTS as leverage to improve the outcomes for local residents around housing, skills and employment. Targeted new transport links will unlock housing development on brownfield sites. A focus on active, low carbon and sustainable travel will improve safety and air quality. Better public transport will provide access to jobs and services for people living in the most deprived areas of the West Midlands.

**Schemes within this theme, including funding required from CRSTS**

Figure 10: Inclusive Growth Corridors

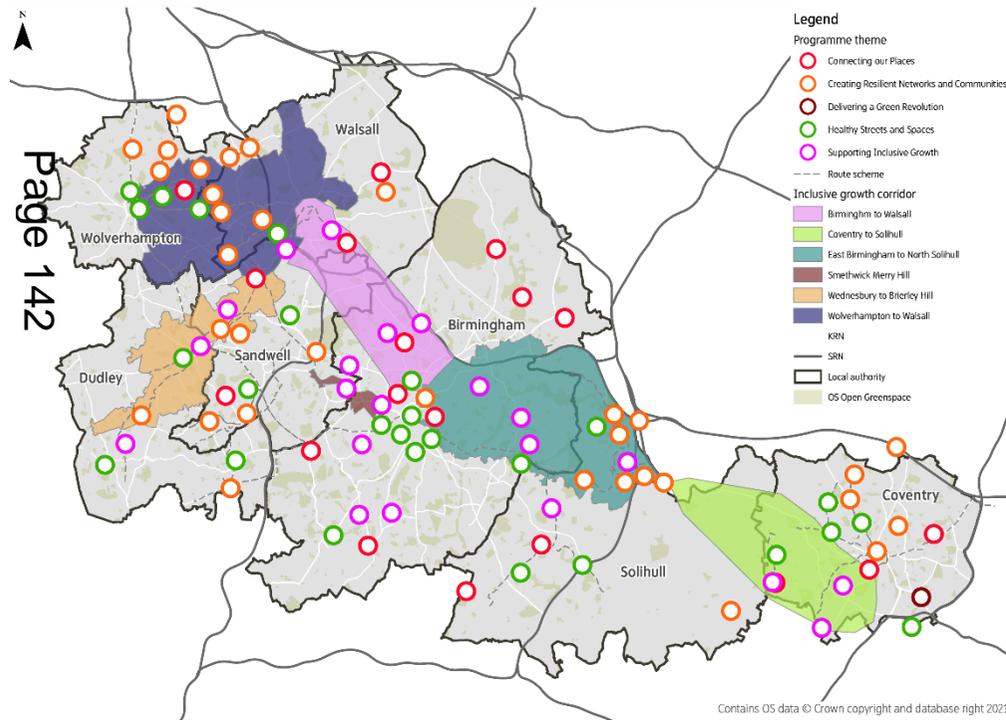


Table 4: Key Schemes – Supporting Inclusive Growth

Corridor	Catalyst	Selected schemes
Walsall to Wolverhampton £39m	Major regeneration and development opportunity, with c.£100m transport upgrades planned to support the construction of over 4,500 new homes, as well as major redevelopment in Walsall and Wolverhampton urban centres.	<ul style="list-style-type: none"> <li>A454 multi-modal corridor to relieve congestion, improve air quality and install active travel infrastructure</li> <li>Metro development – City Centre to New Cross Hospital</li> <li>Sustainable access to new stations</li> <li>Walking and cycling improvements</li> </ul>
Sandwell to Dudley £31m	Builds on significant investment in 11km Metro extension between Wednesbury and Brierley Hill. This links the Black Country with HS2 and supports the regeneration of Brierley Hill and Dudley town centres. 17 new Metro stations will support investment and regeneration opportunities throughout the corridor.	<ul style="list-style-type: none"> <li>Interchange improvements between bus, heavy rail and the new Metro at Dudley Port</li> <li>Feasibility studies on further rapid transit routes to Stourbridge and Walsall</li> <li>Improvements to walking and cycling access to new Metro stops</li> </ul>
Birmingham to Walsall £66m	The 2022 Commonwealth Games provides the catalyst for regeneration of the wider area with an improved new rail station, major public transport investment, and delivering new homes and jobs post-Games.	<ul style="list-style-type: none"> <li>Completion of Sprint Phase 2 route including priority measures in the Black Country.</li> <li>Completion of Perry Barr rail station</li> </ul>
Smethwick & Icknield £51m	Major investment in land remediation and transportation are enabling a new mixed-use urban quarter just 10 minutes from Birmingham city centre.	<ul style="list-style-type: none"> <li>Multimodal corridor covering bus, walking and cycling</li> </ul>

Corridor	Catalyst	Selected schemes
	The project covers a development area of 137 hectares, able to accommodate approximately 5,000 new homes and 10,000 square metres of commercial floorspace – one of the largest opportunities for brownfield regeneration in the UK.	<ul style="list-style-type: none"> <li>improvements on the Dudley Rd in Birmingham</li> <li>Enhancements to a key pinch point in Sandwell adjacent to housing development sites</li> <li>Segregated cycle lanes and mobility hubs</li> </ul>
East Birmingham / North Solihull £87m	Much of East Birmingham falls within the top 20% most deprived areas in England. The arrival of HS2 and the proposed Metro extension from East Birmingham to Solihull represents a once in a generation opportunity for positive change.	<ul style="list-style-type: none"> <li>Development work to progress the Metro corridor</li> <li>Package of sustainable transport improvements</li> <li>Cross-city bus priority routes</li> <li>Segregated cycle schemes</li> </ul>
Coventry to Solihull £16m	This corridor links UK Central – including the new HS2 Interchange station, Arden Cross development, Birmingham Airport, NEC and JLR sites – to the thriving University of Warwick, Eastern Green and Keresley developments (6,000 new homes), and Coventry city centre with investment in improved park and ride facilities at Tile Hill and strategic cycle routes.	<ul style="list-style-type: none"> <li>Multi modal transport interchange at Tile Hill station</li> <li>Cycling improvements to enable sustainable access to Warwick University and science park</li> </ul>

**Interactions with other programmes:** our proposed investment in inclusive growth corridors is targeted at maximising the impact of the significant levels of infrastructure already committed and in delivery across transport, housing and regeneration. These include the transformational 11km Metro extension to Dudley; SPRINT Bus Rapid Transit Routes across Birmingham, Solihull and the Black Country; new or improved rail stations between Walsall and

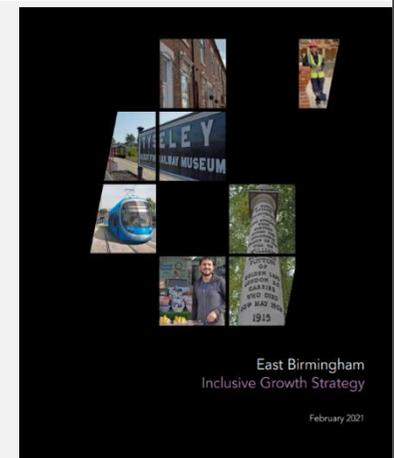
<sup>5</sup> East Birmingham Inclusive Growth Strategy, [link](#)

Wolverhampton and across Birmingham; new housing and regeneration in Smethwick and Icknield; and the Commonwealth Games and housing growth adjacent to Perry Barr station.

East Birmingham is home to more than 230,000 people and forms a crucial part of the city and region's economy. Major growth is coming which will deliver more than 60,000 new jobs and 10,000 homes within and near to East Birmingham over the next ten years.

The **East Birmingham Inclusive Growth Strategy**<sup>5</sup> sets out a clear vision for the future of East Birmingham as an excellent place of strong communities in which to live and work. It will guide the delivery of inclusive growth in East Birmingham over the next 20 years.

The arrival of HS2 is a huge opportunity for East Birmingham. Transport investment delivered through CRSTS will maximise these benefits through a proposed East Birmingham to Solihull Metro extension and a new Sprint rapid transit route along the A45 Coventry Road corridor. Wide ranging cycle, walking, bus and rail improvements will change the way people move around, reduce congestion, improve air quality and encourage people into healthier travel habits.



### Theme 3: Healthy Streets and Spaces - £234m funding required from CRSTS

**Overview:** This theme delivers measures aimed at encouraging more active travel, reducing the volume of trips made by cars, improving health and well-being, and reducing the environmental impacts of transport. The package of measures comprises a high quality network of new walking and cycling corridors and public realm improvements in strategic centres, designed to DfT LTN 1/20 standards.

**Strategic rationale:** This theme has very strong alignment to both local and national policies around promoting physically active, community-focused, sustainable and decarbonised forms of transport. For example, our Local Transport Plan set out the urgent need to shift from short-distance car journeys to active travel modes.

This theme builds on West Midlands' recent success in delivering active travel projects, including walking and cycling infrastructure as part of the Active Travel Fund. These schemes, and those delivered through CRSTS, will reduce the carbon footprint of the West Midlands,

improve air quality, and provide a wider range of affordable travel options to resident and visitors alike.

Picture 5: Birmingham City Centre Phase 1 Cycling Scheme



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Table 5: Key Schemes – Healthy Streets and Spaces

Scheme	Description
Cycleways £137m	16 new routes linking key centres, distributed across the whole of the West Midlands. Many are up to 10km in length, with all new infrastructure meeting LTN 1/20 standards for high quality cycling infrastructure.
Public Realm improvements £68m	Improved surfacing, wayfinding and place making in the local and strategic centres of Wolverhampton, Dudley and Birmingham.

Scheme	Description
Modal filters £5m	Traffic signalling and segmentation within Birmingham city centre to prevent private cars using certain routes and instead prioritise for cyclists and pedestrians.
Active travel corridors £27m	New or improved combined walking and cycling routes across the West Midlands, including improvements to the popular canal towpath network.

**Interactions with other programmes:** The spatial spread of the proposed active travel projects means there are a number of interactions with other programmes. For example:

1. The **One Station** package of improved pedestrian connections will link the new HS2 Curzon Street station with the three other city centre railway stations – New Street, Moor Street and Snow Hill. The project will deliver wayfinding and a much-improved public realm along key walking routes to enhance sustainable connectivity to and from Curzon Street.

The **Dudley Town Centre Interchange Public Realm** will deliver high quality public realm in and around the Dudley Interchange project. The existing Dudley Town Centre bus station will be replaced with a new state of the art facility which will provide direct connectivity to the Wednesbury to Brierley Hill Metro extension. Dudley Interchange and the Metro extension are both funded, in part, through the Transforming Cities Fund.

**Keresley Connects:** a 7km segregated cycleway linking the new Keresley residential development, and major employment area at Lyons Park, with Coventry city centre. The residential development is being designed as a Sustainable Urban Extension and the supporting cycle infrastructure will be imperative to encourage new residents to travel more healthily and sustainably.

**Birmingham District / Town Centres:** a package of improved signage, cycle parking, the widening of footpaths and the removal of parking bays at district and town centres across Birmingham. Investment through CRSTS will build on similar measures implemented as part of the Active Travel Fund which saw increases in footfall to local centres and strong support from local retailers.

**Selly Oak to Longbridge Cycleway:** extending the popular segregated cycleway between Birmingham city centre and the University of Birmingham by 8km to reach Longbridge. This would link a number of local centres along the A38 corridor to major employment centres at the University of Birmingham, Queen Elizabeth Hospital and the city centre. The extended cycleway will provide an attractive, safe means for people to travel along this busy corridor, reducing reliance on the car.

#### Theme 4: Creating Resilient Networks and Communities - £407m funding from CRSTS

**Overview:** This theme delivers multi-modal junction and corridor route improvements to highways and the Key Route Network across the West Midlands, whilst also investing in road safety and innovative technological infrastructure. These schemes will improve multi-modal connections, reduce barriers to active travel by making our roads safer to use, and address congestion and capacity constraints.

**Strategic rationale:** Resilient networks are key to addressing the transport and economic challenges faced in the West Midlands. This region-wide programme will help our road network to be a better neighbour to our communities through the renewal of aging assets and improved accessibility. Creating new and improved connections will maximise the benefits of nationally significant infrastructure such as HS2. Delivering new multimodal connections and improvements to public transport mean communities will have a viable alternative to private car use and ensure that our residents can access more employment opportunities. Addressing capacity constraints and congestion – particularly for public transport – will support the Government’s ambition for Gear Change, the National Bus Strategy and decarbonisation objectives. Meanwhile, improving road safety will remove barriers to active travel. Investment in the network will keep ahead of a number of high capacity residential and employment sites proposed across the region.

#### Significant schemes within this theme, including funding required from CRSTS

Table 6: Key Schemes – Creating Resilient Networks and Communities

Scheme	Description
A461 Tipton Multi-Modal Corridor – Sandwell £40m	Capacity enhancements, installation of active travel infrastructure and air quality improvement measures. The scheme will also include bus priority measures to address Key Route Network action plan priorities.

Scheme	Description
West Midlands Regional Road Safety Programme £8m	Evidence shows an increase in deaths for vulnerable road users (particularly pedestrians) over the past three years. In order to meet our target of reducing road traffic accidents by 40% up to 2028 we will invest in road safety measures to deliver an accessible, efficient, and safe transport system.
RTCC/UTC Highways Investment Package Phase 2 £17m	Traffic signals and roadside technologies across the region have experienced a legacy of under investment. We will deliver critical roadside infrastructure that keeps traffic moving and supports a cleaner greener transport system. This will make for a more efficient network, and one that can adapt to our dynamic urban environment
West Midlands Key Route Network Enhancement Package £16m	A set of route specific multi-modal solutions to address challenges in areas of persistent inequality, poor public transport accessibility, lacking cycling and active travel facilities and poor road safety. This will support the health and wellbeing of local people, housing and employment growth, as well as the decarbonisation of transport.
West Coast Mainline and M42 Bridge link to HS2 Hub £15m	Creation of a public transport corridor between Birmingham International station and HS2, including a direct link for cycling and walking. Provision of reliable public transport to the Arden Cross and NEC developments including the Health and Innovation Campus.

**Interactions with other programmes:** there are a number of complex interactions with HS2 and related investment, access routes to UK Central, planned capacity improvements to motorways being delivered by National Highways, Sprint bus priority routes, on-street running of the Metro, and local cycle and walking investment programmes.

**Theme 5: Delivering a Green Revolution - £58m funding required from CRSTS**

**Overview:** This programme aims at decarbonising the largest sources of carbon emissions on the road, including cars, LGVs and HGVs. The schemes within this programme focus on research and development, building a robust supply chain for zero emission technologies, and delivering supporting infrastructure to build consumers' confidence in zero-emission vehicles.

**Strategic Rationale:** The schemes within this theme are part of a number of essential steps towards our carbon neutrality target contained in our regional #WM2041 commitment, supporting DfT's Transport Decarbonisation Plan and national carbon zero targets.

The interventions are carefully targeted on the parts of the West Midlands with the most challenging air quality issues (e.g. Key Route Network and major A roads) and where the bulk sources of carbon emissions from cars, LGVs and HGVs occur. Furthermore, the locations of charging stations will be strategically selected such that they provide easy access to other greener modes of transport so as to maximise the decarbonisation potential of all the programmes within this proposal.

These interventions are complemented by schemes that promote modal shift and active travel in other themes, such as the £137m active travel corridors and £27m cycleways scheme under Healthy Streets and Spaces.

Table 7: Key Schemes – Delivering a Green Revolution

Scheme	Description
WM EV Public Chargepoint Fund £10m	A centrally managed fund to support installation of public EV chargepoints in destinations and town centres across West Midlands, alleviating 'range anxiety' for residents and supporting local business and taxi/private hire operators/car clubs. The contribution from CRSTS will allow the region to maximise the decarbonisation opportunities from EVs.
WM ULEV Scheme £7m	Delivery of approximately 1,000 chargepoints over five years at origins particularly in the Black Country where EV take up is low due to only on-street parking being available to most residents.

Through the above two schemes, TfWM aims to deliver 2,000 7-22/50 kW chargepoints by 2025.

Scheme	Description
Ultra-Rapid Charging Transit Stations £14m	The development of 10 Transit Stations aimed at regional transport, located in close proximity to the Key Route Network for the West Midlands. These facilities will provide Ultra Rapid charging targeted at fleets without access to depot charging and own use charging for shared mobility services such as car clubs.
Alternative fuels for freight £10m	Development funding to explore alternative fuels and the infrastructure necessary to decarbonise freight. Through our work with expert academic establishments such as the University of Birmingham and partners such as Midland Connect and National Highways, we will explore the case for increased use of hydrogen and biomethane in the freight transport sector. This work will serve as a pathway towards our longer-term transition to low carbon fuels. In order to support this ambition, we will deliver hydrogen and CNG/LNG refuelling stations.
Gigafactory Links £17m	Essential improvements to London Road, a key corridor to the Coventry Airport site where the Battery Innovation Centre (BIC) and proposed Gigafactory will be located, including a segregated cycle link.

Picture 6: EV Charge Point in West Midlands



### Interactions with other programmes

The programme described above will derive most of its benefits from the uptake of zero emission vehicles which is driven by growing road users' confidence in the technology and availability of supporting infrastructure.

However, making strides towards a green revolution in the West Midlands permeates through our entire CRSTS programme across multiple themes. Modal shift from private vehicles to other greener forms of travel modes such as public transport, cycling and walking are key objectives discussed in earlier themes. The locations of charging stations and their accessibility to other greener modes of transport (e.g. Park and Ride site) are also linked. Across our entire programme we will ensure that we maximise the decarbonisation opportunities from the transition to zero emission vehicles and modal shift.

### Theme 6: Making Behaviour Change Easy - £102m funding required from CRSTS

**Overview:** The programme of investment within this theme will provide a step-change in both the attitude and behaviour of individuals by providing frictionless access to sustainable transport across the region, and innovative new ways of travelling that build on the success of our Future Transport Zone programme.

**Strategic rationale:** The interventions have been carefully selected to encourage more use of public transport, active travel and new forms of mobility, thereby ensuring a viable transport network and supporting our net zero aspirations. This theme builds on West Midlands' recent success in delivering bike hire schemes and e-scooter hire services. In shaping the programme we have used recent work<sup>6</sup> that segmented the WMCA population according to spatial, economic, residential, demographic and transport-related factors. These segments condense the range of needs, preferences, and choices made by residents of the WMCA region, and have supported us to make user-centred decisions to allow us to better map interventions to behaviour, and then to track that behaviour change.

Picture 7: Coventry Very Light Rail – first built vehicle now being tested



Table 8: Key Schemes – Making Behaviour Change Easy

Scheme	Description
Contactless payment broker £20m	TfWM in partnership with Midlands Connect have designed a back-office payment system that aggregates contactless payments across all operators and modes of transport. This 'broker' will enable an integrated best value cap to be applied the end of the day. In doing so, we will

<sup>6</sup> TfWM All Traveller Segmentation Summary Report

Scheme	Description
	capture and utilise greater intelligence and insights about the way that people travel in the region.
Coventry Very Light Rail (VLR) research and development £27m	Funding to progress the research and development to be ready for final deployment, followed by planning and consenting phases, for the first route of this innovative, affordable urban VLR system. This will provide a real alternative to car use and drive modal shift to cleaner and more sustainable forms of transport (see 'Connecting our Places' theme for further details).
Regulatory Sandbox £2m	Creation of a regulatory 'safe space', where new transport technologies and business models can be trialled in real-world conditions to inform policy and regulatory formulation. TfWM will provide guidance, foster collaboration and facilitate certain exemptions. The sandbox will allow agile development of regulatory reform in partnership with industry, and support HMG's Future of Transport Regulatory Review.
Mobility Hubs £22m	A network of highly recognisable physical interchanges that offer a range of connectivity including public, shared active and decarbonised mobility options, together with enhanced facilities and information. Mobility hubs are far more than just transport exchanges – they will provide an opportunity for access to a much wider range of mobility options to support sustainable travel and address air quality issues. They have the potential to revitalise neighbourhoods and town centres, facilitating more social interactions and support stronger local communities and economies. We will consult locally on the design of each hub, so the offering is tailored to the needs of the local community.
Local Network Improvement Plan £22m	A multi-modal West Midlands-wide Network Improvement programme of minor schemes and behaviour change programmes to support Making Behaviour Change Easy. This will be delivered across the seven local authorities and TfWM. Initiatives could include travel demand management support.
Micromobility £5m	Further expansion of micromobility solutions including expansion of the cycle hire scheme, an increase in e-bikes and e-cargo solutions and

Scheme	Description
	exploring other new forms of micromobility. We will roll these offers out across the entire West Midlands region.
Rules of the Road - Fully Digitised Network £4m	Building a fully digitised (and live) view of the network, opening up new opportunities for a wide range of transport from flexible logistics delivery to dynamically managed kerbside use. This is an essential enabler for the widespread use of connected and automated vehicles, and efficient freight and delivery services.

Picture 8: A full-scale Mobility Hub proof of concept being used for community design input



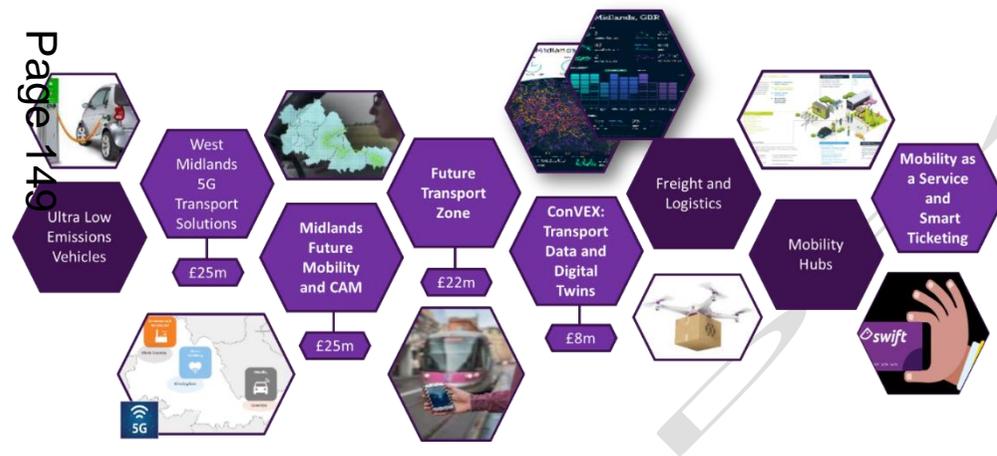
**Interactions with other programmes:** The schemes set out above are part of TfWM's broader portfolio of transport innovation programmes (see Figure 11 below). They will enhance and complement other future transport initiatives within the portfolio that are funded through other routes.

The schemes are intrinsically linked – for example, the Midlands Future Mobility connected and automated mobility testbed is co-located with the 5G testbed for transport trials. Equally, the Regulatory Sandbox will assist with the quick and efficient move from development to delivery of VLR and be supported by a digitised road network.

Layering these initiatives creates a synergy that not only benefits individual initiatives but also sets the West Midlands apart as a region uniquely attractive to investment in transport innovation.

The schemes within this theme will be complemented by TfWM's commitment to spend 1% of each capital scheme budget across our entire portfolio on travel demand management measures to prompt behaviour change, minimise construction disruption and enhance outcomes.

Figure 11: Programme Interactions



## 6 The benefits of our programme

The programme we have developed has been tailored to help deliver against the key outcomes of value for money, growth and productivity, levelling up and decarbonation. We set out below a summary of how we expect the WM CRSTS programme to support each of these objectives.

### Driving growth and productivity at the local and national level

As addressed in [Section 3](#), the strengths of our economy lie in our world-leading automotive and aerospace innovation, green technology, health and life sciences industries and research institutions. However, our economy also faces some challenges – such as increasing inequality, entrenched poverty, youth unemployment, lower skills, poor health outcomes and low educational performance.

It is well established that while a lack of accessibility can constrain and exacerbate these socio-economic challenges, investing in city region transport infrastructure can be a catalyst for growth; driving up the productivity of existing businesses, attracting new and high value economic activity to the region and creating new and better-paid employment opportunities for local residents. Indeed, recent investments in the West Midlands Metro will triple the networks size, linking Wolverhampton and Dudley with the heart of Birmingham City Centre and carrying 30 million passengers per annum, and this unlocking growth and prosperity within the corridor.

Within our proposed CRSTS investment programme, our themes of Connecting our Places, and Supporting Inclusive Growth both focus on driving productivity and net additional growth locally and nationally, as do many projects across the remainder of our investment themes. These two themes represent a minimum circa £869m of growth-focused transport investment over the next 5 years (some 50% of our total CRSTS programme).

Together, this step-change in investment will improve access and connections between workers and businesses across our region; driving productivity both locally and nationally by enhancing business competition, allowing businesses to better match with the right suppliers, customers and employees, and increasing the likelihood that ideas, knowledge and innovations are shared and exchanged throughout the West Midlands economy. Our investment programme will provide some of our major employment locations with access to a deeper and wider pool of skilled labour, and at the same time help to make places and housing more economically viable in key areas; providing people with more freedom to decide where they live and work. This will not only help to attract high value and globally-mobile investment and jobs to the West Midlands, but support existing and new residents to seek out more productive, higher paid employment.

Based on early analysis in the development of our proposed programme, we expect the investment of the type and ambition proposed under our CRSTS programme could **potentially deliver an 11-25% improvement in residents' access to employment by public transport over the next 15 years**. As shown in Figure 12, this is expected to deliver widespread accessibility benefits across the region, and with the greatest improvements within the Birmingham ring road and areas served by new Metro schemes and Birmingham Business Park.

Figure 12: Change in the PT accessibility to jobs relative to the a Do Minimum scenario

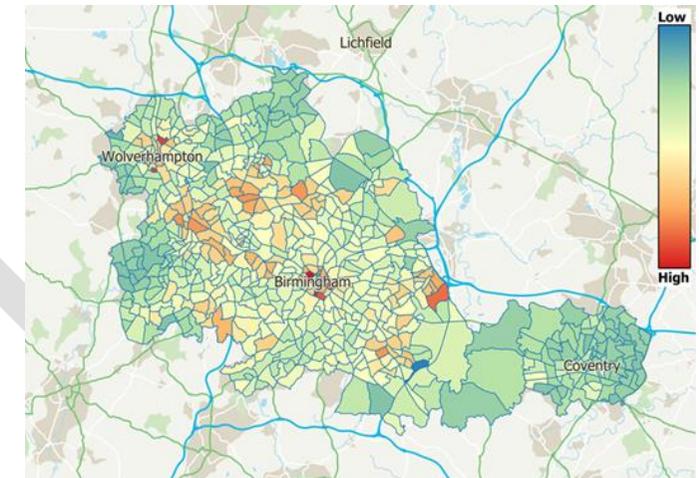
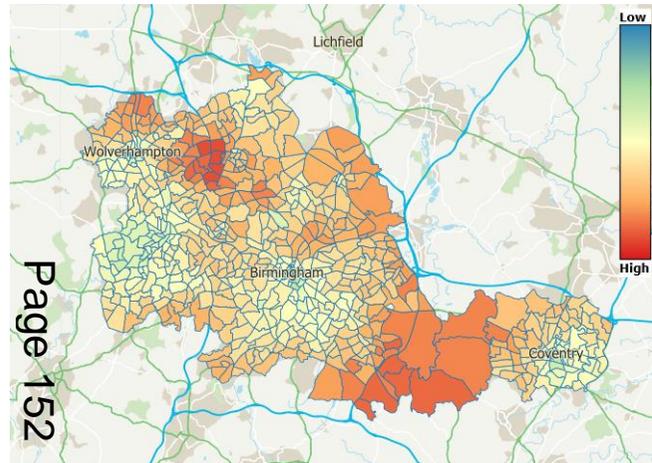


Figure 13 demonstrates how our programmes has the potential to drive growth and productivity by targeting investment which improves access to current and new employment opportunity areas, encourages productivity my improving connectivity with educational institutions, and unlocks innovation and growth in areas with key value and export led sectors.



extending the range that car commuters can travel. However, there is limited public transport service provision, which reduces travel horizons for public transport users. Areas west of Walsall, which do not have local rail or metro connections and must rely on bus as a means of public transport, also show high levels of inequality. The lowest areas of inequality are found within the centre of Birmingham where a high-quality public transport system competes against congested roads.

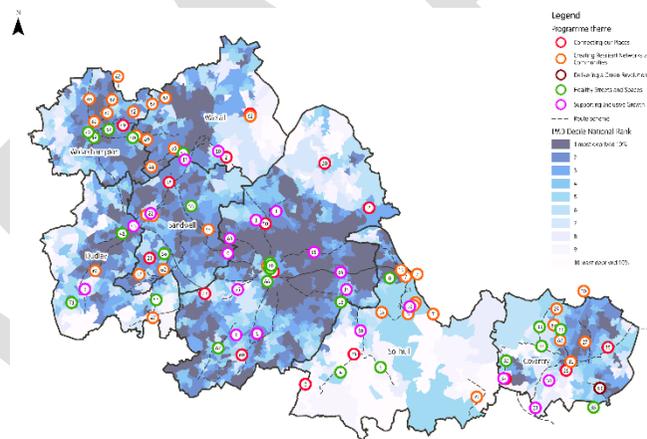
Figure 14: Level of transport inequality



Based on early analysis in the development of our proposed programme, we expect the investment of the type and ambition proposed under our CRSTS programme **could potentially deliver a 2-5% improvement in overall transport equality toward public transport and active travel over the next 15 years.**

Figure 15 demonstrates how our programme has the potential to address the key challenge of levelling up, targeting those underserved and deprived regions such as inner-city communities in Birmingham, Wolverhampton and Walsall, as well as more rural areas of the WMCA. Within these Local Authority areas, the majority of our programme interventions are also concentrated in the LSOAs that have higher levels of deprivation and poor accessibility/employment opportunities. This underscores the fact that not only is the programme itself targeting areas in need of levelling up within the West Midlands, but that significant investment in the region will materially contribute to levelling up the UK economy overall.

Figure 15: Programme interventions by theme, mapped to areas of index of multiple deprivation



Both the Smethwick – Birmingham Inclusive Growth Corridor and Walsall to Wolverhampton Inclusive Growth corridor are key examples of how we will Level Up connectivity and economic prosperity for the areas of our region which are most in need.

The **Smethwick – Birmingham Inclusive Growth Corridor** is home to some of the most deprived and vulnerable communities in the West Midlands. The transport investment package combines a range of sustainable transport measures to increase travel horizons to employment and education opportunities. The additional capacity provided in the corridor will also help to accommodate new housing development and support the economic transformation of the corridor.

The **Walsall to Wolverhampton Inclusive Growth corridor** proposals combine multi-modal transport investment to improve journey time reliability, increase physical activity and boost connectivity for residents in the corridor. The package of measures will unlock housing and enable improved access to employment and education in Wolverhampton and Walsall as well as providing onward connections to improve travel horizons.

## Decarbonising the West Midlands transport network to achieve our Net Zero ambitions

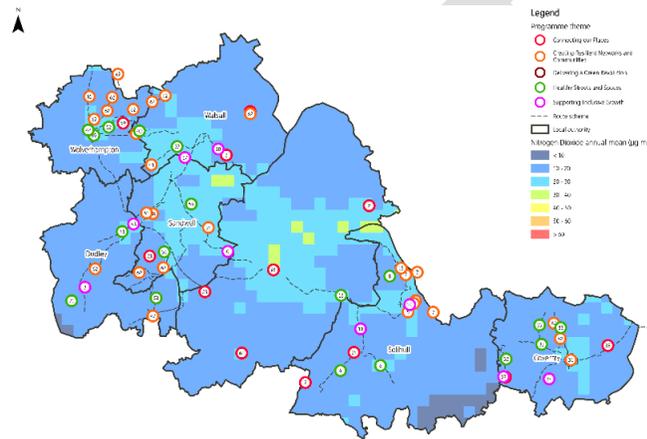
As of 2021, the carbon emissions from cars, LGVs and HGVs across the West Midlands amount to 3.443 MtCO<sub>2</sub>e. Under a business-as-usual scenario, this is predicted to fall to 3.183 MtCO<sub>2</sub>e by 2027 (the end of the funding period). However, this decarbonisation pathway is not sufficient to bring the West Midlands' transport emissions to net zero by 2050, with a significant gap of 2.490 MtCO<sub>2</sub>e at this stage. On top of carbon emissions, road transport is also the main contributor to NOx and PM 2.5 emissions which deteriorate air quality and are detrimental to public health. Hence, there is an urgent need for additional transformative interventions which accelerate decarbonisation via modal shift and switch to zero emission engine sources in vehicles. The CRSTS timeframe is the earliest opportunity to make these interventions and meet our net zero carbon target by 2041.

Our proposed programme reduces carbon emissions and air pollutants (NOx and PM 2.5) by targeting cars, LGVs and HGVs which are the largest contributors by mode and the locations which suffer most from air quality issues in West Midlands as shown on the map in Figure 16. The programmes aim to reduce carbon emissions and air pollutants through the following means:

- Improvement of public transport link and capacity to encourage modal shift from private vehicles to public transport
- Strengthening the links of cycling and walking paths to public transport and other transport hubs to encourage modal shift from private vehicles to active modes of travel
- Improvement of West Midland's Key Route Network to reduce congestion and therefore emissions from idling vehicles on roads
- Encouraging innovation to enable transition to zero emission powertrains for freight lorries

- Provision of EV charging points to build consumers' confidence in adopting EVs.

Figure 16: Programme interventions by theme, mapped to areas levels of Nitrogen Dioxide



**Quantifiable element example:** By 2027, which is the end of funding period, we have estimated that the EV chargers proposed within the programme are able to help drive down emissions to 3.140 MtCO<sub>2</sub>e as opposed to the 3.183 MtCO<sub>2</sub>e baseline. By 2050, we expect that our programme will help drive carbon emissions down to 1.056 MtCO<sub>2</sub>e compared to the baseline which currently stands at 2.490 MtCO<sub>2</sub>e.

Specifically related to the EV infrastructure element of the programme, the social cost of carbon, this will allow us to realise c.£423m (c.£16.9m per year from 2022) in carbon saving benefits by 2050.

### Non-quantifiable (to be quantified as scoping matures):

We expect more carbon-saving benefits can be reaped from the modal-shift-oriented interventions, the impact of which

will be modelled in the near future. Furthermore, with the shift from ICE to zero emission vehicles, we also expect a proportionate reduction in NOx and PM 2.5 emissions to the reduction in carbon emissions.

### Delivering Value for Money

As presented in [section 4](#) and [5](#), our CRSTS programme has been designed to align with key local and national SMART objectives and has gone through a robust sifting process to ensure that we deliver on the key objectives of the programme. This includes ensuring that Value for Money (VfM) is delivered by optimising economic (e.g. travel time, vehicle costs), environmental (e.g. noise, air quality and greenhouse emissions, landscape) and social (e.g. health, safety, accessibility) benefits and costs both locally and nationally, as well as targeting projects that can unlock growth and productivity, contribute to levelling up our economy and society, and decarbonise our transport network.

At this stage, not all projects are designed to a level of maturity where a detailed Business Case and Green Book economic appraisal has been completed. There are, however, a number of key schemes in the programme that are at or are progressing towards this stage.

Table 9 provides a summary of a mix of key schemes, representative across the six themes of our programme. It demonstrates our commitment to both developing and delivering schemes and to optimising our overall programme so that we maximise public value both locally and nationally, and our commitment to testing these outcomes through a robust Green Book compliant business case process.

Table 9: VfM summary of key illustrative schemes across the six CRSTS programme themes

Name	Description	Key benefits	BCR (exl WEBS)
<b>Connecting our Places</b>			
The Solihull Station Hub	The Solihull Station Hub is a major scheme of the UK Central Infrastructure Programme which will contribute to the growth aspirations of the Solihull Town Centre Masterplan, capitalise on the development of HS2 and accommodate the arrival of Sprint. The redevelopment of the existing station intends to maximise passenger experience through improvements in station facilities, by offering comfortable conveniences and improving retail and F&B access. The enhancement of the Solihull station into a modern and integrated transport hub will aim to match the growing passenger demand at the 2050 horizon, to support the growth of seamless multimodal interchanges, and to reinforce the station's landmark character as a key gateway to the Solihull town centre by notably addressing the feeling of distance identified by cyclists and pedestrians.	<ul style="list-style-type: none"> <li>• Journey time savings and quality improvements for commuters and business users through reduced congestion and increased reliability.</li> <li>• Catalysed regeneration proposals and growth aspirations of the Solihull Town Centre and improvements to the townscape.</li> <li>• Improved connectivity and physical activity for active mobilities as well as an increased sense of security and journey experience.</li> <li>• Support of local economic growth by strengthening the reputation and quality of the town centre while complementing the station's surroundings.</li> <li>• Opportunities for biodiversity net gains via opportunities to improve the ecological quality of the site.</li> <li>• Reinforcement of user experience and journey quality through urban realm enhancements and access to convenient station facilities.</li> </ul>	2.2
Aldridge station	The creation of a train station in Aldridge serves the objective of improving the town's rail connections to Birmingham and Walsall, following the station's closure in 1965. With the public transport offer limited to limited bus services, Aldridge has a low share of rail journeys to work in central Birmingham compared to	<ul style="list-style-type: none"> <li>• Improved access to employment and training supporting a shift towards high value jobs.</li> <li>• Reduced congestion, improved times savings and better access to regional economic growth centres.</li> <li>• Strengthened reliability of the public transport offer with positive</li> </ul>	2.2

Name	Description	Key benefits	BCR (exl WEBS)
	<p>North Birmingham towns, resulting in long journeys for residents without car ownership and a geographical spill-over of rail demand to neighbouring train stations.</p> <p>The development of the train station sets the ambition of better integrating Aldridge to regional economic growth prospects, by relying on and contributing to housing developments and improving local access to the regional economic centres of Birmingham and the Black Country. The scheme also aims to abstract car access to other North Birmingham train stations, releasing parking capacity and available seats and enabling further passenger growth.</p>	<p>effects on highway journeys through modal substitution.</p> <ul style="list-style-type: none"> <li>• Increased opportunities for local active mobility.</li> <li>• Reduced emissions in North Birmingham A and local roads.</li> </ul>	
<b>Supporting inclusive growth</b>			
Midland Metro East Birmingham to Solihull Extension	The proposed East Birmingham to Solihull Tramway provides a direct, high-quality public transport service along the Bordesley Green/Meadway corridor, serving not only numerous deprived residential areas but also emerging commercial and entertainment districts in Digbeth, Eastside and UK Central, important local services such as Heartlands Hospital, and key transport interchanges such as Birmingham International and Chelmsley Wood Bus Station. It is the second stage of WMCA's ongoing programme for the expansion of the Midland Metro network, designed to connect workers to employment opportunities across the WMCA.	<ul style="list-style-type: none"> <li>• Journey time savings, journey quality and reliability improvements for both businesses and commuters from rapid transit connections.</li> <li>• Significant Regeneration opportunities from a step change in employment accessibility and amenities.</li> <li>• Agglomeration benefits from increased economic density, reflecting the improved connection between businesses and between workers and employment opportunities.</li> <li>• Physical activity improvement from mode shift from car.</li> </ul>	1.6
Smethwick-Birmingham Inclusive	The A457 forms part of Birmingham's Strategic Highway Network and provides a key arterial route from the	<ul style="list-style-type: none"> <li>• Journey time savings and reduced vehicle operating costs for both business and commuters</li> </ul>	2.3

Name	Description	Key benefits	BCR (exl WEBS)
Growth Corridor Transport Package	<p>Black Country into central Birmingham. The A457 corridor is approximately 2km long and is heavily used by both local and through traffic and forms part of the emergency vehicle route to the M5 Motorway.</p> <p>The improvement scheme removes the carriageway bottleneck through continual links and junctions, improves bus interchange and efficient operation across the links, increases safety at crossings, creates cycling facilities and segregated cycle ways, and kickstarts regeneration through better access, reduced severance and increased and improved amenities e.g. High quality bus shelters located in easy to reach areas.</p>	<p>from as a result of reduced congestion, more efficient bus routing and segregated cycleways.</p> <ul style="list-style-type: none"> <li>Reduced Greenhouse gas emissions as a result of reduced congestion and greater active travel and bus usage.</li> <li>Reduced cost of accidents from improved junction and crossing safety.</li> <li>Improved cycling benefits from enhanced segregated cycleways and facilities.</li> <li>Regeneration opportunity from improved amenity and access.</li> </ul>	
<b>Health Streets and Spaces</b>			
A45 Coventry Road Cycle Scheme	<p>The A45 Coventry Road Cycle Scheme will deliver significant improvements to cycle infrastructure along the length of A45 between Bordesley Circus and the Sheaf Lane/Hobs Moat Road junction in Sheldon, a distance of approximately 7.25km. The A45 corridor is an important connection for Birmingham serving residents and businesses in Digbeth, Sheldon, and Yardley. The route is the key link to East Birmingham and is susceptible to significant congestion as a result.</p> <p>The scheme consists of segregated cycle tracks where possible on the main corridor, priority crossing points and links to existing cycle routes including the Cole Valley and Grand Union Canal. It will encourage more cycling and contribute to providing congestion relief, and a range of environmental and social benefits, including health and safety.</p>	<ul style="list-style-type: none"> <li>Journey time savings and reliability benefits for commuters and business through congestion relief for cyclists.</li> <li>Improvements in air quality, and reduction in carbon emissions from modal shift.</li> <li>Improved journey quality and safety, from improved lighting and reduced casualties from segregated roads, and smooth and comfortable rides.</li> <li>Increased health and reduced absenteeism from active travel, leading to business productivity savings.</li> <li>Improved town scaping and regeneration, improving access to employment opportunities.</li> </ul>	3.3

Name	Description	Key benefits	BCR (exl WEBS)
<b>Creating Resilient Networks and Communities</b>			
A45 Coventry Road / Damson Parkway / Terminal Road Junction Improvement	<p>The improvement of the A45 Coventry Road / Damson Parkway / Terminal Road junction the junction constitutes a strategic point of the Major Road network, currently experiencing significant peak-time congestion (an issue magnified by the proximity to major employers), and offering poor facilities for active modes with a substandard pedestrian footbridge.</p> <p>The improvements will contribute to an upgrading of the existing layout within the highway boundary, increasing public and private transport capacity while developing active modes infrastructure. The scheme intends to address congestion at the junction to improve access to major WMCA employers (JLR, Birmingham airport and the National Exhibition Centre), notably for workers originating from deprived areas of Birmingham and Solihull.</p>	<ul style="list-style-type: none"> <li>Commuter, consumer and business time savings through reduced journey times.</li> <li>Improved journey quality with information provision and reduced risk perception.</li> <li>Increased active travel incentives contributing to physical activity improvements.</li> <li>Wider economic benefits with the accommodation of the anticipated traffic growth catalysed by employment and residential allocations in the local plan.</li> </ul>	3.9
The Coventry North Transport Package	<p>The Coventry North Transport Package encompasses a series of transport interventions (including the Keresley Link Road, the improvements to M6 Junction 3 and accompanying active travel infrastructure) to the north of Coventry which aim to provide the necessary infrastructure to facilitate planned developments and enable future growth in the area. Together the schemes will provide a new route, taking existing orbital journeys away from unsuitable residential areas currently overused, improving the vibrancy of our residential streets and uplifting local communities. They will also provide a key strategic link</p>	<ul style="list-style-type: none"> <li>Improved journey times and reliability and removing barriers to growth, job creation and economic development by improving accessibility in the area to access key employment and housing sites</li> <li>Unlock regeneration and development from increased transport demand and accessibility.</li> <li>Improved linkages between the key employment sites, the University of Warwick and housing developments will assist in developing the north of</li> </ul>	3.6

Name	Description	Key benefits	BCR (exl WEBS)
	between the west and north of Coventry and reduce overall network congestion, improving the health, air quality and lives of the commuters and residents in the area through encouraging active travel.	<p>Coventry as a place where people can live and work.</p> <ul style="list-style-type: none"> <li>• Alleviated pressure on local roads within Coventry, allowing improvements for current and new journeys on other local route and improving local community ambience.</li> <li>• Productivity gains for local commuter and business travellers, as a well as leisure trips.</li> <li>• Freight traffic will benefit from significantly improved journey times with maintained connectivity.</li> </ul>	
<b>Delivering a Green Revolution</b>			
Black Country Ultra Low Vehicle Emissions Strategy (ULEV)	The Black Country Ultra Low Vehicle Emissions Strategy (ULEV), leverages the emergence, growing affordability and utility of electric and low emission technologies to decarbonise and address the environmental and public health issues associated with conventional vehicle usages. The strategy, prioritises an individual, business and council level transition towards electric vehicles with the associated requirements of increasing the number EV charge points and upgrading the energy infrastructure. A central piece of the strategy is the installation of 975 additional EV charging sockets around the Black Country by 2025.	<ul style="list-style-type: none"> <li>• Reduced greenhouse gas emissions and noise from take up of ULEV cars</li> <li>• Business sector benefits based on the growing accessibility of EV generating operational costs savings and growing employment demand on skilled EV infrastructures management and maintenance.</li> <li>• Facilitated investments in the local area by providing EV infrastructure and ensuring that the region aligns with the wider UK transport network.</li> </ul>	3.6- 33.6
<b>Making Behaviour Change Easy</b>			
Smart ticketing scheme	The Broker model Smart ticketing scheme will allow better and more integrated contactless ticketing across	<ul style="list-style-type: none"> <li>• Increased and improved real time passenger information from improved technology and smart</li> </ul>	3.3

Name	Description	Key benefits	BCR (exl WEBS)
(cEMV contactless payment broker)	the West Midlands transport network and include the introduction of an advanced fare system, whilst allowing different operators to maintain their own back offices, Payment Service Providers (PSPs), and ticketing infrastructure investment. This will lead to a more cost and time efficient customer focused network, with fares structured in a way that direct behavioural change towards WM objectives (such as decarbonisation). It will achieve this with minimal cost and disruption for operators and customers by leveraging current operator investments.	<p>ticketing , with passengers being able to adjust to live information.</p> <ul style="list-style-type: none"> <li>• Quicker bus journeys, including reduced waiting times and queuing at bus stops from efficient ticketing and boarding/alighting. Also from more reliable journeys and greater bus frequencies from reduced dwell times.</li> <li>• Environmental improvements from mode shift, as a result of an improved public transport experience.</li> <li>• Amenity/customer satisfaction from smart ticket solutions, including reliability and confidence of being charged correctly, as well as other benefits to customers.</li> <li>• Agglomeration from improved effective economic density, reflecting the improved access to jobs for residents unlocked by an efficient network.</li> <li>• Other benefits such as greater competition between operators, reduced ticket fraud and internal operating efficiencies.</li> </ul>	

## 7 How the programme will be funded

### 7.1 Programme Funding

#### The total funding requirement

As we prepare to enter into negotiations with the department, our £1.7bn ask from CRSTS would, if fully provided, leverage a further £554m of local contributions, which we could raise on the back of this level of investment. This would deliver a £2.3bn programme of transport investment over five years from 2022/3 to 2026/7. The vast majority of the capital costs of the programme are contained and delivered within the CRSTS period and anything that spans past 2027 is limited. We have included where appropriate development funding costs within for strategic schemes. The annual breakdown of the programme by theme is shown in Table 10 below.

Table 10: Per annum total funding requirement for WM CRSTS Programme by theme

Theme	2022/23	2023/24	2024/25	2025/26	2026/27	Total
Supporting Inclusive Growth	£83.4m	£89.6m	£99.0m	£69.0m	£31.3m	<b>£372.2m</b>
Connecting our Places	£42.7m	£334.2m	£145.6m	£190.5m	£168.3m	<b>£881.2m</b>
Healthy Streets and Spaces	£87.7m	£106.2m	£67.1m	£50.6m	£15.3m	<b>£326.8m</b>
Creating Resilient Networks and Communities	£61.6m	£72.2m	£90.6m	£101.6m	£114.2m	<b>£440.2m</b>
Delivering a Green Revolution	£20.5m	£25.5m	£42.5m	£27.0m	£8.4m	<b>£123.9m</b>
Making Behaviour Change Easy	£38.1m	£44.9m	£25.5m	£11.5m	£11.5m	<b>£131.6m</b>
Data & Programmes	£2.6m	£2.6m	£2.6m	£2.6m	£2.6m	<b>£13.0m</b>
<b>Total</b>	<b>£336.6m</b>	<b>£675.2m</b>	<b>472.8m</b>	<b>452.7m</b>	<b>351.7m</b>	<b>£2,289.0m</b>

#### Proposed scale of Government's funding contribution

Table 11 summarises the proposed phasing of funding and split between central government CRSTS contributions and those raised locally.

Table 11: Proposed split of local and central government funding for WM CRSTS

Total Funding Requirement	2022/23	2023/24	2024/25	2025/26	2026/27	Total
<b>Central Government Funding</b>	£288.6m	£446.2m	£337.3m	£354.7m	£308.3m	£1,735.1m
<b>Local Government Funding contribution</b>	£48.0m	£229.0m	£135.5m	£98.0m	£43.4m	£553.9m
<b>Total</b>	<b>£336.6m</b>	<b>£675.2m</b>	<b>472.8m</b>	<b>452.7m</b>	<b>351.7m</b>	<b>£2,289.0m</b>

#### Proposed local funding contribution

In recent years the West Midlands Combined Authority and constituent local authorities have put in place a series of positive progressive measures to generate local revenues for transport – for example Birmingham's Clean Air Zone and bus lane enforcement. These have involved us making some difficult decisions to balance the needs of road users with negative externalities associated with traffic and congestion.

Against this background the WMCA and Local Authorities have together assembled a significant package of funding that commits up to £554m of local contribution towards the CRSTS programme, alongside our £1,735m funding ask of Government net of existing highways maintenance funding of £120m, this amounts to a 34% local contribution comprising locally generated revenue streams, CA borrowing against future farebox revenues, and private sector contributions – wholly additional to Government's contribution.

This is an ambitious package of measures – and materially exceeds even HMG's higher bound range of targeted local contribution for CRSTS. This demonstrates the level of commitment we in the West Midlands have to transport, the endeavour we have made to source local contributions, and the consensus across the CA, local authorities and private enterprise around the essential need for a step change in investment in the West Midlands.

The key components of our local funding contribution over the next five years are:

**Local Authority contributions:** around £210m committed from discretionary local authority revenue streams including:

- £70m earned from the growth in business rates generated within Birmingham City Centre Enterprise Zone, reinvested in a package of initiatives to improve multi-modal access to the zone, cycleways and pedestrian routes
- £15m from Birmingham's new Clean Air Zone and bus lane enforcement to fund the Selly Oak to Longbridge segregated cycle route, and a package of improved signage, cycle parking, the widening of footpaths at district and town centres across Birmingham

- almost £125m match funding against the local network improvement plans funded out of general council budgets.

**West Midlands Combined Authority contributions:** almost £246m of WMCA borrowing, supported by future net operating surpluses from Metro Line 1 and incremental revenues generated from the Birmingham Eastside, Edgbaston, Centenary Square and Wednesbury to Brierley Hill Metro Extensions. This borrowing will be reinvested in the Metro system to fund:

- essential renewals to sustain operations on the (now 20-year old) Line 1 between Wolverhampton and Birmingham
- the completion of the 11km Wednesbury to Brierley Hill metro extension
- the Birmingham Eastside Extension connecting the network to the new HS2 station at Curzon Street.

**Private sector contributions:** almost £98m of contributions from the private sector including:

- section 106 contributions towards vital cycleway and road improvements linking key commercial and residential sites such as the Keresley Sustainable Urban Extension and the Gigafactory development near Coventry
- private operators covering the cost of new vehicles for the next phase of our SPRINT Bus Rapid Transit network
- match funding for 10 new Ultra Rapid Charging Transit Stations, and payments in lieu of the commercial revenues earned through charging.

This package of local measures amounts to a very significant contribution to the overall CRSTS programme. It is contingent on the commitment from Government matching the scale of our ambition for transport investment over the next five years. Together we believe we can deliver almost £2.3bn of new transport investment.

## 7.2 Our fiscal sustainability plan

The Combined Authority's current exposure to revenue and operating risk is limited to its wholly owned subsidiary **Midland Metro Limited** (MML), the operating arm of the Metro system.

Predictably, COVID-19 has had a detrimental impact on passenger numbers – during the most severe periods of the pandemic, passenger numbers decreased to 8% of normal operating levels. However, in recent months, passenger numbers on the Metro have recovered to 70% of pre-pandemic levels largely due to MML's customers typically being in 'blue collar' and 'key worker' industries.

All surpluses generated by MML are re-invested into the network. Indeed, further planned extensions to Edgbaston, the HS2 site and the Black Country will in part be supported by

borrowing WMCA plans to undertake secured against farebox takings from the significantly expanded route.

The borrowing projections are underpinned by a detailed financial model which extrapolates out the MML business plan costs and revenues to determine an affordable level of borrowing. This financial model is continually refined and reviewed to reflect the latest forward forecasts for interest rates, inflation, passenger numbers and variances in the capital costs of the investment. The match funding referenced in the previous section refers to borrowing which WMCA has agreed to undertake – the actual value of match funding will be subject to the latest outputs of the financial model at the point the investment decision needs to be made but the principle that all operating surpluses are invested into the network holds true.

The only other significant scheme involving revenue and operating risk is the **Coventry Very Light Rail Route One**. Demand modelling estimates strong ridership on the proposed route through the City centre – on this basis we expect the scheme to be financially sustainable, operating on a commercial basis without the need for financial subsidy. Potential commercial partnerships are being explored as the R&D phase of the project progresses and the project partners look to move into the operational phase, with continued strong interest in the project from both public and private sectors in the UK and beyond.

Ongoing revenue costs for the remaining projects are expected to be met through local resources and that will be properly assessed and established as the schemes progress through the assurance stages.

## 7.3 Alignment with other funding programmes

The CRSTS programme is central to a wider and more complex overall Transport Investment Programme for the West Midlands. The programme themes within it have been co-developed with the overarching delivery themes for our refreshed Local Transport Plan and are one and the same approach. Our recently submitted Active Travel bids and developing Bus Service Improvement Plan submission sit seamless within these themes. There is no duplication of asks between them.

All of the active travel schemes are incremental to each other – focusing on delivering whole corridor benefit and are physically mapped and designed alongside all other interventions (committed and planned) in that corridor. This is typical example of our programme design philosophy, which will be fully codified and adopted as part of our refreshed Local Transport Plan. This will be explicitly set out in the series of four Area Based Delivery and Implementation Strategies which will focus on the interpretation of the overarching LTP policies and strategies into a 10-year detailed and prioritised area-based delivery plan. They will set out the order and phasing of schemes over this period, relative priorities for road space allocation and detailed interaction of schemes with housing, land and wider regeneration policies. TfWM will draw these up under a common framework, but working hand and glove with each relevant Local Authority who will lead the development of the content.

Our BSIP proposals also twin with the CRSTS and active travel proposals – with the same approach to integrated planning. Within CRSTS we are bringing forward a series of multi-modal corridors that will deliver targeted road space re-allocation to support bus and active travel, as well as addressing key pinch points which compromise overall public transport reliability. We will enhance our bus-based park and ride offer, strengthen the key bus based rapid transit corridors that are at the heart of our overarching network strategy and focus on key multi-mode interchange points. In addition to the over £700m of bus related schemes within CRSTS, it will deliver a step change in the first-last mile solutions needed to support a viable bus network as well as enhance the rail based mass transit solutions which can take pressure off our most congested bus corridors.

In tandem to CRSTS, our BSIP submission will focus on improving the quality of the vehicles, further targeted road space reallocation for buses, service reform and moving us more fully towards a sustainable financial footing for bus services in the West Midlands. Together both BSIP and CRSTS will enable us to recover fare box revenues and patronage and move beyond pre-COVID design conceit for the public transport system towards a new integrated approach which blends demand responsive, micromobility, mass transit and conventional bus planning in order to achieve a truly compelling alternative to private single occupancy car use. This will include greater integration of existing public transport modes as well as the development of new ones, including physical integration as well as ticketing and timetabling.

There is limited transport content in the Region's Levelling-up Fund submissions, with notable exception of the WMCA's own submission for the Metro Depot (£50m). This is not replicated in the CRSTS and is absolutely required as set out in that submission and business case. If not funded it would become a further pressure on the CRSTS programme, with consequent impacts on ambition and outcomes set out in this submission.

We recognise that CRSTS could be viewed as a positive step towards a truly integrated single multi-year consolidated funding approach. With this in mind we have been careful to include some contribution towards critical activities which we anticipated will be mostly funded from other national funding pots, including Local Large Majors, Major Road Network funding and Midlands Rail Hub. If HMG is to require local contributions to these schemes and funding sources it is important to appreciate that given the consolidated nature of the current CRSTS programme scope it will be the main source for any such local contribution to these pots. Whilst we have been able to assemble a very strong local contribution element against the CRSTS scheme, this is drawn from schemes which have very direct and immediate physical relationship to development sites and regeneration schemes. In contrast, whilst utterly essential, the broader strategic nature of these other funds means a different approach is required – hence inclusion of this in the CRSTS proposed CRSTS programme.

Looking more widely than transport, there is direct synergy with investment in the wider WMCA Investment programme and across HMG Department priorities.

Alignment with existing funding has been our building block for this, including:

- **HS2:** The West Midlands has a longstanding commitment and programme of activity aimed at maximising the economic benefits of HS2 for the region. The programme of interventions presented in this prospectus includes a number of key components our HS2 Connectivity Package including the second phase of the Sprint Bus Rapid Transit scheme, serving both HS2 stations, and the development of the East Birmingham/North Solihull Metro route which would directly connect local communities with the economic growth opportunities planned around each HS2 Station. In addition, the programme includes a number of interventions focused on improving sustainable access directly to and around the stations for walking, cycling and public transport in the form of enhancements to the urban realm.
- **Commonwealth Games:** As well as being ready to showcase the best of the UK in Summer 2022 our CRSTS delivery programme will build on committed investment by DCMS in and around Perry Barr, including £165m of HIF funding for the planned housing development area.
- **West Midlands 5G:** The digital and comms agenda is critical to the success of the West Midlands as well as its transport. Digital provides an opportunity for improved and avoided travel. An extensive c£18m programme pathfinder programme for 5G applications is being successfully delivered in partnership with DCMS, with technology and learning being directly exploited in various forms within the CRSTS programmes, including phase 2 of the Regional Transport Coordination centre.
- **Priority Sites Land Fund:** A £100m programme funded by (HMCLG) will be supported by the direct alignment of CRSTS schemes with key growth corridors – allowing broader network capacity and enhancements to come forward so that site specific regeneration can be maximised within the immediate direct community and environment.
- **Brownfield Fund:** A £84m programme aimed at unlocking stalled brownfield housing sites funded by (HMCLG/HMT) which aligns directly with CRSTS proposals for complementary transport interventions included in our Inclusive Growth Corridors and Connecting our Places programmes (Smethwick/Icknield, Dudley to Sandwell, Walsall to Wolverhampton).
- **Adult Education & Digital Skills:** A total existing budget of £132m in 21/22 and going forward will be aligned wherever possible to support CRSTS and transport objectives, and vice versa. Recent examples of this include initiatives to support issues in the freight and logistics sector with support to re-train and upskill drivers to address the current chronic shortage of HGV drivers; support into the AME supply chain which is also critical to servicing and operations and a TfWM lead Transport Skills Academy which is tackling industry wide skills shortages in intelligent transport systems.
- **Town Centres Fund:** Our £138m programme will deliver benefits into Wolverhampton, West Bromwich, Smethwick and Rowley centres and will be directly supported by the accessibility enhancements bought forward under the CRSTS programme.

- **Coventry Electric Bus:** A significant £128m project (including £87.5m private investment) will transform carbon footprint of public transport across Coventry and Solihull. Investment via CRSTS and BSIP will re-enforce this to ensure that service reliability, quality is maintained and further improved, and that it is easier than ever to get to use the bus through improved interchange and first/last mile solutions.

#### Alignment to Net Zero

Partners in the region have agreed plans to reach net zero by 2041, with a detailed five year plan for reducing emissions across housing, transport, and industry. We have built the industry partnerships and delivery capacity to accelerate progress on the Government's green industrial revolution, demonstrating how local partnerships can be part of reaching national targets:

- **Giga factory** - Securing a Gigafactory in the West Midlands has been identified as vital for the continued success of the automotive industry, creating thousands of green jobs, attracting up to £2bn of investment, and supporting the drive for Net Zero. Coventry City Council has entered a Joint Venture partnership with Coventry Airport Ltd to develop proposals for a Gigafactory at Coventry Airport. The public-private partnership represents a game-changing initiative in the UK's pursuit of a Gigafactory, and further strengthens the West Midlands' attraction for battery suppliers. CRSTS will directly support this endeavour, through highways and sustainable access improvements to the site, further underlining our commitment to it.
- **Energy Devolution** – We are working with the Energy Systems Catapult to accelerate housing and commercial land development and progress to Net Zero through local powers over the energy system - specifically a Local Area Energy Plan, Regional Energy Systems Operator, and Energy Innovation Zones. The West Midlands can act as a testbed for new approaches that could be replicated nationally, given limited experimentation in this area to date. Regionally we have kick-started this with a series of Energy Innovation Zones, robustly evidenced plans for our infrastructure needs for transport and proactive partnership forum with industry and grid partners managed through our Energy Capital organisation.
- **Retrofit** – working with the Government to deliver its retrofit revolution, accelerating progress by bringing together partners across the public and private sector and aligning with skills and training provision, underpinned by the devolution of a portion of existing funds in BEIS to match with locally held funds for housing and regeneration.
- **EV Charging** – Continuing to work with OZEV through our local authorities to continually improve the infrastructure for residential on-street provision and niche applications, CRSTS will also boost this agenda by delivering an ultra-rapid charging spine and increased delivery rates of charging points in the areas that need them most. The West Midlands, despite being at the centre of the UK remains behind the curve in delivery in this space and CRSTS is central to addressing this.

#### Supporting Growth and Enterprise

Prior to the pandemic we were demonstrating remarkable progress to drive economic growth – increasing FDI to the highest levels outside London between 2017 and 2021 and leveraging translational research centres like the UK Battery Industrialisation Centre, National Brownfield Institute, and the Advanced Manufacturing Catapult based at Warwick Manufacturing Group. We can go further and faster towards a rapid recovery by building on that approach set out above to align funding streams and build further levers to our ambitious economic plans. This will **strengthen our approach to Innovation** (critical in transport with the emergence of new modes and technology); **build FDI Incentives and Trade initiatives** (leveraging assets include the £21m Commonwealth Game Business and Tourism Programme); **develop a Regional SME Investment Fund** (to close the SME investment gap between the West Midlands and South East); and **accelerate Digital Infrastructure** (building on the success of WM5G).

# 8 How we will deliver at pace and scale

## Introduction

The delivery of the CRSTS programme will build on the WMCA’s robust and well-established governance and decision-making process for transport investments. This has been developed and strengthened following the agreement of our two devolution deals in 2015 and 2017, and during delivery of our £8 billion 30-year Investment Programme.

We have been working hard since last year to refresh and enhance our processes in anticipation of CRSTS, with wholly new Assurance, Risk Management and Monitoring & Evaluation frameworks and capabilities now in place that are fit for purpose given the scale of investment over the next five years. Indeed, the independent review of our capability and capacity conducted earlier this year for HM Treasury pointed to strong alignment between investments and regional strategies, consistent delivery and programme management, and strong governance and assurance processes.

## Local delivery capacity

The WMCA, TfWM and their pre-cursors (the West Midlands Public Transport Authority and Passenger Transport Executive) have a delivery track record spanning several decades. The skills, processes and mechanisms we now have in place have been refined and strengthened over many successfully delivered small and large-scale capital projects. Our current and recent project experience include:

- West Side Extension (£150m) to Centenary Square (opened in 2019) and on to Edgbaston (opening in 2021) - the Midland Metro Alliance (WMCA, a consortium of engineering design teams and a contractor) have delivered the first extension to Centenary Square ahead of schedule and are currently delivering two more extensions. This rolling programme has reduced our procurement risk and allowed us to embed deep expertise. As a result, the Line 1 renewals will be ready to progress as soon as further funding is secured.
- Sprint Phase 1 – due to complete in spring 2022, ahead of the Commonwealth Games. It is critical that the small but highly skilled (and sought-after) Phase 1 delivery team are transitioned smoothly and efficiently to Phase 2 of the Sprint programme. Securing funding and retaining key members of the team will save significant time and cost. Securing funding and retaining key members of the team will save significant time and cost.
- West Midlands Rail Programme – two stations at University and Perry Barr are in delivery and due to open in advance of the Commonwealth Games. Both these

projects have been externally audited and received positive assessments. We are applying the lessons learned to our other projects in the programme – for example through the implementation of progressive assurance on the University project, which has substantially improved the schedule without compromising quality. Maintaining a strong pipeline of work will be vital in ensuring that the West Midlands builds on this existing experience and capability.

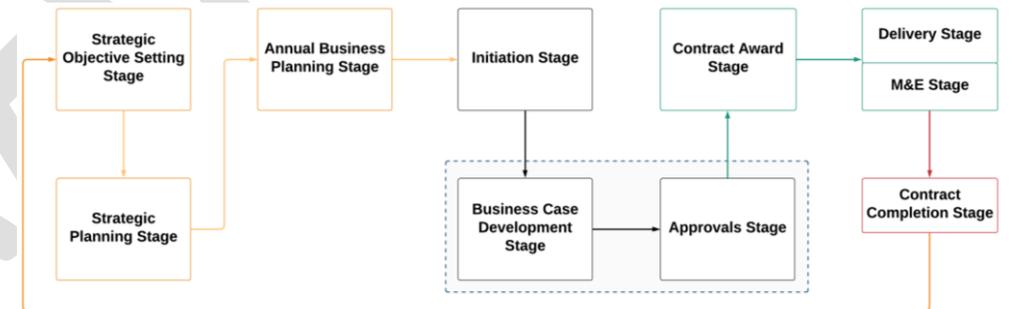
We also commit to spending 1% of each capital scheme on capitalisable Travel Demand Management measures drive desirable behavioural change and maximise scheme benefits.

## How we will allocate funding within the programme

At the heart of our process to allocate public funding is the West Midlands Single Assurance Framework (SAF). This applies to all capital proposals and ensures consistency of approach, standards, appraisal, assurance and decision-making across all funding pots. Our internal framework will be supplemented with any CRSTS-specific HMG conditions or oversight processes.

The various stages associated with the Assurance Framework are detailed below in Figure 17 – the Initiation Stage is the first key stage of development following the strategic planning process.

Figure 17: Strategic planning process



At a programme level, the WMCA Board has approved the overarching West Midlands CRSTS schedule, and will re-approve at each annual review and programme update. West Midlands Strategic Transport Officers (STOG) and Finance Directors will provide monthly oversight of the programme. The quarterly Strategic Transport Board (STB), attended by Local Authority transport portfolio holders and chaired by the leader of Birmingham City Council, will provide further strategic direction and advice to the WMCA Transport Portfolio Leader and the Mayor on any material changes to the programme or allocations of funding.

Individual schemes within CRSTS will proceed through the appropriate WMCA assurance route. At the final business case stage the funding level will be determined and then released in increments based on agreed milestones with monthly financial progress returns. Allocations for maintenance and the Local Network Improvement Programme (LNIP) will be confirmed annually

Local authority sponsors/promoters will be responsible for the delivery of individual projects and will apply their own processes for delivering these. For example, projects delivered as part of the UK Central Infrastructure Programme will be governed by the UK Central and Solihull Metropolitan Borough Council Project Management Framework and associated gateway assurance process.

Local authorities will be required to cover their own overspends. The CRSTS programme will be considered the funder of last resort. Any scheme underspends will be returned to the regional fund for use against over programming priorities. Although unlikely, should scheme funding be required beyond 2026/27 (e.g. Metro-related schemes) we will look to work in partnership with DfT to minimise overspends and co-develop plans to ensure they are brought forward in a sustainable manner.

Given the breadth and scale of projects completed and currently being delivered by the WMCA, TfWM and the Midland Metro Alliance, we are confident that we have the capacity and capability in place to meet the challenge of delivering a programme of investment on the scale of CRSTS.

Individual Local Authorities in the West Midlands also have extensive experience of delivering local road, bus, interchange and active travel schemes. Examples include:

- **Lode Lane Route Enhancement** (£4.7m, SMBC): a package of route improvements including bus and cycle lanes, bus priority signals, cycle crossing facilities and bus stop improvements. The project was completed in Autumn 2016 on time and on budget.
- **A45 Coventry Road South Bridge** (£10m, SMBC): a replacement three-lane road-over-rail bridge used

by around 30,000 vehicles a day. To minimise disruption to road users, part of the new bridge was built next to the old bridge to carry traffic while the old bridge was demolished. SMBC worked in partnership with a range of stakeholders to minimise disruption. The project won the 'Outstanding Project' category in the UK Rail Industry Awards 2016 and the Celebrating Construction 2017 West Midlands Project of the Year for Civil Engineering.

- **Ashted Circus** (£8.1m, BCC): new traffic signal-controlled junctions on the Ring Road in Birmingham as well as enhanced facilities for pedestrians and cyclists and improved access to the Enterprise Zone in Birmingham. The scheme has improved connectivity and reduced congestion levels – and was delivered below its allocated budget.
- **Selly Oak New Road** (£xx, BCC): the construction of a new road through existing railway and canal embankments to the south of University Station, Selly Oak. A 'two-bridge' option was selected based on risk, whole life cost and design aesthetics. Public and stakeholder feedback has been very complimentary and the scheme has won numerous industry awards.

### Our approach to risk management

In the initial years of the CRSTS five-year settlement we have focussed on a substantial programme of smaller and more mature interventions around active travel, asset improvement, first/last mile and EV/de-carbonisation activity. The larger and more complex projects should reach delivery in the last few years of the five-year period. We believe this approach means our programme is inherently lower risk. It balances the need to deliver real benefits right from the outset, with the prudent approach of working up scheme business plans to a high degree of maturity so that they may be successfully delivered later in the schedule.

At a programme level, the WMCA's newly developed Strategic Risk Management Framework (SRMF) will apply to CRSTS. This sets the foundations upon which project,

programme, portfolio, operational and strategic risks are identified, and provides a consistent approach through its universal scoring and escalation models. The roll-out of the SRMF is underway and will be reviewed at least once a year to ensure it evolves with the changing WMCA risk landscape.

At a scheme level, all approvals via SAF above £1 million are subjected to our well-established Risk & Investment Appraisal. One of our Risk Appraisers will analyse the business case to assess the risks associated with delivery, costs, timing and funding. They will then provide a Risk Profile Report that sets out the financial, regulatory, investment, reputational and other risks, and proposed risk mitigations, to help inform decision-makers when approving business cases.

Having identified the risks, annual monitoring will be put in place in line with the WMCA Performance Management Framework, both at the project and programme level [see M&E section below].

### Our approach to consultation and local engagement to support delivery

**Engagement with the public** is an essential part of the design and delivery of TfWM's services. Activities cover everything from surveys tracking the performance of the transport system, to gathering feedback on new transport policy and strategy or commenting on major infrastructure proposals such as Sprint. We have used this information to shape the CRSTS transport programme.

We have surveyed over 12,000 residents over five phases of engagement relating to travel behaviours during and after the pandemic. Separately, our quarterly *Travel Trends and Behaviours Tracking Survey* (TTABS) monitors travel patterns amongst local residents and their opinions on different modes of travel.

The pandemic has accelerated the use of digital platforms to engage with the public. Our *Keeping the West Midlands Moving* initiative is a thriving online community of over 1,000 residents who share their views on key transport issues. *Commonplace*, an independent online engagement platform, allows residents to give their views Active Travel Fund proposals.

For individual schemes, detailed and comprehensive stakeholder engagement processes will be (or have already been) followed for development and approval – including extensive consultation with political and civic leaders, alongside statutory consultees, contractors and delivery partners. For example, as part of designing, refining and obtaining planning permission for the Metro expansions, a number of consultation exercises were undertaken which met and exceeded statutory requirements for obtaining all necessary planning consents.

**Engagement with constituent local authorities** on oversight of highways is via our well-established Highways Infrastructure Managers Group. This forum allows sharing of data, asset management and renewal plans and winter service plans in an open environment. This collaborative effort supports our ambition for a well-managed, well-maintained and fit for the future highways network.

We have also significant levels of engagement with local constituents through our work on the Key Route Network. The local authorities have been at the forefront of supporting the development of regional action plans through regular and sustained dialogue. The development and opening of the regional transport coordination centre has attracted significant support from local authorities. Further, the inclusion of regional delivery packages in CRSTS has been supported through our regional road safety partnership and our strategic transport leads from across all local authorities.

### How we will monitor and evaluate the success of our programme

The West Midlands has a well-developed Monitoring & Evaluation (M&E) capability that builds on requirements from the 2017 Devolution Deal to provide evidence to central government about how money is being spent and what is being achieved. Indeed, a recent independent review for HM Treasury commended the WMCA on having strengthened our processes over time through a culture of learning from previous projects.

TfWM has developed a single overarching M&E Framework for transport, based on HM Treasury Green Book and Magenta Book standards for appraisal and evaluation, and

encapsulating the WMCA Performance Management Framework for measuring successful outcomes.

As applied to CRSTS, our M&E Framework will support the prioritisation of public spend within the agreed funding envelope, assess accountability for delivering benefits, build knowledge and deliver efficiencies. The Framework will apply at two interconnected levels:

- The programme as a whole: annual monitoring will be undertaken to assess progress in relation to agreed targets so that WMCA and HMG are clear on the impact of the CRSTS programme in achieving our stated ambitions.
- Individual schemes: the ninth and final stage of our project gateway model requires completion of a Lessons Learned report, providing a complete picture of the project's performance against planned activities and deliverables. The findings are used to inform future planning and development, driving continuous improvement. A good example of this is the Darlaston SDA Access Project delivered by Walsall Metropolitan Borough Council. The post-opening evaluation report noted a positive impact across a range of outcomes, and estimated a benefit-cost ratio of 4.2.

For this purpose we have set aside 0.5% of total CRSTS funding, amounting to £6m over five years.





## WMCA Board

<b>Date</b>	17 September 2021
<b>Report title</b>	Zero Emission Bus Regional Area Scheme 2021/22 - Phase 2 Full Business Case
<b>Portfolio Lead</b>	Transport - Councillor Ian Ward
<b>Accountable Chief Executive</b>	Anne Shaw, Interim Managing Director, Transport for West Midlands email: anne.shaw@tfwm.org.uk
<b>Accountable Employee</b>	Pete Bond, Director of Integrated Transport Services, Transport for West Midlands email: pete.bond@tfwm.org.uk
<b>Report has been considered by</b>	Transport for West Midlands Leadership Team Decision Making WMCA Strategic Leadership Team Strategic Transport Officers Group WMCA Programme Board and Investment Panel

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

#### The WMCA Board is recommended to:

- (1) Endorse the submission of the Full Business Case (FBC) from TfWM to the DfT on behalf of the WMCA for the grant funding under the Government's Phase 2 of the Zero Emission Bus Regional Areas (ZEBRA) 2021-2022 competition.
- (2) Note the estimated cost of the project which is inclusive of the £54.9 million funding from Government.
- (3) Note that the WMCA are the accountable body for the entirety of the funding package and any costs above the funding from the Department for Transport.

- (4) Note that the scope and delivery of the project continues to be refined and that the risks to scope and delivery uncertainty are mitigated by the project's risk management strategy.
- (5) Note that in the event of a successful bid to Government and an offer of funding from the DfT that an emergency WMCA Board will be called to review the project risks and provide guidance to officers on a decision to accept the terms and conditions of funding set out by Government, and a decision as to the acceptance of any proposed funding itself.

## **1. Purpose**

- 1.1 The purpose of this report is to present the Full Business Case submitted to Government on 20<sup>th</sup> August 2021, under Phase 2 of the Zero Emission Bus Regional Areas (ZEBRA) 2021-2022 competition. The submission was highlighted to the WMCA in the Financial Monitoring Report of the previous WMCA Board.

## **2. Background**

- 2.1 On the 30<sup>th</sup> March 2021, the Department for Transport (DfT) invited Local Transport Authorities in England (outside London), to submit expressions of interest in receiving funding to become a Zero Emission Bus Regional Area - a placed-based scheme that will allow areas, led by local transport authorities, working in close partnership with bus operators, to bring forward zero emission bus proposals. The scheme supports the wider government commitments to Net Zero, and plans to decarbonise the transport system, which will be set out in the forthcoming Transport Decarbonisation Plan, and levelling up. ZEBRA includes a number of key aims:

- To support the government's commitment to decarbonisation and to reduce the transport sector's contributions to CO<sub>2</sub> emissions;
- To support the roll-out of the 4,000 zero emission buses that the Government committed to in February 2020;
- To support bus manufacturers in the development of zero emission technology;
- To support partnership working between Local Transport Authorities, bus operators, and other local stakeholders as set out in the National Bus Strategy;
- To understand better the challenges of introducing zero emission buses and supporting infrastructure to inform future government support for zero emission buses.

- 2.2 In May 2021, Transport for West Midlands submitted an Expressions of Interest (EOI) on behalf of the WMCA to the ZEBRA Phase 1 fast track process. On 24<sup>th</sup> June 2021, the DfT advised that our Phase 1 EOI had been shortlisted to be taken forward to Phase 2 Full Business Case, alongside 5 other local transport authorities. The business case has been developed following HM Treasury's Green Book, DfT's Transport Analysis Guidance (TAG) and Value for Money Framework and WMCA's Single Assurance Framework.

- 2.3 The West Midlands bid includes the most ambitious hydrogen bus project ever seen and if approved by Government and WMCA Board, over the next 2 years the project will see 200 new hydrogen double deck buses and 24 articulated hydrogen buses come into operation in all parts of the region with the exception of Coventry (that was successful to be the UK's first all-electric bus city in March 2021); 7 electric single deck buses on subsidised bus services in Wolverhampton, as well as a new pantograph at Bilston bus station and hydrogen refuelling at 2 bus depots in the West Midlands.
- 2.4 As this project is a globally leading opportunity it should be emphasised that this will directly support regional and national priorities. There are both benefits and risks associated with the delivery of this project and it should be noted that during the two-year delivery period there may be changes that require the delivery approach to be reviewed and is not without risks.
- 2.5 The table below sets out those key issues and risks that have been identified at the Phase 2 FBC stage; as well as proposed means of mitigation to address such matters.

Risk	Details / Mitigation
Infrastructure investment into commercial premises risks raising the barrier to entry for other operators, further incentivising market protection or distortion and preventing WMCA from creating competition.	Clarity from operators that hydrogen supplies and fuelling will be open to all or additional bus operators.
Commercial operators greening the fleet using public funds at time when the bus network is also dependent upon Government subsidy may reduce the options available to the WMCA as part of the post Covid bus recovery within the National Bus Strategy. In the case of a change of structure/ownership of either the leaseco or the operator, the assets may no longer be available to the region.	Clarity from operators that in the event of the regulatory environment changing to a franchise model that the lease agreements on any depot which houses the hydrogen fuelling and applicable hydrogen bus vehicle fleet will pass to TfWM (through WMCA) at market valuation for the remainder of their lifespan. In the event of no-change in the regulatory landscape also seek assurances of the buses remaining in the West Midlands regardless of ownership of the businesses.
The ZEBRA funding requires the WMCA to lead one co-ordinated bid and TfWM would be obliged to ensure that the competitive grant application process considers all operators and is compliant with all elements of the law. This is a key component for any LTA that cannot be circumnavigated.	Ensure there is a clear process plan and timeline mapped out to show the requirements, the dependencies, and the objectives of any competitive grant application process. Ensure that it is well communicated and understood in the political community, the operator community, the supplier and stakeholder community and the project teams.
The risk that the scaling up of a green hydrogen fuelled fleet of buses could cause unforeseen technical and/or financial issues that impact the ability of the operator to maintain the network coverage and assure	The WMCA will seek assurances from operators, where necessary that financial risks associated with the bid will be supported by a Parent Company Guarantee to ensure that the local operating business

fare (ticket price) commitments. The limited maturity of this market means that risks remain which some partners and suppliers are confident about. The risk to the project and future network is the impacts could result in the need for higher fares or greater subsidy from the LTA and compromise the bus recovery plan, and the longer-term bus network of the region as this is 15% of our largest bus operator's overall fleet.	cannot expose TfWM (and therefore the WMCA) to greater financial risk, and ensure a clear legal agreement backs off the risk imposed on the WMCA by Government, is passported on to the businesses promoting the proposals.
The risk of the WMCA being accountable for the risk associated with the delivery of the project without any budget or contingency directly committed as part of this bid.	This will have to be mitigated through funding and legal agreements with bus operators and suppliers, as well as bids for zero emission infrastructure to other available funding sources such as CRSTS and BSIP.
<p>Further detailed risks being mitigated include:</p> <ul style="list-style-type: none"> <li>• Delivering the Sprint objectives effectively on time</li> <li>• Ensuring the buses are reliable and have an effective lifespan</li> <li>• Ensuring infrastructure delivery is not affected by planning permission challenges</li> <li>• Ensuring TfWM and delivery partners have effective resource and expertise to deliver this complex world leading project</li> <li>• Does not result in the operator seeking additional funding through other LTA funding sources to deliver the vehicle commitments</li> </ul>	

### 3. Financial Implications

3.1 The overall funding and spend for the project can be summarised as follows:

<b>Funding Source (£m)</b>	<b>Vehicles</b>	<b>Depot infrastructure</b>	<b>Project Management and Contingency</b>	<b>Total</b>
Department for Transport	42.9	12.0	-	<b>54.9</b>
WMCA	1.6	0.2	1.0	<b>2.8</b>
Operators	87.3	3.8	-	<b>91.1</b>
<b>Total</b>	<b>131.8</b>	<b>16.0</b>	<b>1.0</b>	<b>148.8</b>

3.2 The Department for Transport would provide a capital grant of £54.9 million towards the required upgrades to vehicles and infrastructure, subject to WMCA being successful in the Phase 2 competition. The remainder of costs are funded by commercial operators and WMCA. The commercial operators will be required to fund 25% of the additional costs for hydrogen vehicles over diesel vehicles and the diesel vehicle equivalent costs, as well as 25% of the associated depot refuelling facilities, totalling £91.1 million.

- 3.3 WMCA funding of £2.8m relates to the electric bus element of the bid and will be required to fund the additional costs in a similar way to the commercial operators. The costs for the vehicles for supported services are to be revenue funded and will use existing funding of £1.8 million in the 2021/22 budget and Medium-Term Financial Plan for current supported services and planned upgrades to diesel vehicles from Euro IV to Euro VI engines for this purpose. £1million relates to project management costs associated with delivering activity on this grant including project delivery staffing, technical expertise, finance, legal, assurance and monitoring & evaluation. This will also be funded through existing funding in the 2021/22 budget and Medium-Term Financial Plan.
- 3.4 There are no additional financial risks as a result of this submission and the approval of the FBC, other than those raised elsewhere in the paper. Full financial comments will be provided to the WMCA based on any proposed funding offer from Government, and the terms and conditions associated with that funding as set out in the recommendations of this report.

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

- 4.1 The West Midlands Combined Authority (**WMCA**) was statutorily created by virtue of the West Midlands Combined Authority Order 2016 (SI 2016/653) (Order) as enacted under the Local Democracy Economic Development and Construction Act 2009 (**LDEDC 2009**). This resulted in powers being inherited and transferred to the WMCA by virtue of the terms of the Order, including those set out in the Local Transport Act 2008 (**LTA 2008**).
- 4.2 Given the above; as the appropriate Combined Authority, as well as the applicable local transport authority, the WMCA and consequently de facto TfWM is statutorily eligible to apply for the funding identified within section 1 of the recommendations in this report.
- 4.3 In addition to the above, save as otherwise set out in relation to matters within the accompanying ZEBRA 2021-2022 Full Business Case (referred to within paragraph 9 (Schedule of background papers) of this report), there are no other direct legal implications that arise in respect of sections (1) – (5) of the recommendations of this report.

#### **5. Equalities Implications**

- 5.1 Equalities Impact Assessment has been undertaken by the project which identify and address key equality issues and their mitigating measures. This project provides a positive impact on young people, minority ethnic groups, disabled people and other protected groups, as well as lower socio-economic groups, who are more likely to rely on the bus network to access education, employment and other opportunities.

## **6. Inclusive Growth Implications**

- 6.1 The investment in new zero emission vehicles and associated infrastructure will be positive for inclusive in the West Midlands by supporting the following inclusive growth themes – Economic Growth; Health & Wellbeing; Employment & Skills and Environment.

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

- 7.1 The project will see 20 commercial and 5 subsidised local public bus services in the region operating with zero-emission vehicles over the next two years. On the routes of operation, 88% of the vehicles will be zero emission as a result of the project. The learning from this project will help contribute towards the successful future roll-out of zero-emission buses within the wider conurbation and help demonstrate the capabilities of our region to effectively invest government funds, making the case for further funding for future schemes.

## **8. Other implications**

None.

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

- 9.1 ZEBRA 2021-2022 Phase 2 Full Business Case WMCA – Final – Private



## WMCA Board

<b>Date</b>	17 September 2021
<b>Report title</b>	West Midlands Rail Ltd Collaboration Agreement
<b>Portfolio Lead</b>	Transport - Councillor Ian Ward
<b>Accountable Chief Executive</b>	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
<b>Accountable Employee</b>	Malcolm Holmes, Director of Rail, Transport for West Midlands email: malcolm.holmes@tfwm.org.uk
<b>Report has been considered by</b>	TfWM Leadership - 24 May 2021 STOG - 14 June 2021 SLT - 30 June 2021 & 25 August 2021 STB - 20 August 2021 Programme Board - 28 August TDC - 13 September

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

**The WMCA Board is recommended to:**

- (1) Approve West Midlands Rail Ltd (WMR Ltd) entering into a new Collaboration Agreement with the Department for Transport (DfT).
- (2) Note the intention to enter into a side letter or memorandum of understanding with DfT to codify WMRE's existing 'soft powers' as a year 1 deliverable of the new Collaboration Agreement.

## **1. Purpose**

1. The changes to rail franchising as a consequence of the COVID-19 pandemic mean that the existing Collaboration Agreement between WMR Ltd and DfT will terminate in September 2021. As such, a new agreement must be negotiated in order to protect WMR Ltd's ongoing role working in partnership with government to manage rail service in the region, as well as its grant income.

## **2. Background**

- 2.1 The 2016 Collaboration Agreement (henceforth referred to as CA1) between WMR Ltd and the DfT is the primary agreement by which WMR Ltd's responsibilities for franchise management and government grant funding are set out and enshrined. CA1 was signed in April 2017 following Secretary of State and WMR Ltd approval (the latter by means of a Special Resolution).
- 2.2 By means of a high-level summary, CA1 includes provisions for:
  - i) A Strategic Board between WMRL and DfT officials;
  - ii) Sharing of franchise management responsibilities;
  - iii) The ability of WMRL to make changes and retain the benefits of those changes for reinvestment in the local rail network. This includes the powers to make adjustments to rail fares in the region;
  - iv) Funding of WMRL by means of a £500K grant each year; and
  - v) An annual meeting between WMRL Chair and Vice Chair and the Secretary of State or a Minister.
- 2.3 The executed version of CA1 is included as Appendix A for reference.
- 2.4 CA1 is coterminous with the West Midlands Franchise Agreement, originally intending to run until March 2026. However, the changes to passenger rail contracting by the DfT in response to the COVID crisis now mean that the Franchise Agreement is expected to terminate on 19 September 2021. As such it is now necessary to negotiate and enter into a successor agreement with the DfT to take effect from the termination of the existing Franchise Agreement.
- 2.5 Discussions with DfT officials have concluded that in general CA1 has worked effectively and is a solid foundation on which to build. Consequently, the revised Collaboration Agreement (henceforth referred to as CA2), represents an evolution of its predecessor.
- 2.6 The main areas of amendment in CA2 reflect the changing landscape of rail franchising and the meeting structure. The latter was based on the model used by Transport for the North for the Northern and Trans Pennine Franchises, but experience has shown that it is not as effective for the West Midlands Franchise. The structure proposed in CA2 is more closely aligned to DfT's governance arrangements, which should help speed up decision making and give WMR Ltd a stronger voice within DfT.

- 2.7 There are no proposed changes to the grant WMR Ltd receive from DfT, or to the arrangements in place for the savings account held jointly between WMR Ltd and DfT. The Heads of Terms for CA2 be found in Appendix B. Since these were written one change has been made. Following feedback from WMR Ltd partner authorities Schedule 1 has been reinstated with minor amendments. This had originally been removed on the grounds of brevity. The final version of CA2 can be found in Appendix C.
- 2.8 WMR Ltd and DfT are also using this an opportunity to incorporate a change to CA1 that was made by side letter in March 2019. This was a technical amendment to permit the WMCA to hold any monies earned or saved by WMR Ltd and DfT from the Franchise.

### **Collaboration Agreement Side Letter/Memorandum of Understanding**

- 2.9 Since the June WMRE Board, WMRE and DfT officials have been working together to establish greater clarity around the powers that WMRE has exercised on behalf of the Department.
- 2.10 Since the start of the Franchise in 2017, DfT has in practice afforded WMRE broad autonomy in matters pertaining to the WMSBU. In fact, during periods of annual leave and sickness WMRE have at times even acted on behalf of the Department on Franchise wide issues.
- 2.11 These existing practices are not currently codified, but it is the intention that they will be, as one of the year 1 deliverables of the new Collaboration Agreement via a Memorandum of Understanding or side letter. This will necessitate a further paper to WMCA Board to seek consent to enter into this side letter or memorandum of understanding.
- 2.12 This would be the first stage in a process that could conclude with WMRE exercising delegated financial authority over an Annual Business Plan established on the basis of two Separable Business Units.
- 2.13 A more detailed note outlining the existing powers - both 'hard' and 'soft' – and the proposed direction of travel can be found in Appendix D to this paper.

### **Governance Approvals**

- 2.14 As with CA1, under the terms of the WMR Ltd Articles of Association (clause 8.3), a Special Resolution of the Members of the company will be required:
- 8.3 *The Directors shall ensure that the Company will not do and will not enter into any agreement to do any of the following acts or things without the prior approval of the Members by special resolution:*
- (a) *enter into a partnership agreement or other formal agreement with the Secretary of State for Transport providing for the involvement of the Company in the specification, letting process or management of any rail franchise agreement; and*
- (b) *make any substantial amendment to any such agreement.*
- 2.15 Under the provisions of the Articles, Members are defined as the seven Shire and Unitary authorities plus WMCA. A Special Resolution requires a majority of 75% to pass (a minimum of six votes).

- 2.16 CA2 was approved in principle by the WMR Ltd Board at its meeting on 15<sup>th</sup> June 2021.
- 2.17 CA2 was originally due to be presented at the July WMCA Board. However, this was deferred to September to better align with DfT approval processes.

### **3. Financial Implications**

- 3.1 There is no change to the expected grant value received from DfT to WMR Ltd. The grant value expected remains at £500K per annum, in addition to the £140K per annum contribution from WMRE member authorities.
- 3.2 It is understood that the changes as a result of the update from CA1 to CA2 are non-financial in nature with an improved governance set up and recognition of the National Rail Contract in replacement for the franchise.
- 3.3 Further to the written changes to the Collaboration Agreement, it is understood that further acknowledgement and partnership working between the DfT and WMRE is in progress in order to explore further devolution options in the future (see paras 2.11 and 2.12 above).

### **4. Legal Implications**

- 4.1 The CA2 draft has been reviewed by Pannone Corporate, the WMR Ltd external legal advisors, and by WMCA internal Legal.

### **5. Equalities Implications**

- 5.1 There are no equality implications in relation to this report.

### **6. Inclusive Growth Implications**

- 6.1 None.

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

- 7.1 The proposed changes to the Collaboration Agreement will have implications for all WMR Ltd's partner authorities across its entire geographical coverage (Birmingham, Coventry, Dudley Herefordshire, Northamptonshire, Sandwell, Shropshire, Solihull, Staffordshire, Stoke-on-Trent, Telford and Wrekin, Walsall Warwickshire, Wolverhampton, Worcestershire, Cheshire East,) and therefore inherently includes the entire CA area.

### **8. Other Implications**

- 8.1 None.

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

- 9.1 None.

Dated 6th April 2016

SECRETARY OF STATE FOR TRANSPORT  
WEST MIDLANDS RAIL LIMITED

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COLLABORATION AGREEMENT  
relating to rail operation in the  
West Midlands

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Agreement is made on

6th April

2017 ~~2018~~

**Between**

- (1) **The Secretary Of State For Transport** whose principal place of business is at Great Minster House, 33 Horseferry Road, London, SW1P 4DR (**Secretary of State**); and
- (2) **West Midlands Rail Limited** (No. 08991160) whose registered office is at 16 Summer Lane, Birmingham B19 3SD (**WMR**).

**Whereas**

- (A) The Secretary of State has confirmed his support for working together with WMR to develop proposals for how, by adopting a collaborative approach, local decision making could play a central role in defining future rail services in the West Midlands (**Agreed Position**).
- (B) The Parties have been working together in furtherance of the Agreed Position and are now working together to determine further arrangements which will govern their relationship going forward.
- (C) This Agreement sets out the terms under which the Parties agree to collaborate in order to achieve the Objectives set out in this Agreement.

**It is agreed**

**1 Definitions**

- 1.1 In this Agreement, unless the context otherwise requires, the following expressions have the following meanings:

**2017 WM Franchise** means the franchise which is currently being re-let by the Secretary of State in relation to the West Midlands franchise services, being the services designated by the Secretary of State pursuant to Section 23 of the Act as franchise services and currently operated by the Franchisee under the Franchise Agreement

**2017 WM Franchise Agreement** means the franchise agreement to be entered into, pursuant to which the 2017 WM Franchise will be operated

**Act** means Railways Act 1993 (as amended from time to time)

**Commencement Date** means the date of this Agreement

**Control Period** means a railway investment period (currently a five year period from 2014 to 2019 for Control Period 5)

**CEDR** means the Centre for Effective Dispute Resolution

**Confidential Information** has the meaning given in clause 15.1

**Coventry Corridor and Stafford Corridor** means the route coloured green and titled West Coast Separable Business Unit (WMR area) on the plan set out in part 1 of Schedule 4

**DfT** or **Department for Transport** means the Department for Transport which is the organisation that discharges the duties of the Secretary of State

**DfT Annual Funding Amount** means:

- (a) in respect of each Franchisee Year containing 13 Reporting Periods, an aggregate amount of £500,000 (five hundred thousand pounds sterling) and
- (b) in respect of any Franchisee Year containing less than 13 Reporting Periods (which for the avoidance of doubt, shall apply to the first Franchisee Year being the period from the Start Date until the end of the last Reporting Period in the first Franchisee Year) an aggregate amount of not less than:

$A \times (B/13)$  where:

A means £500,000 (five hundred thousand pounds sterling) and

B means the number of Reporting Periods in the relevant Franchisee Year

**Dispute** has the meaning given in clause 17.1

**Dispute Resolution Procedure** means the procedure set out in clause 17

**Environmental Information Regulations** means the Environmental Information Regulations 2004 and any subordinate legislation made under them together with any guidance and/or codes of practice issued by relevant Government Department in relation to such legislation

**Franchise Agreement** means the West Midlands franchise agreement dated 2 December 2015 between (1) the Secretary of State and (2) London and Birmingham Railway Limited

**Franchisee** means the company known as at the date of this Agreement as London and Birmingham Railway Limited

**Franchisee Year** means any period of twelve (12) months, beginning on 1 April and ending on 31 March, except that the first and last Franchisee Years under a franchise agreement may be for a period of less than twelve (12) months

**Freedom of Information Act** means the Freedom of Information Act 2000 and any subordinate legislation made under this Act together with any guidance and/or codes of practice issued by the Information Commissioner or relevant Government Department in relation to such legislation

**Funding Outputs** means the outputs set out in schedule 5 of this Agreement

**Initial Dispute Board** has the meaning given in clause 17.3

**Insolvency Event** means one of the following events:

- (a) a court makes an order that WMR be wound up or a resolution for a voluntary winding-up of WMR is passed
- (b) a receiver or manager in respect of WMR is appointed
- (c) any voluntary arrangement is made for a composition of debts or a scheme of arrangement is approved under the Insolvency Act 1986 or the Companies Act 2006 in respect of WMR or
- (d) an administration order is made or an administrator is appointed in respect of WMR

**Joint Funding Account** has the meaning given to it in clause 9.1

**Joint Savings Account** has the meaning given to it in clause 10.3

**Law** includes any enactment, subordinate legislation, rule, regulation, order, directive or other provision, including those of the European Community, and any judicial or administrative interpretation or application thereof, which has, in each case, the force of law in the United Kingdom or any part of it (including the Act, the Transport Act 2000, the Transport Safety Act 2003 and the Railways Act 2005)

**Management Team** means the management team to be established as described in clause 8.1

**Notice of Mediation** has the meaning given in clause 17.6

**Objectives** means the joint objectives of the Parties as defined in clause 3

**ORR** means the Office of Rail and Road established by Section 15 of the Railways and Transport Safety Act 2003 and having duties and obligations as set out in the Act

**Network Rail** means Network Rail Infrastructure Limited, a company registered in England with registered number 02904587 whose registered office is at 1 Eversholt Street, London, NW1 2DN and any successor in title to the network or any relevant railway facility

**Parties** means WMR and the Secretary of State

**Phase 1** means the period from commencement of this Agreement and expiring on the first anniversary of the Start Date, or earlier if agreed between the Parties

**Phase 2** means the period commencing from the first anniversary of the Start Date (or earlier if agreed between the Parties) and expiring at the end of the 2017 WM Franchise or on earlier termination of this Agreement

**Purpose** means the purpose defined in clause 4.1

**Rail Investment Strategy** or **HLOS** means the railway investment strategy or high level output specification produced by the Department for Transport which defines the strategy for railway investment for each Control Period

**Reporting Period** has the meaning given in the 2017 WM Franchise Agreement;

**Request for Information** means a request for information or an apparent request under the Freedom of Information Act or the Environmental Information Regulations

**Reserved Matters** means the following matters reserved to the Secretary of State:

- (a) decisions increasing net costs or net future costs to the Secretary of State
- (b) determination of events of default under the 2017 WM Franchise
- (c) the content of the Rail Investment Strategy and Statement of Funds Available
- (d) any action required to comply with the Secretary of State's duty under Section 30 of the Act and

- (e) enforcement against the franchisee under the 2017 WM Franchise pursuant to Section 55 of the Act.

**Secretary of State Duties** has the meaning given in clause 5.1(a)

**Separable Business Units** or **SBU** means:

- (a) the West Midlands Separable Business Unit (WMSBU) and
- (b) the West Coast Separable Business Unit (WCSBU)

and **Separable** in this context means that the SBUs are to be designed and set up with distinct passenger facing offers and separately identifiable revenues, costs (to the extent possible and appropriately allocated where costs cannot be separately identified), customer and performance metrics and on the basis that they could be re-let separately after the expiry of the 2017 WM Franchise. The WMSBU will have its own brand identity (which shall include a name, logo and colour palette) that reflects the market that it serves as specified by WMR and is capable of having longevity beyond the term of the 2017 WM Franchise

**Statement of Funds Available** means the statement issued by the Department for Transport in relation to the public funds that are or are likely to be available for delivery of the Rail Investment Strategy

**Start Date** means the start date to be specified in the 2017 WM Franchise Agreement

**Strategic Board** means the joint board to be established as provided for in clause 7

**WCSBU** means the passenger services and station services in the remainder of the 2017 WM Franchise excluding the WMSBU, as identified in part 1 of schedule 4

**WMR Annual Funding Amount** means:

- (a) in respect of each Franchisee Year containing 13 Reporting Periods, an aggregate amount of £140,000 (one hundred and forty thousand pounds sterling) and
- (b) in respect of any Franchisee Year containing less than 13 Reporting Periods (which for the avoidance of doubt, applies to the first Franchisee Year being the period from the Start Date until the end of the last Reporting Period in the first Franchisee Year) an aggregate amount of not less than:

$A \times (B/13)$  where:

A means £140,000 (one hundred and forty thousand pounds sterling)

B means the number of Reporting Periods in the relevant Franchisee Year

**WMR Area** means the West Midlands Rail area shown on the map set out in part 2 of schedule 4

**WMR Change** has the meaning given in clause 10.1

**WMR Fare Change** has the meaning given in clause 10.2

**WMSBU** means the passenger services and station services in the West Midlands Separable Business Unit (including station services at 2017 WM Franchise stations to the west of the West Coast Main Line), as identified in part 1 of schedule 4

**Working Day** means a day (other than a Saturday or Sunday) on which banks are open for domestic business in the City of London

## 1.2 Interpretation

Unless the context otherwise requires:

- (a) references to clauses and schedules are to clauses of, and schedules to, this Agreement;
- (b) use of any gender includes the other genders;
- (c) references to a "**company**" shall be construed so as to include any corporation or other body corporate, wherever and however incorporated or established;
- (d) references to a "**person**" shall be construed so as to include any individual, firm, company, government, state or agency of a state, local or municipal authority or government body or any joint venture, association or partnership (whether or not having separate legal personality);
- (e) "**body corporate**" shall have the meaning given in section 1173 Companies Act 2006 and "**wholly-owned subsidiary**" shall have the meaning given in section 1159 Companies Act 2006;
- (f) a person is deemed associated with another person or an associated person if the person is an associate of the other person within the meaning of section 435 Insolvency Act 1986
- (g) a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted;
- (h) a reference to any other document referred to in this Agreement is a reference to that other document as amended, varied, novated at any time;
- (i) headings and titles are for convenience only and do not affect the interpretation of this Agreement;
- (j) the rule known as the ejusdem generis rule shall not apply and accordingly general words introduced by the word "**other**" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things; and
- (k) general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

## 2 Commencement and Term

- 2.1 This Agreement shall come into full force and effect on the Commencement Date, save that the terms set out in clauses 10.2 and **Error! Reference source not found.** of this Agreement shall only become effective on and from commencement of Phase 2.

2.2 This Agreement shall remain in full force and effect unless terminated by either Party in accordance with clause 13 of this Agreement.

### 3 Collaboration Objectives

The Parties shall collaborate with a view to achieving the objectives set out in schedule 1 (**Objectives**) for the duration of the 2017 WM Franchise.

### 4 Purpose of the Agreement

4.1 The Parties intend to collaborate on the running of rail services in the West Midlands area for the benefit of passengers (**Purpose**) and the Parties shall each use their respective reasonable endeavours to give effect to the Purpose through the operation of this Agreement.

4.2 The Parties shall carry out their obligations, and exercise their rights, under this Agreement with a view to achieving the Objectives and the Purpose.

### 5 Secretary of State Duties and Reserved Matters

5.1 The Parties acknowledge and agree that:

- (a) the Secretary of State has responsibilities and duties deriving by reason of statutory or regulatory requirements under Law including without limitation pursuant to the Act and in relation to the proper expenditure of public monies (**Secretary of State Duties**);
- (b) such Secretary of State Duties must be discharged by the Secretary of State and cannot be delegated to any other persons.
- (c) the role of WMR in respect of such Secretary of State Duties can only be advisory.

5.2 Nothing in this Agreement shall fetter the discretion of the Secretary of State when carrying out the Secretary of State Duties and / or the Reserved Matters.

5.3 The Reserved Matters are a definitive list of matters in respect of which decisions are reserved to the Secretary of State. The Secretary of State shall be entitled to update the Reserved Matters by notifying WMR in writing of the amendments required.

### 6 Phase 1

During Phase 1, WMR shall:

- (a) collaborate with the Secretary of State to develop the franchise specification and Invitation to Tender for the 2017 WM Franchise;
- (b) arrange for the secondment of appropriate staff to the West Midlands Franchise Competition Team within the Department for Transport to assist with public consultation, specification and evaluation of the 2017 WM Franchise;
- (c) work with the franchisee under the 2017 WM Franchise Agreement and the Department for Transport on mobilisation for the 2017 WM Franchise;
- (d) establish the Strategic Board with the Department for Transport;
- (e) develop the structure of the Management Team;

- (f) arrange for the provision of all reasonably required support to the Management Team in respect of its management of the WMSBU;
- (g) work with the Department for Transport and the Franchisee during the first year of the 2017 WM Franchise to establish the Separable Business Units; and
- (h) do anything else which the Parties jointly decide they require.

## **7 Strategic Board**

- 7.1 The Parties shall endeavour to establish a joint board (**Strategic Board**) by no later than 31 October 2016.
- 7.2 The Strategic Board shall be the primary formal mechanism for the collaboration between the Parties in relation to rail matters in the WMR Area and in so doing shall:
- (a) aim to further the Objectives and the Purpose;
  - (b) oversee the creation and operation of the WMSBU and the WCSBU; and
  - (c) be responsible for the matters set out in schedule 2.
- 7.3 The Strategic Board shall comprise two (2) senior representatives from each of the Parties and may include an independent chairperson appointed by the Strategic Board in accordance with clause 7.4. Upon establishment of the Strategic Board, both the Secretary of State and WMR shall appoint such representatives as board members of the Strategic Board. Either Party shall be entitled to replace its own board members on giving the other Party notice of the replacement board member, provided that any replacement shall be at least a deputy director or equivalent within the relevant organisation.

### **Meetings of the Strategic Board**

- 7.4 The Parties shall arrange a meeting of the Strategic Board as soon as practicable after the Commencement Date. At the first meeting of the Strategic Board, the Strategic Board shall appoint a chairperson for the Strategic Board. The appointment of the chairperson shall be by mutual agreement by the board members of the Secretary of State and WMR and shall either be (i) a board member of the Secretary of State or WMR or (ii) an independent chairperson to be considered at the discretion of the Strategic Board as deemed to be necessary or desirable. In circumstances where an independent chairperson is appointed, the board members shall also decide by majority decision whether or not the independent chairperson shall have a vote in matters of the Strategic Board. The Strategic Board shall be entitled to replace the chairperson on the basis of a majority decision (and for the avoidance of doubt, on such decisions the chairperson shall not have a casting vote).
- 7.5 The Strategic Board shall meet at least quarterly commencing after the first meeting convened in compliance with clause 7.4 or more frequently:
- (a) as may be determined by the chairperson of the Strategic Board; or
  - (b) at the request of either Party.
- 7.6 Subject to clauses 7.7 and 7.9, the Parties agree that the Strategic Board is required to reach decisions by majority having regard to the Purpose and Objectives which shall be subject to:
- (a) the Secretary of State Duties; and

(b) the Reserved Matters.

- 7.7 The Strategic Board shall be quorate for the purposes of making any decision by majority only when at least one Secretary of State board member and at least one WMR board member is present at the Strategic Board meeting. For the avoidance of doubt, a Strategic Board meeting shall be quorate whether attendance is in person or via telephone or video conferencing. Where a quorum is not present, the meeting shall be adjourned until such other time as a quorum can be present.
- 7.8 Either Party shall be entitled to appoint an alternate board member to attend meetings of the Strategic Board where a board member is unable to attend provided that the alternate is at least a deputy director or equivalent within the relevant organisation and the other Party is given notice in writing of the alternate.
- 7.9 Where the Strategic Board reaches a decision in accordance with clauses 7.6 and 7.7, such decision shall not be valid unless it was reached with the agreement of both a Secretary of State board member and a WMR board member. In the event that not all Secretary of State board members or WMR board members are present at a meeting where a decision is taken, the Secretary of State board members who are present shall be entitled to act on behalf of absent Secretary of State board members and the WMR board members who are present shall be entitled to act on behalf of absent WMR board members (including, in each case, by casting votes on behalf of such absent board members).
- 7.10 Any decision of the Strategic Board pursuant to this Agreement in respect of the exercise of the Secretary of State Duties or decisions to be taken by the Secretary of State on Reserved Matters shall be treated by the Secretary of State only as an informed recommendation to the Secretary of State in relation to the exercise of the Secretary of State Duties and those decisions and the Secretary of State shall have due regard to such recommendation but without fettering the Secretary of State's discretion in exercising such Secretary of State Duties and making those decisions.
- 7.11 The Strategic Board shall develop a policy regarding the use of Confidential Information by the Parties as soon as possible following the date of this Agreement (**Confidentiality Policy**). Until the agreement of the Confidentiality Policy, the Parties shall comply with clause 15 and the business and decisions of the Strategic Board shall be kept confidential and not disclosed to third parties except to the extent the Strategic Board by agreement discloses such information by release of a press announcement or other such means.

## **8 Franchise Management**

- 8.1 The Parties shall endeavour to establish a management team (**Management Team**) by no later than 31 March 2017 for the 2017 WM Franchise which shall perform on behalf of the Secretary of State (in respect of the WCSBU) and the Strategic Board and the Secretary of State (in respect of the WMSBU) the Management Team Responsibilities set out in schedule 3.
- 8.2 The initial composition and reporting structure of the Management Team shall be as set out in the diagram in the Appendix to schedule 3
- 8.3 Each Party shall contribute available and relevant expertise (legal, finance, media/press/communications etc) to support the Management Team
- 8.4 The WMR members of the Strategic Board and/or the WMSBU Manager are the primary conduits of information relating to any matters which may arise pursuant to the operation of

the 2017 WM Franchise Agreement relating directly or indirectly to the WMR Area and they shall inform WMR as soon as reasonably practicable on becoming aware of any such issues or matters which need to be brought to the attention of WMR, and liaise with WMR as necessary in relation to those matters. The Secretary of State members of the Strategic Board will support appropriate engagement with WMR on the matters referred to in this clause 8.4.

## 9 Funding

- 9.1 WMR shall set up and maintain a bank account in the joint names of WMR and the Secretary of State into which (subject to compliance by WMR with the notification provisions of this clause 9.1) the Secretary of State shall pay the DfT Annual Funding Amount and WMR shall pay the WMR Annual Funding Amount the **Joint Funding Account**. WMR shall notify the Secretary of State of the details of the Joint Funding Account promptly after opening it and each Party shall provide notice to the other Party as soon as reasonably possible after a payment has been made by them of the amount and date of such payment. Payments shall be made:
- (a) in respect of the first Franchisee Year of the 2017 WM Franchise, on the Start Date; and
  - (b) in respect of each subsequent Franchisee Year of the 2017 WM Franchise, on or before the first day of the relevant Franchisee Year.
- 9.2 The DfT Annual Funding Amount and the WMR Funding Amount shall be used solely in relation to the Funding Outputs and WMR shall use all reasonable endeavours to achieve such Funding Outputs:
- (a) by the end of the first 12 months of the 2017 WM Franchise in the case of the "Year 1" funding outputs; and
  - (b) throughout (and repeatedly during where appropriate) the remainder of the 2017 WM Franchise in the case of the "Year 2 and future years" outputs.
- As soon as becoming aware that the DfT Annual Funding Amount has not been paid, or is not reasonably likely to be paid, in accordance with clause 9.1 of this Agreement, the Secretary of State shall notify WMR.
- 9.3 As soon as becoming aware that the WMR Annual Funding Amount has not been paid, or is not reasonably likely to be paid, in accordance with clause 9.1 of this Agreement, WMR shall notify the Secretary of State.
- 9.4 Where notification is served under either clause 9.2 or 9.3, the Secretary of State and WMR shall meet as soon as reasonably practicable to discuss how the deficit in funding can be best resolved between the Parties.
- 9.5 The Secretary of State and WMR shall monitor and review the funding requirements under this Agreement and may reasonably amend the funding requirements under this Agreement by mutual agreement in writing. Neither Party shall be liable to the other Party to provide any funding under this Agreement beyond its respective funding commitments under clause 9.1 except where amended pursuant to this clause 9.5.
- 9.6 Where a Party fails to make payment on the due date in accordance with clause 9.1 (unless non-payment is due to the default of the other Party) interest shall accrue at the rate of 2%

above the base rate of Royal Bank of Scotland plc from the due date until the date payment is received in full.

- 9.7 WMR shall maintain the Joint Funding Account until 3 months following termination of this Agreement by whatever means and this clause 9.7 (and any other provisions necessary to give effect to it) shall survive the termination of the Agreement, irrespective of the reason for termination.

## 10 Changes Proposed by WMR

- 10.1 WMR may propose and require the implementation of cost reducing, WMR-funded or third party funded changes to the passenger services and station services provided by the WMSBU pursuant to the 2017 WM Franchise Agreement (**WMR Change**) provided always that:

- (a) where the agreement of the franchisee is required under the 2017 WM Franchise Agreement, the WMR Change shall be subject to such agreement of the franchisee;
- (b) subject to clause 10.1(c), the Secretary of State has a right to object to any WMR Change that he reasonably considers is likely to have an adverse financial consequence to the Secretary of State;
- (c) the Strategic Board shall decide if WMR Change is likely to have an adverse financial consequence to the Secretary of State provided that it shall take into account any information or evidence provided by the Secretary of State in relation to such financial consequences of the WMR Change; and
- (d) either Party may refer such decision of the Strategic Board to the Dispute Resolution Procedure if it does not agree with the decision.

- 10.2 WMR may propose and require the implementation of changes to fares within the West Midlands Commuter Fares Basket (as defined in the 2017 WM Franchise Agreement) (including without limitation by requesting the use of the "flex" or changing the value of "k" in the 2017 WM Franchise in relation to the fare controls applicable to those passenger services) (**WMR Fare Change**) where such WMR Fare Change does not:

- (a) have adverse consequences for the Secretary of State (including without limitation by increasing costs under the 2017 WM Franchise or any other franchise, causing significant adverse changes to the Secretary of State's risk profile and by exposing the Secretary of State to the risk of successful legal challenges relating to breach of applicable public procurement legislation); or
- (b) conflict with any Secretary of State Duties.

provided always that:

- (i) where the agreement of the franchisee is required under the 2017 WM Franchise Agreement, the WMR Change shall be subject to such agreement of such franchisee;
- (ii) subject to clause 10.2(b)(iii) the Secretary of State has a right to object to any WMR Fare Change that he reasonably considers is likely to have an adverse financial consequence to the Secretary of State; and

- (iii) the Strategic Board shall decide if WMR Fare Change is likely to have an adverse financial consequence to the Secretary of State or conflict with any Secretary of State Duties provided that it shall take into account any information or evidence provided by the Secretary of State in relation to such financial consequences of the WMR Change or conflict with his Statutory Duty (as the case may be); and
  - (iv) either Party may refer such decision of the Strategic Board to the Dispute Resolution Procedure if it does not agree with the decision.
- 10.3 WMR shall set up and maintain a bank account in the joint names of WMR and the Secretary of State into which (subject to compliance by WMR with the notification provisions contained in this clause 10.3) all net savings generated by either WMR Changes or WMR Fares Changes proposed by WMR as referred to in clause 10.1 and 10.2 (after any required payments have been made to the franchisee by the Secretary of State pursuant to the 2017 WM Franchise Agreement) shall be paid by the Secretary of State (the **Joint Savings Account**). WMR shall notify the Secretary of State of the details of the Joint Savings Account promptly after opening it and shall notify the Secretary of State of the value of any savings generated pursuant to this clause 10, accompanied by details of how those savings have been calculated, as and when it requires payment into the Joint Savings Account (but not more frequently than once every three months and not in respect of trivial amounts), and following receipt of a valid notification of savings, the Secretary of State shall have a period of 14 days in which to make payment.
- 10.4 WMR may use the monies held in the Joint Savings Account to fund WMR Changes or WMR Fare Changes as referred to in clauses 10.1 and 10.2 respectively and may also, with the prior written consent of the Secretary of State, transfer approved amounts out of the Joint Savings Account to the West Midlands Combined Authority (**WMCA**) or another local authority member of WMR designated by WMR on the basis that those monies shall be used to improve rail passenger services and/or associated rail facilities in the WMR Area.
- 10.5 Where the Strategic Board have not decided that the WMR Change or WMR Fare Change is likely to have an adverse financial consequence to the Secretary of State, the Secretary of State shall consent to the transfer of approved amounts out of the Joint Savings Account to the WMCA or another local authority member of WMR designated by WMR as set out in clause 10.4.
- 10.6 WMR shall be solely responsible for, and shall keep a full and accurate record of, any monies paid into and out of the Joint Savings Account and shall be liable for any deficiencies identified in the Joint Savings Account (save where such deficiencies are as a consequence of the Secretary of State failing to pay net savings generated pursuant to clause 10.3 into the Joint Savings Account). A deficiency shall be taken to have arisen where monies in the Joint Savings Account are applied other than in accordance with this Agreement or as otherwise agreed by the Parties in writing.
- 10.7 WMR shall maintain the Joint Savings Account until 3 months following termination of this Agreement by whatever means and this clause 10.7 (and any provisions necessary to give effect to it) shall survive the termination of the Agreement, irrespective of the reason for termination.

## **11 Ongoing Engagement**

The Parties intend that during Phase 2 the Secretary of State (or Minister) shall meet with the WMR Board Chair and Vice Chair on an annual basis to discuss the progress in achieving the Objectives and the Purpose.

## **12 Assignment, Transfer and Novation**

- 12.1 Unless required by law, neither party shall be entitled to assign or transfer its rights and/or obligations under this Agreement without the written consent of the other Party except that the Secretary of State shall be entitled to transfer his rights and/or obligations under this Agreement to any person having the same legal capacity, power and authority of the Secretary of State.
- 12.2 WMR may with the Secretary of State's consent assign, transfer or novate all of its rights and obligations under this Agreement to another suitable body assuming the responsibility of WMR in respect of the delivery of rail services in the WMR Area.

## **13 Termination**

- 13.1 Either Party shall be entitled to terminate this Agreement with immediate effect in the event of material breach of the Agreement or fraud or gross negligence by the other Party.
- 13.2 The Secretary of State shall be entitled to terminate this Agreement with immediate effect:
- (a) where WMR suffers an Insolvency Event;
  - (b) in the event that WMR ceases to be substantially representative of the local transport authorities within the WM Area; or
  - (c) before the award of the 2017 WM Franchise if he decides, acting reasonably, that the arrangements set out therein are no longer consistent with current Government policy.
- 13.3 The Parties shall be entitled to agree to terminate this Agreement where the Parties intend to enter into a new collaboration agreement which shall supersede this Agreement in which case the Parties shall consider whether it will be appropriate to enter into a new Licence of Intellectual Property Rights in respect of the branding developed by WMR and which the Parties anticipate will be made available to the Secretary of State and the franchisee of the 2017 WM Franchise.
- 13.4 This Agreement shall expire on the expiry of the 2017 WM Franchise.
- 13.5 Notwithstanding termination of this Agreement, the provisions of this clause and of clauses 9.7 (duration of the Joint Funding Account), 10.7 (duration of the Joint Savings Account), 14 (Consequences of Termination), 15 (Confidentiality) 16 (Freedom of Information), 28 (Governing Law), 17 (Dispute Resolution Procedure), 22 (Rights of Third Parties) and 25 (No Partnership) shall expressly survive such termination and continue in full force and effect along with any other clauses of and any schedules to this Agreement necessary to give full and proper effect to those clauses.

## **14 Consequences of Termination**

- 14.1 If this Agreement is terminated or expires pursuant to clause 13, the Joint Funding Account and the Joint Savings Account shall be closed by WMR after all monies standing to the credit

of the Joint Funding Account and the Joint Savings have been returned by WMR to the Parties in accordance with clause 14.2.

14.2 Any monies standing to the credit of the Joint Funding Account shall be distributed by WMR within 3 months following termination of the Agreement to the Parties in proportion to their respective funding contributions as set out under Clause 9 of this Agreement. Subject to clause 14.3, any monies standing to the credit of the Joint Savings Account shall be distributed by WMR within 3 months following termination of the Agreement to the Secretary of State. Promptly following notice by WMR of any monies owing to the Secretary of State pursuant to this clause 14, the Secretary of State shall provide WMR with details of the bank account to which such monies should be paid.

14.3 Prior to distributing any monies left to the credit of the Joint Savings Account, WMR shall be entitled to deduct sums that it can demonstrate to the Secretary of State (acting reasonably) are required to discharge any financial commitments to third parties reasonably and properly made in pursuance of the objectives of this Agreement, provided that WMR shall apply such sums by discharging those commitments and shall account to the Secretary of State in respect of the same.

## 15 Confidentiality

15.1 The provisions of this clause 15 shall apply until the Parties agree the Confidentiality Policy pursuant to clause 7.10. Thereafter, the Parties shall comply with the provisions of the Confidentiality Policy.

15.2 Subject to the provisions of the Act, the Transport Act 2000, the Railways Act 2005, the Environmental Information Regulations, the Freedom of Information Act (and any code of practice or other guidance related to the same) and clauses 15.3 to 15.9 inclusive, each Party shall hold in confidence all documents, materials and other information, whether technical or commercial, supplied by or on behalf of the other Party (all together the **Confidential Information**) and shall not, except with the other party's prior written authority, publish or otherwise disclose any Confidential Information otherwise than as expressly provided for in this Agreement unless or until the recipient Party can demonstrate that any such document, material or information is in the public domain through no fault of its own and through no contravention of the Agreement, whereupon to the extent that it is in the public domain this obligation shall cease.

15.3 Each Party may disclose any data or information acquired by it under or pursuant to the Agreement without the prior written consent of the other Party if such disclosure is made in good faith:

(a) to any outside consultants or advisers engaged by or on behalf of such Party and acting in that capacity, upon obtaining from such consultants or advisers an undertaking of confidentiality equivalent to that contained in clause 15.1;

(b) to the extent required by Law or pursuant to an order of any court of competent jurisdiction or the rules of any dispute resolution procedures to which a Dispute is referred in accordance with the Agreement; or

(c) to any director, employee or officer of such Party, to the extent necessary to enable such Party to perform its obligations under the Agreement or to protect or enforce its rights under the Agreement;

15.4 The Secretary of State may disclose the Confidential Information of WMR:

- (a) on a confidential basis to any Central Government Body for any proper purpose of the Secretary of State or of the relevant Central Government Body;
- (b) to Parliament and Parliamentary Committees or if required by any Parliamentary reporting requirement;
- (c) to the extent that the Secretary of State (acting reasonably) deems disclosure necessary or appropriate in the course of carrying out its public functions;
- (d) on a confidential basis for the purpose of the exercise of its rights under this Agreement;
- (e) on a confidential basis to a proposed successor, transferee or assignee of the Secretary of State in connection with any assignment, novation or disposal of any of its rights, obligations or liabilities under this Agreement,

and for the purposes of the foregoing, references to disclosure on a confidential basis shall mean disclosure subject to a confidentiality agreement or arrangement containing terms no less stringent than those placed on the Secretary of State under this clause 15.4.

15.5 For the purposes of clause 15.4, the following defined term shall have the following meaning:

**Central Government Body** means a body listed in one of the following sub-categories of the Central Government classification of the Public Sector Classification Guide, as published and amended from time to time by the Office for National Statistics:

- (a) Government Department
- (b) Non-Departmental Public Body or Assembly Sponsored Public Body (advisory, executive, or tribunal)
- (c) Non-Ministerial Department or
- (d) Executive Agency.

15.6 Nothing in this clause 15 shall be deemed to prohibit, prevent or hinder, or render the Secretary of State liable for, the disclosure of any information by the Secretary of State to the ORR, Network Rail, the Parliamentary Commissioner for Administration, a Minister of the Crown, any department of the government of the United Kingdom, the Scottish Parliament, the National Assembly of Wales, the Mayor of London, the Greater London Authority or any department or officer of any of them or of information which is otherwise disclosed for the purpose of facilitating the carrying out of his functions.

15.7 WMR hereby authorises the Secretary of State to provide to the ORR, to the extent so requested by the ORR, such information as may be provided to the Secretary of State in relation to this Agreement.

15.8 The Parties recognise that the Comptroller and Auditor General may, in pursuance of his functions under the Exchequer and Audit Department Act 1921, the National Audit Act 1983 and the Government Resources and Accounts Act 2000, disclose information which he has obtained pursuant to those Acts and which a party to this Agreement would not be able to disclose otherwise than under this clause 15.

15.9 This clause 15 (and any other provisions necessary to give effect hereto) shall survive the termination of the Agreement, irrespective of the reason for termination.

## 16 Freedom of Information

- 16.1 The Parties acknowledge and shall procure that their agents and subcontractors acknowledge that the Parties are each subject to the requirements of the Freedom of Information Act and the Environmental Information Regulations and accordingly the parties shall, and shall procure that their agents and subcontractors shall, assist and co-operate with the other Party to enable that Party to comply with his information disclosure obligations under the Freedom of Information Act and/or the Environmental Information Regulations (save if prevented by law or by contractual obligations or in circumstances where the Assisting Party (as defined below) would be able to withhold such information legitimately were the same Request for Information to be made to such Party directly).
- 16.2 Where a Party receives a Request for Information (**Requested Party**) and the Requested Party is unable to respond to such Request for Information without the assistance of the other party (**Assisting Party**), the Requested Party shall notify the Assisting Party that assistance is required and the Assisting Party (save if prevented by law or by contractual obligations or in circumstances where the Assisting Party would be able to withhold such information legitimately were the same Request for Information to be made to such Party directly) shall and shall procure that its agents and subcontractors shall:
- (a) provide the Requested Party with a copy of all information in its (or their) possession or power in the form that the Requested Party requires within five Working Days of the Requested Party's request (or within such other period as he may specify); and
  - (b) provide all necessary assistance as reasonably requested by the Requested Party to enable him to respond to any Request for Information within the time for compliance set out in section 10 of the Freedom of Information Act or regulation 5 of the Environmental Information Regulations as applicable.
- 16.3 The Requested Party shall be responsible for determining in his absolute discretion, and notwithstanding any other provision in this Agreement or any other agreement, whether Confidential Information and/or any other information is exempt from disclosure in accordance with the provisions of the Freedom of Information Act and/or the Environmental Information Regulations.
- 16.4 Each Party acknowledges and shall procure that its agents and subcontractors acknowledge that notwithstanding any provision to the contrary in this Agreement each Party may be obliged under the Freedom of Information Act and/or the Environmental Information Regulations and any related Code of Practice or other guidance to disclose information concerning each Party and/or their respective agents and subcontractors:
- (a) in certain circumstances without consulting the other Party (or its agents and/or subcontractors where applicable); or
  - (b) following consultation with the other and having taken its views into account (and the views of its agents and/or subcontractors where applicable),

provided always that where applicable the Requested Party shall in accordance with the provisions of the Freedom of Information Act and/or the Environmental Information Regulations take reasonable steps where appropriate to give the other Party advance notice or failing that to draw the disclosure to the other Party's attention after any such disclosure.

## 17 Dispute Resolution Procedure

- 17.1 The Parties shall use all reasonable endeavours to negotiate in good faith and settle amicably any dispute or difference of whatever nature between them arising under, out of, or in connection with this Agreement (each such dispute or difference a **Dispute**).
- 17.2 Following any referral of a Dispute to the Dispute Resolution Procedure in accordance with the terms of this Agreement, the provisions set out in this clause 17 shall apply.
- 17.3 The Dispute shall initially be referred for resolution to the Managing Director, Passenger Services and the Chief Executive (or equivalent until appointed) of WMR (**Initial Dispute Board**) who shall seek to resolve the matter as soon as reasonably possible and in any event within twenty (20) Working Days of escalation, or such other period as may be reasonable given the nature of the Dispute, and the urgency of resolution. The Initial Dispute Board shall be entitled to request such additional information as may be reasonably requested from either WMR or the Secretary of State in respect of the Dispute, including, but not limited to, any information to be provided pursuant to the relevant provisions of this Agreement.
- 17.4 Both Parties shall be entitled to make oral and/or written representations to the Initial Dispute Board prior to the Initial Dispute Board making its final determination.
- 17.5 Where the Initial Dispute Board are not able to resolve the Dispute within twenty (20) Working Days of escalation pursuant to clause 17.3, the Initial Dispute Board shall refer the Dispute for resolution by the Director General, DfT Rail Executive and the chairperson of WMR who shall seek to resolve the Dispute within twenty (20) Working Days of escalation to them, or such other period as may be reasonable given the nature of the Dispute
- 17.6 If the Parties cannot resolve a Dispute in accordance with the above escalation procedure, either Party may at any time refer the Dispute for mediation by serving a written notice on the other Party to that effect (**Notice of Mediation**).
- 17.7 If a Notice of Mediation is given, then the Dispute shall be referred to the CEDR for mediation in accordance with the CEDR's model mediation procedure. If the Parties are unable to agree on the appointment of a mediator, or any other matter relating to the referral or conduct of the mediation, it shall be referred to the then president of CEDR who shall decide such matters.
- 17.8 Except where this Agreement has terminated, the parties shall continue to perform their obligations under the Agreement, regardless of the nature of the Dispute and notwithstanding the referral of the Dispute for resolution pursuant to this clause 17.
- 17.9 WMR acknowledges and accepts that the decision of the Secretary of State in relation to this exercise of any of the Secretary of State Duties is final and binding.

## 18 Notices

18.1

- (a) Any notice, notification or other communication under or in connection with clause 13 (Termination) or clause 17 (Disputes) of this Agreement shall be in writing and shall be delivered by hand or recorded delivery or sent by pre-paid first class post to the relevant party at the address for service set out below, or to such other address in the United Kingdom as each party may specify by notice in writing to the other party:

Name: The Department for Transport  
Address: 33 Horseferry Road, London SW1P 4DR

Attention: Senior Commercial Manager, Midlands

Name: West Midlands Rail Limited  
Address: 16 Summer Lane, Birmingham B19 3SD  
Attention: Programme Director

(b) Any other notice, notification or other communication under or in connection with this Agreement shall be in writing and shall be delivered:

(i) in accordance with clause 18.1(a) (except that it shall be marked for the attention of the Contract Manager (in the case of notices being sent to the Secretary of State) or the Programme Director of the West Midlands franchise (in the case of notices being sent to WMR); or

(ii) by electronic data transfer to:

[westmidlandsfranchisemanagement@dft.gsi.gov.uk](mailto:westmidlandsfranchisemanagement@dft.gsi.gov.uk) ; or

[malcolmholmes@westmidlandsrail.com](mailto:malcolmholmes@westmidlandsrail.com)

as appropriate.

## 18.2 Deemed Receipt

Any notice or other communication issued pursuant to clause 18.1 shall be deemed to have been received by the party to whom it is addressed as follows:

- (a) if sent by hand or recorded delivery, when delivered;
- (b) if sent by pre-paid first class post, from and to any place within the United Kingdom, three Working Days after posting unless otherwise proven; and
- (c) if sent by electronic data transfer under clause 18.1(b) above, upon sending, subject to receipt by the sender of a "delivered" confirmation (provided that the sender shall not be required to produce a "read" confirmation).

## 19 Waiver

19.1 Either Party may at any time waive any obligation of the other Party under this Agreement and the obligations of the parties hereunder shall be construed accordingly.

19.2 No waiver by either Party of any default by the other Party in the performance of such Party's obligations under this Agreement shall operate or be construed as a waiver of any other or further such default, whether of a like or different character. A failure to exercise or delay in exercising a right or remedy under this Agreement shall not constitute a waiver of any right or remedy or a waiver of any other rights or remedies and no single or partial exercise of any right or remedy under this Agreement shall prevent any further exercise of such right or remedy or the exercise of any other right or remedy.

## 20 Partial Invalidity

If any provision in this Agreement is held to be void, illegal, invalid or unenforceable, in whole or in part, under any enactment or rule of Law, such provision or part shall to that extent be

deemed not to form part of this Agreement but the legality, validity and enforceability of the remainder of the Agreement shall not be affected.

**21 Further Assurance**

Each Party agrees to execute and deliver all such further instruments and do and perform all such further acts and things as shall be necessary or expedient for the carrying out of the provisions of this Agreement.

**22 Rights of Third Parties**

A person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Agreement.

**23 Variation**

This Agreement may only be varied in writing signed by each of the Parties.

**24 Cumulative rights**

The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by Law.

**25 No Partnership**

Nothing in this Agreement and no action taken by the Parties under this Agreement shall constitute a partnership, association or other cooperative entity between any of the Parties or constitute any Party the agent of any other Party for any purpose.

**26 Entire Agreement**

26.1 This Agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

26.2 Each Party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement. Each party agrees that it shall have no claim for innocent or negligent misrepresentation based on any statement in this Agreement.

**27 Counterparts**

This Agreement may be executed in any number of counterparts, and by the Parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instrument.

**28 Governing Law**

This Agreement (and any non-contractual obligations arising out of or in connection with it) shall be governed by and construed in accordance with the laws of England and Wales and the parties irrevocably agree that the courts of England and Wales are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Agreement.

**Executed as a deed** by the Parties or their duly authorised representatives but not delivered until the date of this Agreement.

SEAL REF NO

DFV/2087



THE CORPORATE SEAL OF  
THE SECRETARY OF STATE FOR TRANSPORT  
is hereunto affixed:

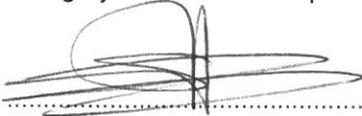
)  
)  
) *Beatrice Allen*

Authenticated by authority of the Secretary  
of State for Transport

Executed as a deed by  
**West Midlands Rail Limited**  
acting by a director in the presence of

)  
)  
)

Director



Signature of witness

Name SUSAN SZALAPSKI

Address CABINET OFFICE

MARTIN ST. STAFFORD- ST16 2LH

## Schedule 1

### The Objectives

- 1 Better for the economy – Support the current and predicted growth in jobs, housing, industry, leisure and tourism and retail with a distinct focus on each of the following markets:
  - West Midlands' local and regional services;
  - long-distance services along the West Coast Mainline from Liverpool to Birmingham and from Crewe to London; and
  - Services to/from London including branch lines.

Ensure there are the right services and capacity to cater for current users and future growth throughout the day and week.
- 2 Better for the passenger – Deliver high quality services and stations, reduce delays and cancellations, and achieve significant improvements in customer satisfaction. Provide affordable, easy to use services at the times and to the places that people want to travel both now and in the future supported by the provision of accurate and timely information.
- 3 Better for communities – Increase engagement between the operator of the new franchise and the communities it serves.
- 4 Better for staff – Deliver a franchise which demonstrates a genuine pride in developing staff over the long term, aiming to improve staff satisfaction, motivation and retention, and deliver best in class customer service.
- 5 Better for taxpayers – Make the most of the significant investment being made to make improvements to the rail network. Making sure the right level of service is provided to reflect travel patterns and demand, ensuring resources (funding, staff and trains) are used in the areas that need it most. Make improvements efficiently, providing value for money.
- 6 Maximising the benefits from investment in infrastructure – Supporting the development of a safe and accessible network to modernise and meet the requirements of a modern railway.
- 7 Supporting HS2 – Work with HS2 and Network Rail as a partner on relevant works to enable the delivery of the new high speed rail line between London, the Midlands and Crewe. Ensure that the foundations are in place for the West Midlands to be ready for the opening of HS2, supporting the HS2 Connectivity Programme being delivered through the recently announced West Midlands £8bn growth deal.
- 8 Both the DfT and WMR are also committed to ensuring that rail fully plays its part in supporting low carbon, environmental and wider sustainability objectives.

## Schedule 2

### Strategic Board Responsibilities

Subject to the Reserved Matters, the Strategic Board shall be responsible for:

- 1 overseeing franchise management activity in respect of the WMSBU and providing appropriate input into the WCSBU insofar as that input concerns rail services in the WMR Area;
- 2 preparing and approving the WMSBU annual business plans;
- 3 undertaking an annual (or more frequent if agreed by both parties) review of franchise management responsibilities which have been delegated by the Secretary of State to WMR;
- 4 developing and keeping under review investment options in respect of the WMSBU and providing appropriate input into the investment options for the WCSBU insofar as that input concerns rail services in the WMR Area;
- 5 keeping WMSBU performance under review and making recommendations to the Secretary of State as to the taking of enforcement action and providing appropriate input in relation to the performance of the WCSBU insofar as that input concerns rail services in the WMR Area;
- 6 making recommendations and providing guidance to the Secretary of State on the carrying out of other Secretary of State Duties and decisions on other Reserved Matters, to the extent relevant to WMSBU services;
- 7 discussing WMR's proposals and representations relating to passenger services and station services in the WMR Area that do not fall within the WMSBU (including any such services in the WCSBU and in franchises other than the 2017 WM Franchise) and where appropriate making recommendations or providing guidance thereon to the Secretary of State; and
- 8 consider proposals put forward by WMR pursuant to the matters referred to in clauses 10.1 and 10.2 of the Agreement.

### Schedule 3

#### Management Team Responsibilities

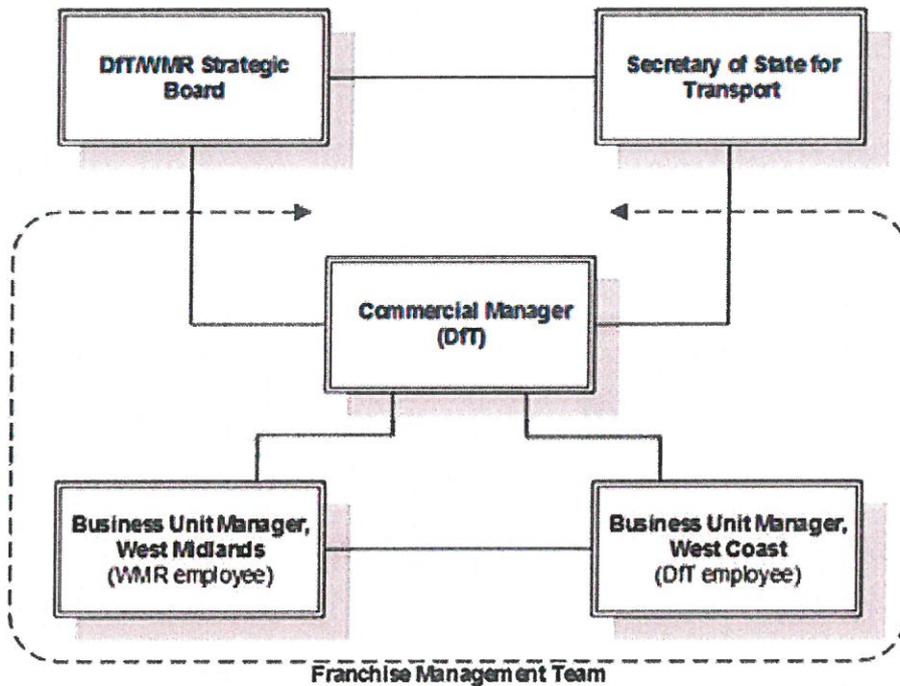
- 1 Subject to the Reserved Matters, the Management Team shall be responsible for:
- (a) subject to the Reserved Matters, implementation of the Strategic Board business plans for the WMSBU;
  - (b) implementation of cost neutral or cost reducing changes in respect of the WMSBU in accordance with the delegated authority of the Strategic Board and the terms of the Agreement;
  - (c) save in respect of Reserved Matters, day-to-day contact and commercial management of the WMSBU (on behalf of the Strategic Board and the Secretary of State) including:
    - (i) appropriate contract administration;
    - (ii) performance monitoring (including any service quality regime); and
    - (iii) risk management and reporting.
  - (d) developing change proposals for consideration by the Strategic Board in conjunction with the Franchisee, WMR and other stakeholders including the changes referred to in clauses 10.1 and 10.2 of the Agreement;
  - (e) providing general briefing and support for ministers and the WMR partner authorities relating to the WMSBU and the operation of the Strategic Board and Management Team and in preparing for the annual reviews;
  - (f) in relation to rail investment in the WMR Area:
    - (i) developing proposals for the Government's HLOS for each Control Period, identifying related or necessary change proposals;
    - (ii) developing WMR funded investment proposals, identifying related or necessary changes pursuant to clauses 10.1 and 10.2 of the Agreement;
    - (iii) overseeing the development of output statements and metrics for Network Rail setting out in more detail what is sought from HLOS requirements and proposed changes having regard to the total HLOS funding available;
    - (iv) where the Strategic Board has been delegated HLOS Scheme Management by the Secretary of State, to act as Network Rail's 'Client' for such HLOS schemes, as agreed between Secretary of State and WMR, including finalising the detailed scheme output specifications and agreeing these with Network Rail and Secretary of State including budget provision and affordability;
- 2 Notwithstanding that the Strategic Board shall have primary responsibility for the WMSBU and the Secretary of State shall have primary responsibility for the WCSBU, the Parties shall work together in respect of the two business units. In particular the Secretary of State recognises that WMR has an interest in the Coventry Corridor and Stafford Corridor and the Secretary of

State shall have due regard to comments made by WMR in respect of the Coventry Corridor and the Stafford Corridor.

### Appendix to Schedule 3

#### Franchise Management Structure

- 1 Designed to be dynamic and to facilitate the development of local leadership of the WMSBU, with responsibilities transferring to WMR incrementally over time
- 2 One full-time Business Unit Manager to be provided by each of DfT and WMR
- 3 DfT Commercial Manager on West Midlands franchise



- 4 The WMSBU Manager shall be based predominantly in the West Midlands, with co-location at Great Minster House as required and as workload dictates
- 5 WCSBU Manager shall be based predominantly in Great Minster House but with regular travel to and time spent in the West Midlands as required and as workload dictates
- 6 Accommodation in the West Midlands to be provided by WMR – likely to be 16 Summer Lane, Birmingham

#### Reporting

- 7 Quarterly franchise-wide report/meetings shall be held between the Commercial Manager, the WMR Director and both SBU Managers
- 8 Business unit reporting/meetings shall be held during each reporting period between both SBU Managers (each to lead for their SBU)

# Schedule 4

## Part 1 - Separable Business Units Map





## Schedule 5

### Funding Outputs

#### 1 Year 1 Outputs

- 1.1 Recruit WMR Director, WMR Business Unit Manager and WMR Contract/Admin Support;
- 1.2 Establish WMR company structure, office space and support services;
- 1.3 By Q1 2018/19 prepare first version of the Business Plan and within this define the targets for marketing;
- 1.4 Establish relationship with the franchisee including regular attendance in shadow form at 2017 WM Franchise Agreement review meetings;
- 1.5 Support the set-up of the Separable Business Units and establish structures for formal West Midlands Separable Business Unit reporting by the date required in the 2017 WM Franchise Agreement; and
- 1.6 Attendance at the Strategic Board.

#### 2 Year 2 and Future Years

- 2.1 Confirm staff (WMR Director, WMR Business Unit Manager and WMR Contract/Admin) are in-post;
- 2.2 Report progress against the Business Plan;
- 2.3 Update the Business Plan on an annual basis; and
- 2.4 Attendance at the Strategic Board.

#### 3 General

- 3.1 Establish clear roles and responsibilities regarding the services to be provided under the 2017 WM Franchise Agreement and the Separable Business Unit monitoring and management;
- 3.2 Establish meeting structure to monitor the outputs of the Separable Business Units; and
- 3.3 Ensure that obligations are understood and processes in place to manage outputs and outcomes to be consistent with the Purpose and Objectives of this Agreement.



## Appendix B

### CA2 Heads of Terms

#### **Commercial Terms for New Collaboration Agreement Between Secretary of State for Transport and West Midlands Rail Limited (hereafter referred to as West Midlands Rail Executive)**

##### **Principle**

This document is based on the April 2017 Collaboration Agreement, and whilst this will be a whole new agreement between the parties, the principle is that the New Collaboration Agreement will build on the current agreement and unless specified the terms should remain the same for the new contract.

##### **Term**

The Agreement will start when the new contract between the Secretary of State and the operator for West Midlands Trains commences and will run co-terminus with that contract. This is currently planned for [xx] September 2021 until [xx] [March 2026].

##### **Changes to contracting parties**

To reflect West Midlands Rail Limited's change in trading name from West Midlands Rail to West Midlands Rail Executive, the abbreviation 'WMRE' shall be substituted for 'WMR' in Para (2) of the Between clause, and all subsequent references to WMR will be replaced by WMRE.

##### **Changes to Definitions**

- (a) All references to either 2017 WM Franchise or 2017 WM Franchise Agreement to be replaced with 2021 WM National Rail Contract
- (b) Change Rail Investment Strategy or HLOS to Rail Network Enhancement Pipeline
- (c) Change WCSBU to read London Northwestern Railway Business Unit (LNRBU) to include a map as an Annex to the Collaboration Agreement
- (d) Change WMSBU to read West Midlands Railway Business Unit (WMRBU) to include a map as an Annex to the Collaboration Agreement
- (e) Add a definition of WMRE area – WMRE to provide definition and map

##### **Purpose**

Revise purpose to read:

Rail services have a significant impact on the economy and lives of people living and working in the West Midlands. The aim of this Collaboration Agreement is to ensure meaningful local democratic influence over the operation and development of the rail network. The Parties intend to collaborate over the delivery and development of rail services in the WMRE area for the benefit of passengers and the regional economy (Purpose) and the Parties shall each use their respective reasonable endeavours to give effect to the Purpose through the operation of this Agreement.

##### **Changes to Section 6 Phase 1 – rename to General Provisions**

Remove all drafting and replace with a section titled 'Objectives'. These objectives will be that:

- (a) West Midlands Rail Executive (WMRE) to work with the SoS in partnership to manage the WMT rail contract, and in particular lead on non-Reserved Matters regarding the WMRBU.

- (b) For the SoS and WMRE to work in a way which promotes rail as part of an integrated transport system in the WMRE area consistent with the objectives of both organisations
- (c) WMRE to act as coordinator and enabler of collaboration between all SoS rail contracts and Network Rail in the WMRE area, working in partnership with other DfT officials as appropriate in support of delivery of wider WMRE and SoS objectives and operator contract obligations
- (d) Ensure that whilst recognising the constraints of the Reserved Matters, the SoS and WMRE work together throughout the period of the Agreement to enhance the capability of both organisations.
- (e) Anything else the parties jointly agree that should be pursued

**Strategic Board to be deleted and replaced with a section titled ‘Meeting Structure’**

All existing drafting to be deleted and replaced with:

- (a) The Secretary of State (or Minister) shall meet with the WMRE Board Chair and Vice Chairs on an annual basis to discuss the progress in achieving the Objectives and the Purpose.
- (b) A quarterly senior meeting between WMRE and the SoS officials chaired by the Markets Director, North and will include at least: Market Lead, Senior Commercial Manager, Commercial Manager and representatives from Programme Director’s team in Rail Infrastructure from the Department for transport and Executive Director WMRE and Lead on WMRBU Management. This meeting will cover at least the following: current performance and forward look to strategically important matters over the forthcoming 12 months
- (c) An Annual meeting between the Managing Director Passenger Services and the Chair and Vice Chairs of WMRE to discuss matters relating to the execution of this Agreement, the further development of the relationship between the Parties and any other relevant rail matters in the WMRE area.
- (d) A meeting every four weeks of the Management Team. Such items that are discussed shall be agreed by the team.

Reference to Schedule 2 required.

**‘Franchise Management’ to be renamed to ‘Commercial and Contract Management’**

Changes will be required in this section to reflect the updated Agreement only. There are no fundamental changes.

**‘Ongoing Engagement’ to be replaced with ‘Attendance at Governance Meetings’**

This section should be replaced with an opportunity to attend, as appropriate, the relevant governance meetings of each party relating to matters of mutual interest (such as WMRE Board, SIAP, SOAP etc.).

**Dispute Resolution Procedure**

Delete entire section and replace with [to be decided]. To include strengthened WMRE arrangements which will include role of WMCA Monitoring Officer and political leadership.

**Notices**

Contact information to be revised and updated.

**Schedule 1**

Remove as superseded by expanded Purpose.

**Schedule 2**

Remove reference to Joint Strategic Board and retitle to Joint Meeting Structure Responsibilities

**Schedule 3**

Retain drafting and update .

**Schedule 5**

Remove year 1 obligations and update remainder

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**Dated**

**September 2021**

**SECRETARY OF STATE FOR TRANSPORT  
WEST MIDLANDS RAIL LIMITED**

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**COLLABORATION AGREEMENT**  
**relating to rail operation in the  
West Midlands**

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**Agreement** is made on

September 2021

**Between**

- (1) **The Secretary Of State For Transport** whose principal place of business is at Great Minster House, 33 Horseferry Road, London, SW1P 4DR (**Secretary of State**); and
- (2) **West Midlands Rail Limited** (No. 08991160) whose registered office is at 16 Summer Lane, Birmingham B19 3SD and whose trading name is West Midlands Rail Executive (**WMRE**).

**Whereas**

- (A) The Secretary of State has confirmed the Secretary of State's support for working together with WMRE to develop proposals for how, by adopting a collaborative approach, local decision making could play a central role in defining future rail services in the West Midlands (**Agreed Position**).
- (B) In furtherance of the Agreed Position the Parties entered into a collaboration agreement on 6 April 2017 (**2017 Collaboration Agreement**) relating to rail operation in the West Midlands and in particular the operation of the 2017 WM Franchise Agreement.
- (C) The 2017 WM Franchise Agreement is due to terminate on 19 September 2021 and is to be followed by a new contract to be entered into by the Secretary of State providing for the operation of rail passenger services inter alia in the West Midlands.
- (D) This Agreement sets out terms upon which the Parties have agreed to continue to collaborate in relation to rail operation in the West Midlands in place of the 2017 Collaboration Agreement.

**It is agreed**

1 **Definitions**

- 1.1 In this Agreement, unless the context otherwise requires, the following expressions have the following meanings:

**2017 WM Franchise Agreement** means the franchise agreement entered into between the Secretary of State and the Operator on 8 September 2017 for the operation of services in the West Midlands designated by the Secretary of State pursuant to Section 23 of the Act as franchise services;

**2021 WM National Rail Contract** means the agreement to be entered into by the Secretary of State and the Operator that will provide for the continued operation of the rail services in the West Midlands following the termination of the 2017 WM Franchise Agreement;

**Act** means Railways Act 1993 (as amended from time to time);

**Business Plan** has the meaning given in the 2021 WM National Rail Contract;

**Business Plan Commitment** has the meaning given in the 2021 WM National Rail Contract;

**Business Plan Revision** has the meaning given in the 2021 WM National Rail Contract;

**Business Units** means:

- (a) the West Midlands Railway Business Unit (WMRBU); and
- (b) the London Northwestern Railway Business Unit (LNRBU),

as established during the period of the 2017 WM Franchise Agreement;

**Commencement Date** means the date of this Agreement;

**Contract Year** has the meaning given in the 2021 WM National Rail Contract;

**Control Period** means a railway investment period (currently a five year period from 2019 to 2024 for Control Period 6);

**CEDR** means the Centre for Effective Dispute Resolution;

**Confidential Information** has the meaning given in clause 15;

**Coventry Corridor and Stafford Corridor** means the route coloured green and titled "London Northwestern Railway Business Unit (WMRE area)" on the plan set out in part 1 of Schedule 4;

**DfT** or **Department for Transport** means the Department for Transport which is the organisation that discharges the duties of the Secretary of State;

**DfT Annual Funding Amount** means:

- (a) in respect of each Contract Year containing 13 Reporting Periods, an aggregate amount of £500,000 (five hundred thousand pounds sterling); and
- (b) in respect of any Contract Year containing less than 13 Reporting Periods (which for the avoidance of doubt, shall apply to the first Contract Year being the period from the Start Date until the end of the last Reporting Period in the first Contract Year) an aggregate amount of not less than:

**A x (B/13)** where:

**A** means £500,000 (five hundred thousand pounds sterling); and

**B** means the number of Reporting Periods in the relevant Contract Year;

**Dispute** has the meaning given in clause 17.1;

**Dispute Resolution Procedure** means the procedure set out in clause 17;

**Environmental Information Regulations** means the Environmental Information Regulations 2004 and any subordinate legislation made under them together with any guidance and/or codes of practice issued by relevant Government Department in relation to such legislation;

**Freedom of Information Act** means the Freedom of Information Act 2000 and any subordinate legislation made under this Act together with any guidance and/or codes of practice issued by the Information Commissioner or relevant Government Department in relation to such legislation;

**Funding Outputs** means the outputs set out in schedule 5 of this Agreement;

**General Provisions** means the provisions set out in clause 6;

**Initial Dispute Board** has the meaning given in clause 17.3;

**Insolvency Event** means one of the following events:

- (a) a court makes an order that WMRE be wound up or a resolution for a voluntary winding-up of WMRE is passed;
- (b) a receiver or manager in respect of WMRE is appointed;
- (c) any voluntary arrangement is made for a composition of debts or a scheme of arrangement is approved under the Insolvency Act 1986 or the Companies Act 2006 in respect of WMRE; or
- (d) an administration order is made or an administrator is appointed in respect of WMRE;

**Joint Board** means the board of senior representatives of each Party intended to meet on a quarterly basis, as referred to in clause 7.2;

**Joint Funding Account** has the meaning given to it in clause 9.1;

**Law** includes any enactment, subordinate legislation, rule, regulation, order, directive or other provision, including those of the European Community, and any judicial or administrative interpretation or application thereof, which has, in each case, the force of law in the United Kingdom or any part of it (including the Act, the Transport Act 2000, the Transport Safety Act 2003 and the Railways Act 2005);

**LNRBU** means the passenger services and station services in the London Northwestern Railway Business Unit, as identified in part 1 of schedule 4;

**Management Team** means the management team from time to time established to perform the Management Team Responsibilities set out in schedule 3, as referred to in clause 8.1;

**Notice of Mediation** has the meaning given in clause 17.8;

**Objectives** means the joint objectives of the Parties as defined in clause 3;

**Operator** means West Midlands Trains Limited (company number: 09860466) whose registered office is at 2<sup>nd</sup> Floor St Andrew's House, 18-20 St Andrew Street, London EC4A 3AG;

**ORR** means the Office of Rail and Road established by Section 15 of the Railways and Transport Safety Act 2003 and having duties and obligations as set out in the Act;

**Network Rail** means Network Rail Infrastructure Limited, (company number 02904587) whose registered office is at 1 Eversholt Street, London, NW1 2DN and any successor in title to the network or any relevant railway facility;

**Parties** means WMRE and the Secretary of State;

**Performance Based Fee** has the meaning given in the 2021 WM National Rail Contract;

**Purpose** means the purpose defined in clause 4.1;

**Rail Network Enhancement Pipeline** means the five stage rolling programme of investment in enhancements that has replaced the railway investment strategy and high level output specification;

**Reporting Period** has the meaning given in the 2021 WM National Rail Contract;

**Request for Business Plan** has the meaning given in the 2021 WM National Rail Contract;

**Request for Information** means a request for information or an apparent request under the Freedom of Information Act or the Environmental Information Regulations;

**Reserved Matters** means the following matters reserved to the Secretary of State:

- (a) decisions increasing net costs or net future costs to the Secretary of State;
- (b) determination of events of default under the 2021 WM National Rail Contract;
- (c) the content of the Rail Network Enhancement Pipeline and Statement of Funds Available;
- (d) any action required to comply with the Secretary of State's duty under Section 30 of the Act;
- (e) enforcement against the Operator under the 2021 WM National Rail Contract pursuant to Section 55 of the Act;

**Secretary of State Duties** has the meaning given in clause 5.1(a);

**Statement of Funds Available** means the statement issued by the Department for Transport in relation to the public funds that are or are likely to be available for delivery of the Rail Network Enhancement Pipeline;

**Start Date** has the meaning given in the 2021 WM National Rail Contract;

**Trigger Event** has the meaning given in the 2021 WM National Rail Contract;

**WMRBU** means the passenger services and station services in the West Midlands Railway Business Unit (including station services at 2021 WM National Rail Contract stations to the west of the West Coast Main Line), as identified in part 1 of schedule 4;

**WMRE Annual Funding Amount** means:

- (a) in respect of each Contract Year containing 13 Reporting Periods, an aggregate amount of £140,000 (one hundred and forty thousand pounds sterling); and
- (b) in respect of any Contract Year containing less than 13 Reporting Periods (which for the avoidance of doubt, applies to the first Contract Year being the period from the Start Date until the end of the last Reporting Period in the first Contract Year) an aggregate amount of not less than:

**A x (B/13)** where:

**A** means £140,000 (one hundred and forty thousand pounds sterling);

**B** means the number of Reporting Periods in the relevant Contract Year;

**WMRE Area** means the West Midlands Rail Executive area shown on the map set out in part 2 of schedule 4;

**WMRE Change** has the meaning given in clause 10.1;

**WMRE Fare Change** has the meaning given in clause 10.2; and

**Working Day** means a day (other than a Saturday or Sunday) on which banks are open for domestic business in the City of London.

## 1.2 Interpretation

Unless the context otherwise requires:

- (a) references to clauses and schedules are to clauses of, and schedules to, this Agreement;
- (b) use of any gender includes the other genders;
- (c) references to a “**company**” shall be construed so as to include any corporation or other body corporate, wherever and however incorporated or established;
- (d) references to a “**person**” shall be construed so as to include any individual, firm, company, government, state or agency of a state, local or municipal authority or government body or any joint venture, association or partnership (whether or not having separate legal personality);
- (e) “**body corporate**” shall have the meaning given in section 1173 Companies Act 2006 and “**wholly-owned subsidiary**” shall have the meaning given in section 1159 Companies Act 2006;
- (f) a person is deemed associated with another person or an associated person if the person is an associate of the other person within the meaning of section 435 Insolvency Act 1986
- (g) a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted;
- (h) a reference to any other document referred to in this Agreement is a reference to that other document as amended, varied, novated at any time;
- (i) headings and titles are for convenience only and do not affect the interpretation of this Agreement;
- (j) the rule known as the *ejusdem generis* rule shall not apply and accordingly general words introduced by the word “**other**” shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things; and
- (k) general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

## 2 Commencement, Term and Termination of 2017 Collaboration Agreement

- 2.1 This Agreement shall come into full force and effect on the Start Date.
- 2.2 This Agreement shall remain in full force and effect unless terminated by either Party in accordance with clause 13 of this Agreement.
- 2.3 For the avoidance of doubt, the Parties agree that the 2017 Collaboration Agreement entered into by them on 6 April 2017 shall expire upon the coming into force of this Agreement and further agree that clauses 9.7, 10.7 and 14 of that agreement shall not have effect in respect of that expiry.

## 3 Collaboration Objectives

- 3.1 The Parties shall collaborate with a view to achieving the objectives set out in schedule 1 (**Objectives**) for the duration of the 2021 WM National Rail Contract.

## 4 Purpose of the Agreement

- 4.1 The Parties intend to continue to collaborate on the running of rail services in the WMRE Area for the benefit of passengers and the regional economy and to facilitate meaningful local democratic influence over the operation and development of the rail network in that area (**Purpose**).
- 4.2 The Parties shall each use their respective reasonable endeavours to give effect to the Purpose through the operation of this Agreement.
- 4.3 The Parties shall carry out their obligations, and exercise their rights, under this Agreement with a view to achieving the Objectives and the Purpose.

## 5 Secretary of State Duties and Reserved Matters

- 5.1 The Parties acknowledge and agree that:
- (a) the Secretary of State has responsibilities and duties deriving by reason of statutory or regulatory requirements under Law including without limitation pursuant to the Act and in relation to the proper expenditure of public monies (**Secretary of State Duties**);
  - (b) such Secretary of State Duties must be discharged by the Secretary of State and cannot be delegated to any other persons.
  - (c) the role of WMRE in respect of such Secretary of State Duties can only be advisory.
- 5.2 Nothing in this Agreement shall fetter the discretion of the Secretary of State when carrying out the Secretary of State Duties and / or the Reserved Matters.
- 5.3 The Reserved Matters are a definitive list of matters in respect of which decisions are reserved to the Secretary of State. The Secretary of State shall be entitled to update the Reserved Matters by notifying WMRE in writing of the amendments required.
- 5.4 The Secretary of State shall require the Operator to:

- (a) apply the WMR Brand to the WMRBU including as appropriate the associated trains, stations, staff uniforms, marketing materials, publications and ticket sales channels;
- (b) acknowledge WMRE's ownership of the WMR Brand;
- (c) agree that ownership of any intellectual property created or devised in relation to the WMR Brand in the course of undertaking the Rail Services shall vest in WMRE.

## 6 General Provisions

6.1 During the period of this Agreement:

- (a) WMRE shall work with the Secretary of State in partnership to manage the 2021 WM National Rail Contract, and in particular lead on matters regarding the WMRBU that are not Reserved Matters;
- (b) WMRE shall work with the Secretary of State to facilitate the annual Business Plan process under the 2021 WM National Rail Contract (including in relation to the content of the Request for Business Plan and the Business Plan Commitments);
- (c) WMRE and the Secretary of State shall work together in a way which promotes rail as part of an integrated transport system in the WMRE Area consistent with the objectives of both Parties;
- (d) WMRE shall act as coordinator and enabler of collaboration between all Secretary of State rail-related contracts and Network Rail in the WMRE Area, working in partnership with DfT officials as appropriate in support of delivery of wider WMRE and Secretary of State objectives and Operator contract obligations;
- (e) whilst recognising the constraints of the Reserved Matters, WMRE and the Secretary of State shall work together to enhance the capability of both Parties;
- (f) the Parties shall continue to collaborate and work together to explore and seek to agree future ways of working together in relation to Rail Services in the West Midlands; and
- (g) the Parties shall do anything else which they jointly agree should be done.

## 7 Meeting Structure

7.1 The Secretary of State (or another Minister from the DfT) shall meet with the WMRE Board Chair and Vice Chairs on an annual basis to discuss progress in achieving the Objectives, the Purpose and the General Provisions.

7.2 Quarterly meetings shall take place between senior representatives of WMRE and senior representatives of the Secretary of State (**Joint Board**). The meetings shall be chaired by the Deputy Director Midlands, North & Wales Market and shall include at least:

- (a) the Market Lead, Senior Commercial Manager, Commercial Manager and representatives from the Programme Director's team in Rail Infrastructure, from the DfT; and
- (b) the Executive Director WMRE and Lead on WMRBU Management, from WMRE.

The meetings shall cover at least the current performance of the 2021 WM National Rail Contract and a forward look to strategically important matters over the forthcoming 12 months and shall be responsible for the matters set out in Schedule 2.

- 7.3 An annual meeting shall take place between the DfT's Managing Director Passenger Services and the Chair and Vice Chairs of WMRE to discuss matters relating to the performance of this Agreement, the further development of the relationship between the Parties and any other relevant rail matters relating to the WMRE Area.
- 7.4 A meeting of the Management Team shall take place every four weeks. Items to be discussed at those meetings shall be agreed by the Management Team.

## 8 Commercial and Contract Management

- 8.1 The Parties agree that the management team established by them for the 2017 WM Franchise Agreement shall continue to perform the Management Team Responsibilities set out in schedule 3.
- 8.2 The composition and reporting structure of the Management Team shall be as set out in the diagram in the Appendix to schedule 3.
- 8.3 Each Party shall continue to contribute available and relevant expertise (legal, finance, media/press/communications etc) to support the Management Team.
- 8.4 The WMRE representatives at the meetings of the Joint Board and/or the WMRBU Manager are the primary conduits of information relating to any matters which may arise pursuant to the operation of the 2021 WM National Rail Contract relating directly or indirectly to the WMRE Area and they shall inform WMRE as soon as reasonably practicable on becoming aware of any such issues or matters which need to be brought to the attention of WMRE and liaise with WMRE as necessary in relation to those matters. The Secretary of State representatives at the meetings of the Joint Board will support appropriate engagement with WMRE on the matters referred to in this clause 8.4.

## 9 Funding

- 9.1 WMRE shall continue to maintain the bank account in the joint names of WMRE and the Secretary of State into which (subject to compliance by WMRE with the notification provisions of this clause 9.1) the Secretary of State shall pay the DfT Annual Funding Amount and WMRE shall pay the WMRE Annual Funding Amount (the **Joint Funding Account**). Each Party shall provide notice to the other Party as soon as reasonably possible after a payment has been made by them of the amount and date of such payment. Payments shall be made:
- (a) in respect of the first Contract Year of the 2021 WM National Rail Contract, on the Start Date (unless and to the extent already paid into the Joint Funding Account prior to the Start Date); and
  - (b) in respect of each subsequent Contract Year of the 2021 WM National Rail Contract, on or before the first day of the relevant Contract Year.
- 9.2 The Parties agree that:
- (a) monies paid (or due to be paid) into the Joint Funding Account under the 2017 Collaboration Agreement which relate to the period before the Start Date shall remain

in the Joint Account on the Start Date and thereafter such funds shall be subject to the provisions of this Agreement; and

- (b) the WMRE Annual Funding Amount and the DfT Annual Funding Amount paid into the Joint Funding Account before the Start Date which relate to the period after the Start Date shall remain in the Joint Funding Account and shall be treated as the WMRE Annual Funding Amount and the DfT Annual Funding Amounts for the first Contract Year respectively.
- 9.3 The DfT Annual Funding Amount and the WMRE Funding Amount shall be used solely in relation to the Funding Outputs and WMRE shall use all reasonable endeavours to achieve such Funding Outputs.
- 9.4 As soon as becoming aware that the DfT Annual Funding Amount has not been paid, or is not reasonably likely to be paid, in accordance with clause 9.1 of this Agreement, the Secretary of State shall notify WMRE.
- 9.5 As soon as becoming aware that the WMRE Annual Funding Amount has not been paid, or is not reasonably likely to be paid, in accordance with clause 9.1 of this Agreement, WMRE shall notify the Secretary of State.
- 9.6 Where notification is served under either clause 9.4 or 9.5, the Secretary of State and WMRE shall meet as soon as reasonably practicable to discuss how the deficit in funding can be best resolved between the Parties.
- 9.7 The Secretary of State and WMRE shall monitor and review the funding requirements under this Agreement and may reasonably amend the funding requirements under this Agreement by mutual agreement in writing. Neither Party shall be liable to the other Party to provide any funding under this Agreement beyond its respective funding commitments under clause 9.1 except where amended pursuant to this clause 9.7.
- 9.8 Where a Party fails to make payment on the due date in accordance with clause 9.1 (unless non-payment is due to the default of the other Party) interest shall accrue at the rate of 2% per annum above the base rate of Royal Bank of Scotland plc from the due date until the date payment is received in full.
- 9.9 WMRE shall maintain the Joint Funding Account until 3 months following termination of this Agreement by whatever means and this clause 9.9 (and any other provisions necessary to give effect to it) shall survive the termination of the Agreement, irrespective of the reason for termination.
- 9.10 WMRE shall, in relation to the funds held in the Joint Funding Account:
- (a) within 7 Working Days after the Start Date, deliver to the Secretary of State a summary showing:
    - (i) the amount in the account as at the Start Date (and so carried forward from the 2017 Collaboration Agreement into this Agreement); and
    - (ii) a summary of all monies paid into and out of such account under the 2017 Collaboration Agreement;
  - (b) within 7 Working Days after each 31 March, provide copies of bank statements for the preceding period 1 April to 31 March.

9.11 WMRE shall:

- (a) within 7 Working Days after statutory sign off, provide a copy of WMRE's annual audited accounts to the Secretary of State together a copy of any audited annual bank reconciliation statement which relates to the Joint Funding Account;
- (b) promptly notify the Secretary of State of any adverse audit opinion findings or statements qualifying its annual audited accounts

## 10 Changes Proposed by WMRE

10.1 WMRE may propose and require the implementation of cost reducing, WMRE-funded or third party funded changes to the passenger services and station services provided by the WMRBU pursuant to the 2021 WM National Rail Contract (**WMRE Change**) provided always that:

- (a) where the agreement of the Operator is required under the 2021 WM National Rail Contract, the WMRE Change shall be subject to such agreement of the Operator;
- (b) subject to paragraph (c), the Secretary of State has a right to object to any WMRE Change that the Secretary of State reasonably considers is likely to have an adverse financial consequence to the Secretary of State;
- (c) the Joint Board shall decide if WMRE Change is likely to have an adverse financial consequence to the Secretary of State provided that it shall take into account any information or evidence provided by the Secretary of State in relation to such financial consequences of the WMRE Change; and
- (d) either Party may refer such decision of the Joint Board to the Dispute Resolution Procedure if it does not agree with the decision.

10.2 WMRE may propose and require the implementation of changes to fares within the West Midlands Commuter Fares Basket (as defined in the 2021 WM National Rail Contract) (including without limitation by requesting the use of the "f" or changing the value of "k" in the 2021 WM National Rail Contract in relation to the fare controls applicable to those passenger services) (**WMRE Fare Change**) where such WMRE Fare Change does not:

- (a) have adverse consequences for the Secretary of State (including without limitation by increasing costs or reducing revenue under the 2021 WM National Rail Contract or any rail franchise agreement, causing significant adverse changes to the Secretary of State's risk profile and by exposing the Secretary of State to the risk of successful legal challenges relating to breach of applicable public procurement legislation); or
- (b) conflict with any Secretary of State Duties.

provided always that:

- (i) where the agreement of the Operator is required under the 2021 WM National Rail Contract, the WMRE Change shall be subject to such agreement of such Operator;
- (ii) subject to paragraph (iii) the Secretary of State has a right to object to any WMRE Fare Change that the Secretary of State reasonably considers is likely to have an adverse financial consequence to the Secretary of State;

- (iii) the Joint Board shall decide if WMRE Fare Change is likely to have an adverse financial consequence to the Secretary of State or conflict with any Secretary of State Duties provided that it shall take into account any information or evidence provided by the Secretary of State in relation to such financial consequences of the WMRE Change or conflict with the Secretary of State's Statutory Duty (as the case may be); and
  - (iv) either Party may refer such decision of the Joint Board to the Dispute Resolution Procedure if it does not agree with the decision.
- 10.3 The Parties acknowledge and agree that West Midlands Combined Authority (**WMCA**) shall continue to maintain a ring-fenced earmarked reserve into which all net savings generated by either WMRE Changes or WMRE Fares Changes proposed by WMRE as referred to in clauses 10.1 and 10.2 (after any required payments have been made to the operator of the relevant rail services by the Secretary of State pursuant to the 2021 WM National Rail Contract) shall be paid by the Secretary of State (the **Joint Savings Earmarked Reserve**). WMRE shall notify the Secretary of State of the value of any savings generated pursuant to this clause 10, accompanied by details of how those savings have been calculated, as and when it requires payment into the Joint Savings Earmarked Reserve (but not more frequently than once every three months and not in respect of trivial amounts), and following receipt of a valid notification of savings, the Secretary of State shall have a period of 14 days in which to make payment.
- 10.4 WMRE may (or may direct WMCA) to use the monies held in the Joint Savings Earmarked Reserve to fund WMRE Changes or WMRE Fare Changes as referred to in clauses 10.1 and 10.2 respectively. WMRE may also, with the prior written consent of the Secretary of State, direct WMCA to transfer approved amounts out of the Joint Savings Earmarked Reserve to release to itself or another local authority member of WMRE designated by WMRE on the basis that those monies shall be used to improve rail passenger services and/or associated rail facilities in the WMRE Area.
- 10.5 Where the Joint Board have not decided that the WMRE Change or WMRE Fare Change is likely to have an adverse financial consequence to the Secretary of State, the Secretary of State shall consent to the transfer of approved amounts out of the Joint Savings Earmarked Reserve to the WMCA or another local authority member of WMRE designated by WMRE as set out in clause 10.4.
- 10.6 WMRE (with full assistance and cooperation from WMCA) shall be solely responsible for, and shall keep a full and accurate record of, any monies paid into and out of the Joint Savings Earmarked Reserve and shall be liable for any deficiencies identified within it (save where such deficiencies are as a consequence of the Secretary of State failing to pay net savings generated pursuant to clause 10.3 into the Joint Savings Earmarked Reserve or as a consequence of WMCA's failure to comply with its obligations). A deficiency shall be taken to have arisen where monies in the Joint Savings Earmarked Reserve are applied other than in accordance with this Agreement or as otherwise agreed by the WMRE and the Secretary of State in writing.
- 10.7 WMRE shall procure that WMCA shall maintain the Joint Savings Earmarked Reserve until 3 months following termination of this Agreement by whatever means and this clause 10.7 (and any provisions necessary to give effect to it) shall survive the termination of the Agreement, irrespective of the reason for termination.
- 10.8 The Parties agree that any monies paid or due to be paid into the Joint Savings Earmarked Reserve under the 2017 Collaboration Agreement shall be carried forward into the provisions of this Agreement.

10.9 WMRE shall deliver to the Secretary of State, quarterly updates summarising amounts transferred into and/or out of the Joint Savings Earmarked Reserve.

#### 11 Attendance at Governance Meetings

The Parties shall afford each other the opportunity to send representatives, as appropriate, to relevant governance meetings of each Party relating to matters of mutual interest (including without limitation WMRE Board meetings, DfT SIAP meetings and DfT SOAP meetings).

#### 12 Assignment, Transfer and Novation

12.1 Unless required by law, neither party shall be entitled to assign or transfer its rights and/or obligations under this Agreement without the written consent of the other Party except that the Secretary of State shall be entitled to transfer the Secretary of State's rights and/or obligations under this Agreement to any person having the same legal capacity, power and authority of the Secretary of State.

12.2 WMRE may with the Secretary of State's consent assign, transfer or novate all of its rights and obligations under this Agreement to another suitable body assuming the responsibility of WMRE in respect of the delivery of rail services in the WMRE Area.

#### 13 Termination

13.1 Either Party shall be entitled to terminate this Agreement with immediate effect in the event of material breach of the Agreement or fraud or gross negligence by the other Party.

13.2 The Secretary of State shall be entitled to terminate this Agreement with immediate effect:

- (a) where WMRE suffers an Insolvency Event; or
- (b) in the event that WMRE ceases to be substantially representative of the local transport authorities within the WMRE Area.

13.3 The Parties shall be entitled to agree to terminate this Agreement where the Parties intend to enter into a new collaboration agreement which shall supersede this Agreement in which case the Parties shall consider whether it will be appropriate to enter into a new Licence of Intellectual Property Rights in respect of the branding developed by WMRE.

13.4 This Agreement shall terminate on the expiry or early termination of the 2021 WM National Rail Contract.

13.5 Notwithstanding termination of this Agreement, the provisions of this clause and of clauses 9.9 (duration of the Joint Funding Account), 10.7 (duration of the Joint Savings Earmarked Reserve), 14 (Consequences of Termination), 15 (Confidentiality) 16 (Freedom of Information), 17 (Dispute Resolution Procedure), 22 (Rights of Third Parties), 25 (No Partnership) and 28 (Governing Law) shall expressly survive such termination and continue in full force and effect along with any other clauses of and any schedules to this Agreement necessary to give full and proper effect to those clauses.

#### 14 Consequences of Termination

14.1 If this Agreement is terminated or expires pursuant to clause 13, the Joint Funding Account shall be closed by WMRE after all monies standing to the credit of the Joint Funding Account have been returned by WMRE to the Parties in accordance with clause 14.2.

14.2 Any monies standing to the credit of the Joint Funding Account shall be distributed by WMRE within 3 months following termination (or expiry) of this Agreement to the Parties in proportion to their respective funding contributions as set out under Clause 9 of this Agreement. Promptly following notice by WMRE of any monies owing to the Secretary of State pursuant to this clause 14, the Secretary of State shall provide WMRE with details of the bank account to which such monies should be paid.

**15 Confidentiality**

15.1 Subject to the provisions of the Act, the Transport Act 2000, the Railways Act 2005, the Environmental Information Regulations, the Freedom of Information Act (and any code of practice or other guidance related to the same) and clauses 15.2 to 15.8 inclusive, each Party shall hold in confidence all documents, materials and other information, whether technical or commercial, supplied by or on behalf of the other Party (all together the **Confidential Information**) and shall not, except with the other party's prior written authority, publish or otherwise disclose any Confidential Information otherwise than as expressly provided for in this Agreement unless or until the recipient Party can demonstrate that any such document, material or information is in the public domain through no fault of its own and through no contravention of the Agreement, whereupon to the extent that it is in the public domain this obligation shall cease.

15.2 Each Party may disclose any data or information acquired by it under or pursuant to the Agreement without the prior written consent of the other Party if such disclosure is made in good faith:

- (a) to any outside consultants or advisers engaged by or on behalf of such Party and acting in that capacity, upon obtaining from such consultants or advisers an undertaking of confidentiality equivalent to that contained in clause 15.1;
- (b) to the extent required by Law or pursuant to an order of any court of competent jurisdiction or the rules of any dispute resolution procedures to which a Dispute is referred in accordance with the Agreement; or
- (c) to any director, employee or officer of such Party, to the extent necessary to enable such Party to perform its obligations under the Agreement or to protect or enforce its rights under the Agreement;

15.3 The Secretary of State may disclose the Confidential Information of WMRE:

- (a) on a confidential basis to any Central Government Body for any proper purpose of the Secretary of State or of the relevant Central Government Body;
- (b) to Parliament and Parliamentary Committees or if required by any Parliamentary reporting requirement;
- (c) to the extent that the Secretary of State (acting reasonably) deems disclosure necessary or appropriate in the course of carrying out its public functions;
- (d) on a confidential basis for the purpose of the exercise of its rights under this Agreement;
- (e) on a confidential basis to a proposed successor, transferee or assignee of the Secretary of State in connection with any assignment, novation or disposal of any of its rights, obligations or liabilities under this Agreement,

and for the purposes of the foregoing, references to disclosure on a confidential basis shall mean disclosure subject to a confidentiality agreement or arrangement containing terms no less stringent than those placed on the Secretary of State under this clause 15.3.

15.4 For the purposes of clause 15.3, the following defined term shall have the following meaning:

**Central Government Body** means a body listed in one of the following sub-categories of the Central Government classification of the Public Sector Classification Guide, as published and amended from time to time by the Office for National Statistics:

- (a) Government Department
- (b) Non-Departmental Public Body or Assembly Sponsored Public Body (advisory, executive, or tribunal)
- (c) Non-Ministerial Department or
- (d) Executive Agency.

15.5 Nothing in this clause 15 shall be deemed to prohibit, prevent or hinder, or render the Secretary of State liable for, the disclosure of any information by the Secretary of State to the ORR, Network Rail, the Parliamentary Commissioner for Administration, a Minister of the Crown, any department of the government of the United Kingdom, the Scottish Parliament, the National Assembly of Wales, the Mayor of London, the Greater London Authority or any department or officer of any of them or of information which is otherwise disclosed for the purpose of facilitating the carrying out of the Secretary of State's functions.

15.6 WMRE hereby authorises the Secretary of State to provide to the ORR, to the extent so requested by the ORR, such information as may be provided to the Secretary of State in relation to this Agreement.

15.7 The Parties recognise that the Comptroller and Auditor General may, in pursuance of the Comptroller and Auditor General's functions under the Exchequer and Audit Department Act 1921, the National Audit Act 1983 and the Government Resources and Accounts Act 2000, disclose information which the Comptroller and Auditor General has obtained pursuant to those Acts and which a party to this Agreement would not be able to disclose otherwise than under this clause 15.

15.8 This clause 15 (and any other provisions necessary to give effect hereto) shall survive the termination of the Agreement, irrespective of the reason for termination.

## 16 Freedom of Information

16.1 The Parties acknowledge and shall procure that their agents and subcontractors acknowledge that the Parties are each subject to the requirements of the Freedom of Information Act and the Environmental Information Regulations and accordingly the Parties shall, and shall procure that their agents and subcontractors shall, assist and co-operate with the other Party to enable that Party to comply with its information disclosure obligations under the Freedom of Information Act and/or the Environmental Information Regulations (save if prevented by law or by contractual obligations or in circumstances where the Assisting Party (as defined below) would be able to withhold such information legitimately were the same Request for Information to be made to such Party directly).

- 16.2 Where a Party receives a Request for Information (**Requested Party**) and the Requested Party is unable to respond to such Request for Information without the assistance of the other party (**Assisting Party**), the Requested Party shall notify the Assisting Party that assistance is required and the Assisting Party (save if prevented by law or by contractual obligations or in circumstances where the Assisting Party would be able to withhold such information legitimately were the same Request for Information to be made to such Party directly) shall and shall procure that its agents and subcontractors shall:
- (a) provide the Requested Party with a copy of all information in its (or their) possession or power in the form that the Requested Party requires within five Working Days of the Requested Party's request (or within such other period as specified); and
  - (b) provide all necessary assistance as reasonably requested by the Requested Party to enable him to respond to any Request for Information within the time for compliance set out in section 10 of the Freedom of Information Act or regulation 5 of the Environmental Information Regulations as applicable.
- 16.3 The Requested Party shall be responsible for determining (in the Requested Party's absolute discretion, and notwithstanding any other provision in this Agreement or any other agreement), whether Confidential Information and/or any other information is exempt from disclosure in accordance with the provisions of the Freedom of Information Act and/or the Environmental Information Regulations.
- 16.4 Each Party acknowledges and shall procure that its agents and subcontractors acknowledge that notwithstanding any provision to the contrary in this Agreement each Party may be obliged under the Freedom of Information Act and/or the Environmental Information Regulations and any related Code of Practice or other guidance to disclose information concerning each Party and/or their respective agents and subcontractors:
- (a) in certain circumstances without consulting the other Party (or its agents and/or subcontractors where applicable); or
  - (b) following consultation with the other and having taken its views into account (and the views of its agents and/or subcontractors where applicable),
- provided always that where applicable the Requested Party shall in accordance with the provisions of the Freedom of Information Act and/or the Environmental Information Regulations take reasonable steps where appropriate to give the other Party advance notice or failing that to draw the disclosure to the other Party's attention after any such disclosure.

## 17 **Dispute Resolution Procedure**

- 17.1 The Parties shall use all reasonable endeavours to negotiate in good faith and settle amicably any dispute or difference of whatever nature between them arising under, out of, or in connection with this Agreement (each such dispute or difference a **Dispute**).
- 17.2 Following any referral of a Dispute to the Dispute Resolution Procedure in accordance with the terms of this Agreement, the provisions set out in this clause 17 shall apply.
- 17.3 The Dispute shall initially be referred for resolution to the Deputy Director Midlands, North & Wales Market (DfT) and the Chief Executive (WMRE) (**Initial Dispute Board**) who shall seek to resolve the matter as soon as reasonably possible and in any event within twenty (20) Working Days of escalation, or such other period as may be reasonable given the nature of the Dispute, and the urgency of resolution. The Initial Dispute Board shall be entitled to

request such additional information as may be reasonably requested from either WMRE or the Secretary of State in respect of the Dispute, including, but not limited to, any information to be provided pursuant to the relevant provisions of this Agreement.

- 17.4 Both Parties shall be entitled to make oral and/or written representations to the Initial Dispute Board prior to the Initial Dispute Board making its final determination.
- 17.5 Where the Initial Dispute Board are not able to resolve the Dispute within twenty (20) Working Days of escalation pursuant to clause 17.3 the Initial Dispute Board shall refer the Dispute for resolution to the Managing Director, Passenger Services (DfT) and the Director of Law and Governance (West Midlands Combined Authority) (**Secondary Dispute Board**) who shall seek to resolve the matter as soon as reasonably possible and in any event within twenty (20) Working Days of escalation, or such other period as may be reasonable given the nature of the Dispute, and the urgency of resolution. The Secondary Dispute Board shall be entitled to request such additional information as may be reasonably requested from either WMRE or the Secretary of State in respect of the Dispute, including, but not limited to, any information to be provided pursuant to the relevant provisions of this Agreement.
- 17.6 Both Parties shall be entitled to make oral and/or written representations to the Secondary Dispute Board prior to the Secondary Dispute Board making its final determination.
- 17.7 Where the Secondary Dispute Board are not able to resolve the Dispute within twenty (20) Working Days of escalation pursuant to clause 17.5, the Secondary Dispute Board shall refer the Dispute for resolution by the Director General (DfT Rail Executive) and the Mayor of the West Midlands who shall seek to resolve the Dispute within twenty (20) Working Days of escalation to them, or such other period as may be reasonable given the nature of the Dispute.
- 17.8 If the Parties cannot resolve a Dispute in accordance with the above escalation procedure, either Party may at any time refer the Dispute for mediation by serving a written notice on the other Party to that effect (**Notice of Mediation**).
- 17.9 If a Notice of Mediation is given, then the Dispute shall be referred to the CEDR for mediation in accordance with the CEDR's model mediation procedure. If the Parties are unable to agree on the appointment of a mediator, or any other matter relating to the referral or conduct of the mediation, it shall be referred to the then president of CEDR who shall decide such matters.
- 17.10 Except where this Agreement has terminated, the parties shall continue to perform their obligations under the Agreement, regardless of the nature of the Dispute and notwithstanding the referral of the Dispute for resolution pursuant to this clause 17.
- 17.11 WMRE acknowledges and accepts that the decision of the Secretary of State in relation to this exercise of any of the Secretary of State Duties is final and binding.

## 18 Notices

- 18.1 Any notice, notification or other communication under or in connection with clause 13 (Termination) or clause 17 (Disputes) of this Agreement shall be in writing and shall be delivered by hand or recorded delivery or sent by pre-paid first class post to the relevant party at the address for service set out below, or to such other address in the United Kingdom as each party may specify by notice in writing to the other party:

Name: The Department for Transport  
Address: 33 Horseferry Road, London SW1P 4DR

Attention: Senior Commercial Manager, Midlands

Name: West Midlands Rail Limited

Address: 16 Summer Lane, Birmingham B19 3SD

Attention: Programme Director

18.2 Any other notice, notification or other communication under or in connection with this Agreement shall be in writing and shall be delivered:

(a) in accordance with clause 18.1 (except that it shall be marked for the attention of the Contract Manager (in the case of notices being sent to the Secretary of State) or the Programme Director of the West Midlands franchise (in the case of notices being sent to WMRE); or

(b) by electronic data transfer to:

[westmidlandsfranchisemanagement@dft.gov.uk](mailto:westmidlandsfranchisemanagement@dft.gov.uk); or

[malcolm.holmes@wmre.org.uk](mailto:malcolm.holmes@wmre.org.uk)

as appropriate.

18.3 Deemed Receipt

Any notice or other communication issued pursuant to clauses 18.1 or 18.2 shall be deemed to have been received by the party to whom it is addressed as follows:

(a) if sent by hand or recorded delivery, when delivered;

(b) if sent by pre-paid first class post, from and to any place within the United Kingdom, three Working Days after posting unless otherwise proven; and

(c) if sent by electronic data transfer under clause 18.2(b) above, upon sending, subject to receipt by the sender of a "delivered" confirmation (provided that the sender shall not be required to produce a "read" confirmation).

19 **Waiver**

19.1 Either Party may at any time waive any obligation of the other Party under this Agreement and the obligations of the parties hereunder shall be construed accordingly.

19.2 No waiver by either Party of any default by the other Party in the performance of such Party's obligations under this Agreement shall operate or be construed as a waiver of any other or further such default, whether of a like or different character. A failure to exercise or delay in exercising a right or remedy under this Agreement shall not constitute a waiver of any right or remedy or a waiver of any other rights or remedies and no single or partial exercise of any right or remedy under this Agreement shall prevent any further exercise of such right or remedy or the exercise of any other right or remedy.

20 **Partial Invalidity**

If any provision in this Agreement is held to be void, illegal, invalid or unenforceable, in whole or in part, under any enactment or rule of Law, such provision or part shall to that extent be deemed not to form part of this Agreement but the legality, validity and enforceability of the remainder of the Agreement shall not be affected.

21 **Further Assurance**

Each Party agrees to execute and deliver all such further instruments and do and perform all such further acts and things as shall be necessary or expedient for the carrying out of the provisions of this Agreement.

22 **Rights of Third Parties**

A person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Agreement.

23 **Variation**

This Agreement may only be varied in writing signed by each of the Parties.

24 **Cumulative rights**

The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by Law.

25 **No Partnership**

Nothing in this Agreement and no action taken by the Parties under this Agreement shall constitute a partnership, association or other cooperative entity between any of the Parties or constitute any Party the agent of any other Party for any purpose.

26 **Entire Agreement**

26.1 This Agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

26.2 Each Party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement. Each party agrees that it shall have no claim for innocent or negligent misrepresentation based on any statement in this Agreement.

27 **Counterparts**

This Agreement may be executed in any number of counterparts, and by the Parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instrument.

28 **Governing Law**

This Agreement (and any non-contractual obligations arising out of or in connection with it) shall be governed by and construed in accordance with the laws of England and Wales and the parties irrevocably agree that the courts of England and Wales are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Agreement.

**Executed as a deed** by the Parties or their duly authorised representatives but not delivered until the date of this Agreement.

Executed as a deed by )  
**West Midlands Rail Limited** ) .....  
acting by a director in the presence of ) Director

.....  
Signature of witness

Name .....

Address .....

.....

THE CORPORATE SEAL OF )  
**THE SECRETARY OF STATE FOR TRANSPORT** )  
is hereunto affixed: )

Authenticated by authority of the Secretary  
of State for Transport

## Schedule 1

### Objectives

- 1 Better for the economy – Support the recovery (and where appropriate growth) of jobs, housing, industry, leisure and tourism and retail following the COVID-19 pandemic, with a distinct focus on each of the following markets:
  - West Midlands’ local and regional services;
  - long-distance services along the West Coast Mainline from Liverpool to Birmingham and from Crewe to London; and
  - Services to/from London including branch lines.

Ensure there are the right services and capacity to safely cater for current, and returning users throughout the day and week.
- 2 Better for the passenger – Deliver high quality services and stations, reduce delays and cancellations, and achieve significant improvements in customer satisfaction. Provide affordable, clean, and easy to use services at the times and to the places that people want to travel both now and in the future supported by the provision of accurate and timely information and improved connectivity with other modes of transport.
- 3 Better for taxpayers – Make the most of the significant subsidy being provided to make value for money improvements to the rail network. Making sure the right level of service is provided to reflect post-pandemic travel patterns and demand, ensuring resources (funding, staff and trains) are used in the areas that need it most.
- 4 Better for communities – Increase engagement between the Operator and the communities it serves.
- 5 Better for staff – Deliver a contract which demonstrates a genuine pride in developing staff over the long term, aiming to improve staff satisfaction, motivation and retention, and deliver best in class customer service.
- 6 Maximising the benefits from investment in infrastructure – Supporting the development of a safe and accessible network to modernise and meet the requirements of a modern railway.
- 7 Supporting HS2 – Work with HS2 and Network Rail as a partner on relevant works to enable the delivery of the new high speed rail line between London, the Midlands and Crewe. Ensure that the foundations are in place for the West Midlands to be ready for the opening of HS2, supporting the HS2 Connectivity Programme being delivered through the recently announced West Midlands £8bn growth deal.
- 8 Supporting the Commonwealth Games – work with the rail industry to deliver a high quality rail response to the 2022 Commonwealth Games, characterise by a safe, reliable and clean network that provides sufficient capacity for spectators, workers and the general public during Games time.

Both the DfT and WMRE are also committed to ensuring that rail fully plays its part in supporting low carbon, environmental and wider sustainability objectives.

## Schedule 2

### Joint Board Responsibilities

Subject to the Reserved Matters, the Joint Board shall be responsible for:

- 1 overseeing contract management activity in respect of the WMRBU and providing appropriate input into the LNRBU insofar as that input concerns rail services in the WMRE Area;
- 2 preparing, considering and approving the WMRBU elements of the annual Business Plan, including in relation to the content of the Request for Business Plan and the Business Plan Commitments;
- 3 undertaking an annual (or more frequent if agreed by both parties) review of contract management responsibilities which have been delegated by the Secretary of State to WMRE;
- 4 developing and keeping under review investment options in respect of the WMRBU and providing appropriate input into the investment options for the LNRBU insofar as that input concerns rail services in the WMRE Area;
- 5 keeping WMRBU performance under review and making recommendations to the Secretary of State as to the taking of enforcement action and providing appropriate input in relation to the performance of the LNRBU insofar as that input concerns rail services in the WMRE Area;
- 6 making recommendations and providing guidance to the Secretary of State on the carrying out of other Secretary of State Duties and decisions on other Reserved Matters, to the extent relevant to WMRBU services;
- 7 discussing WMRE's proposals and representations relating to passenger services and station services in the WMRE Area that do not fall within the WMRBU (including any such services in the LNRBU and in franchises or rail service contracts other than the 2021 WM National Rail Contract) and where appropriate making recommendations or providing guidance thereon to the Secretary of State; and
- 8 consider proposals put forward by WMRE pursuant to the matters referred to in clauses 10.1 and 10.2 of this Agreement.

### Schedule 3

#### Management Team Responsibilities

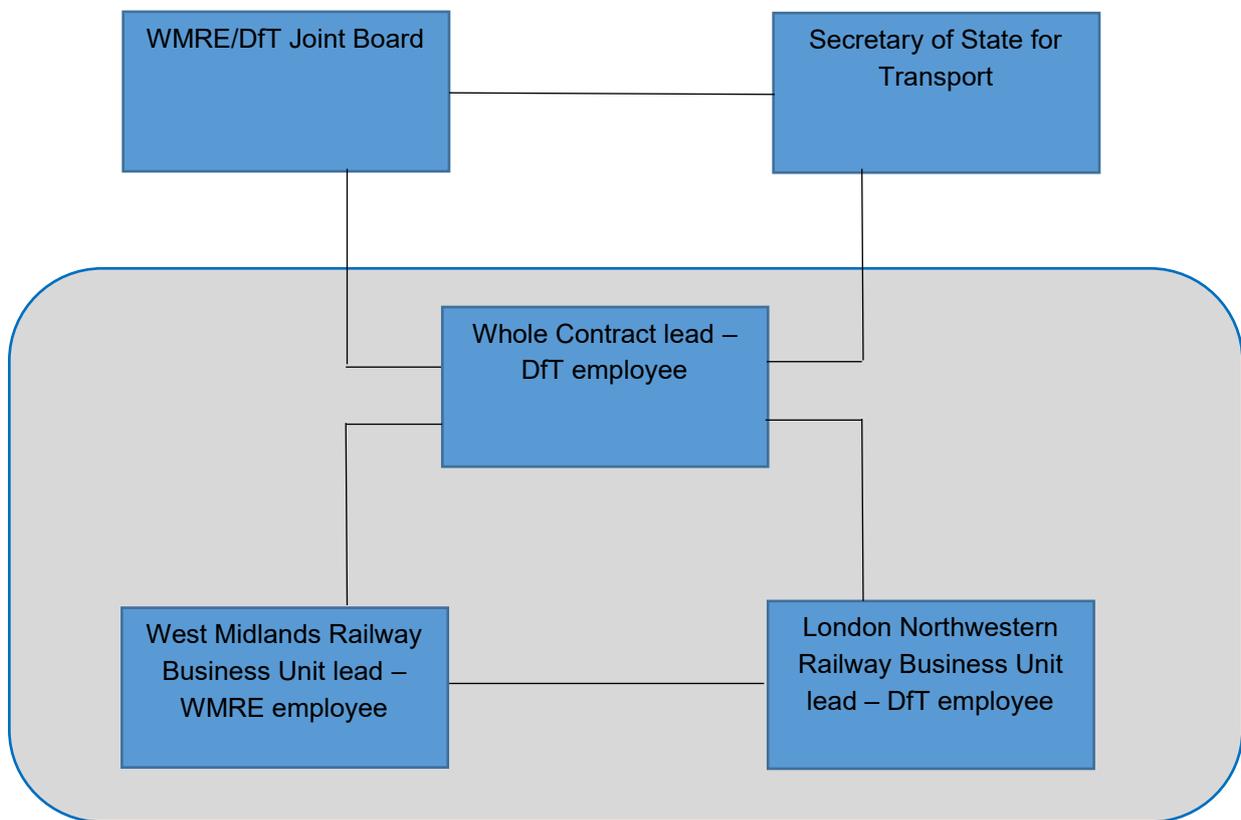
- 1 Subject to the Reserved Matters, the Management Team shall be responsible for:
- (a) implementation and facilitation of the WMRBU elements of the annual Business Plan, including the Business Plan Commitments;
  - (b) implementation of cost neutral or cost reducing changes in respect of the WMRBU in accordance with the delegated authority of the Joint Board and the terms of the Agreement;
  - (c) save in respect of Reserved Matters, day-to-day contact and commercial management of the WMBSU (on behalf of the Joint Board and the Secretary of State) including:
    - (i) appropriate contract administration;
    - (ii) performance monitoring (including any service quality regime); and
    - (iii) risk management and reporting.
  - (d) developing change proposals for consideration by the Joint Board in conjunction with Operator, WMRE and other stakeholders including the changes referred to in clauses 10.1 and 10.2 of this Agreement;
  - (e) providing general briefing and support for ministers and the WMRE partner authorities relating to the WMRBU and the operation of the Joint Board and Management Team and in preparing for the annual reviews;
  - (f) in relation to rail investment in the WMRE Area:
    - (i) developing proposals for the Government's Rail Network Enhancement Pipeline for each Control Period, identifying related or necessary change proposals;
    - (ii) developing WMRE funded investment proposals, identifying related or necessary changes pursuant to clauses 10.1 and 10.2 of this Agreement;
    - (iii) overseeing the development of output statements and metrics for Network Rail setting out in more detail what is sought from Rail Network Enhancement Pipeline requirements and proposed changes having regard to the total Rail Network Enhancement Pipeline funding available; and
    - (iv) where agreed by the Secretary of State, to act as Network Rail's 'Client' for such Rail Network Enhancement Pipeline schemes, as agreed between Secretary of State and WMRE, including finalising the detailed scheme output specifications and agreeing these with Network Rail and Secretary of State including budget provision and affordability.
- 2 Notwithstanding that the Joint Board shall have primary responsibility for the WMRBU and the Secretary of State shall have primary responsibility for the LNRBU, the Parties shall work together in respect of the two business units. In particular the Secretary of State recognises

that WMRE has an interest in the Coventry Corridor and Stafford Corridor and the Secretary of State shall have due regard to comments made by WMRE in respect of the Coventry Corridor and the Stafford Corridor.

**Appendix to Schedule 3**

**Management Structure**

- 1 Designed to be dynamic and to facilitate the development of local leadership of the WMRBU, with further responsibilities transferring to WMRE incrementally over time.
- 2 A full-time manager of the LNRBU and a full-time manager of the WMRBU shall continue to be provided by each of DfT and WMRE respectively.
- 3 DfT Commercial Manager of the 2021 WM National Rail Contract.



- 4 The WMRBU Manager shall continue to be based predominantly in the West Midlands, with co-location at Great Minster House as required and as workload dictates.
- 5 The LNRBU Manager shall continue to be based predominantly in Great Minster House but with regular travel to and time spent in the West Midlands as required and as workload dictates.
- 6 Accommodation in the West Midlands shall continue to be provided by WMRE.

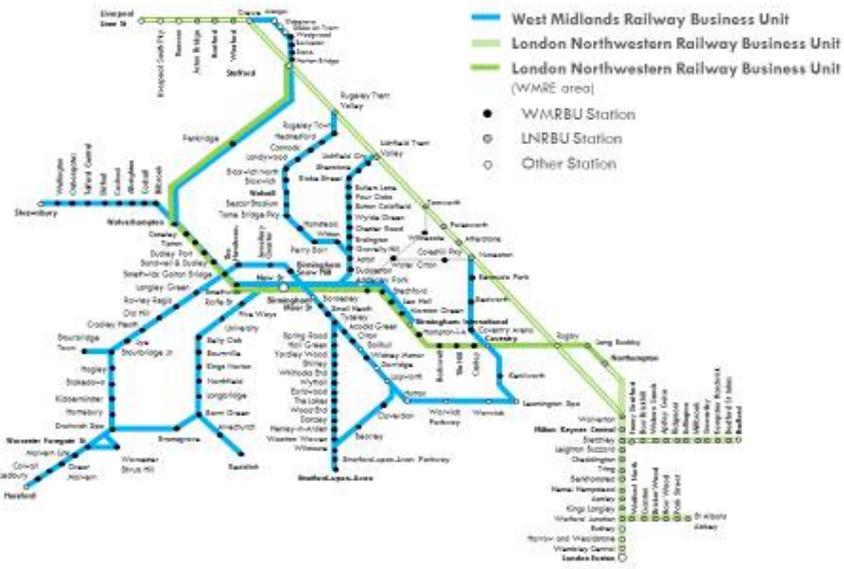
**Reporting**

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- 7 Meetings shall be held during each Reporting Period between the Commercial Manager, the WMRE Director, the LNRBU Manager and the WMRBU Manager
- 8 Business unit reporting/meetings shall be held during each Reporting Period between the LNRBU Manager and the WMRBU Manager (each to lead for their Business Unit).

Schedule 4

Part 1 - Business Units Map



Part 2 - WMRE Area Map





**Schedule 5**  
**Funding Outputs**

**1 Key Outputs**

- 1.1 Ensure staff (WMRE Director, WMSBU Manager and WMRE Contract/Admin) continue in-post;
- 1.2 Report progress against the Business Plan;
- 1.3 Update the Business Plan on an annual basis; and
- 1.4 Attendance at the Joint Board.

**2 General**

- 2.1 Establish clear roles and responsibilities regarding the services to be provided under the 2021 WM National Rail Contract and WMRBU and LNRBU monitoring and management;
- 2.2 Establish meeting structure to monitor the outputs of WMRBU and LNRBU; and
- 2.3 Ensure that obligations are understood and processes in place to manage outputs and outcomes to be consistent with the Purpose.

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## Appendix D

# West Midlands Railway Executive (WMRE) Powers in Relation to Franchise Agreement

July 2021

### Purpose

1. A briefing note to advise the Chair and members of WMRL Board of the powers that WMRE is able to exercise in relation to rail services in the West Midlands area.

### Background

2. The current West Midlands Franchise was procured by the Department for Transport (DfT) between 2015 and 2017. Following a competitive tender exercise, the Franchise was awarded to West Midlands Trains Ltd, a subsidiary of a consortium of Abellio, JR East, and Mitsui.
3. WMRE had a prominent role in the procurement of the new contract, including having two members of staff seconded to the DfT's project team. However, WMRE are not – and were never intended to be – co-signatories of the Franchise Agreement. The Agreement is bilateral between DfT and WMT, and is due to expire on 19<sup>th</sup> September 2021. It will be replaced by a directly awarded National Rail Contract (NRC). This will mirror the Franchise in that it will also be bilateral between DfT and WMT, and will include a role for WMRE in the development and oversight of the contract.
4. Nevertheless, the Separable Business Units defined within the Franchise act as an enabler for WMRE to exercise control over the West Midlands services of the West Midlands Franchise. Exactly how much formal power WMRE is afforded over the West Midlands Separable Business Unit (WMSBU) is at the discretion of the Secretary of State.
5. Since the start of the Franchise in 2017, DfT has in practice afforded WMRE broad autonomy in matters pertaining to the WMSBU. In fact, during periods of annual leave and sickness WMRE have at times even acted on behalf of the Department on Franchise wide issues. These existing practices are not currently codified, but it is the intention that they will be, as one of the year 1 deliverables via a Memorandum of Understanding or side letter to the Collaboration Agreement. This would be the first stage in a process that could conclude with WMRE exercising delegated financial authority over an Annual Business Plan established on the basis of two Separable Business Units.

### Separable Business Units

6. The current Franchise Agreement states that the DfT may at any point decide to manage the WMSBU in collaboration with WMRE. To facilitate this, the Franchisee is required to structure the business as two Separable Business Units. The Franchisee has a general obligation to work with WMRE for the purposes of managing the obligations relating to the WMSBU.

7. The Franchise Agreement is rightly silent on the precise nature of the collaborative relationship between the DfT and WMRE. Consequently, from the point of view of the Franchise Agreement WMRE's powers over the WMSBU are as broad as the DfT permit them to be (within the limits of existing legislation). Equally WMRE has taken the initiative in other areas, especially in forming the Grand Railway Collaboration with other operators than just WMT.

## Existing Powers

8. WMRE's powers fall into two categories those that are written into the Franchise Agreement/ NRC and Collaboration Agreement ('hard' powers) and those that flow from the practical approach that the parties have taken to managing their operator ('soft'). The 'hard' powers include:
  - a. The ability to propose changes to fares;
  - b. The ability to propose changes to passenger services;
  - c. Day to day contract and commercial management of the WMSBU;
  - d. Ownership of the 'West Midlands Railway' brand;
  - e. Developing and implementing cost neutral or cost reducing changes on the WMSBU; and
  - f. making recommendations and providing guidance to the Secretary of State on the carrying out of Secretary of State duties and decision on other Reserved Matters<sup>1</sup>
9. WMRE's 'soft' powers are far more extensive. They include (in no particular order):
  - a. Train service specification – Through the Grand Railway Collaboration (GRC) WMRE is coordinating all train operators' planning on future timetables serving the West Midlands.
  - b. Timetable changes - WMRE is empowered to decide on timetable change requests from WMT where they affect the WMSBU;
  - c. Operational performance – Monitoring and challenging day to day punctuality and reliability in the WMSBU;
  - d. Service Quality Regime (SQR) – WMRE monitor and apply the SQR in the WMSBU area;
  - e. Performance Sums - Prior to pandemic and the transfer of cost risk to the DfT, WMRE had discretion on how performance sums payable by WMT for poor operational, National Rail Passenger Survey and SQR performance in the WMSBU were spent;
  - f. Stations – Including strategy on station staffing and presentation in the WMSBU;
  - g. Ticketing – TfWM's Swift product is the preferred means of delivering contactless PAYG on rail in the West Midlands;
  - h. Fares – WMRE are authorised to develop a fares reform proposition for the region on behalf of DfT;
  - i. Committed Obligations monitoring – WMRE monitor, evaluate and sign off as complete Committed Obligations affecting the WMSBU;
  - j. Committed Obligations investigation – WMRE are lead investigators for Committed Obligations in the WMSBU that are not delivered to the contract;

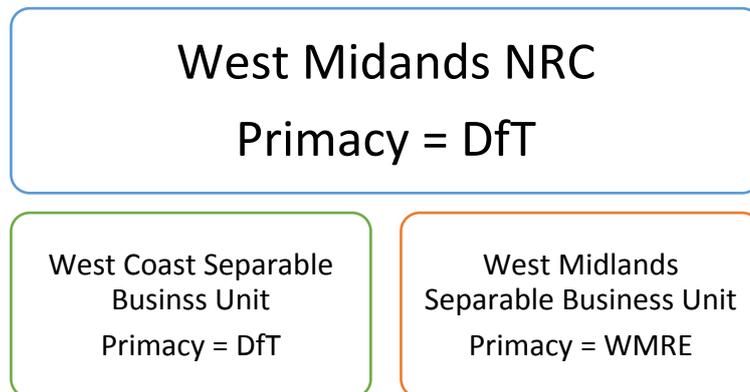
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<sup>1</sup> The Reserved Matters are defined as; decisions increasing net costs or net future costs to the SoS, determination of events of Franchise default, the content of the Rail Investment Strategy and Statement of Funds Available, and any other specific actions that may be required under the Railways Act 2005.

- k. Contract changes – WMRE negotiate requests to amend the contract where it affects the WMSBU;
- l. Infrastructure – Members of and contributors to the Programme Board, which helped secure £71m for the new and refurbished stations
- m. Ministerial and stakeholder correspondence – WMRE handle all correspondence where it pertains to the WMSBU;
- n. 2022 Commonwealth Games – WMRE is responsible for coordinating the rail industry’s response to the Games on behalf of DfT; and
- o. Community – WMRE decides which schemes WMT takes forward in the WMSBU as part of its Customers and Communities Improvement (CCIF) and Minor Works Funds.

## Future Aspirations

10. In year 1 of the renewed Collaboration Agreement (Sept 21 – Mar 22) the ‘soft’ powers outlined above will be formalised via the new Joint Board that is being created to oversee the delivery of the West Midlands National Rail Contract (NRC). Although the mechanism for this is yet to be defined, it is likely that these soft powers will be codified through a Memorandum of Understanding or side letter to the Collaboration Agreement.
11. From year 2, WMRE and DfT will intend to develop the newly formalised arrangements to the Annual Business Planning process. This will result in an approach to contract management that resembles the model below:



12. Managing the contract in accordance with the model above will further both parties’ understanding of the opportunities, risks and efficiencies that could arise from the application of the model to the annual business planning process enshrined in the NRC. Should the evidence support it, in year 3 WMT will be instructed to construct their Annual Business Plan around these principles, including through the inclusion in their Performance Based Fee of KPIs for each Separable Business Unit, although it should be noted there will be a cost to this.
13. In parallel with the evidence gathering referenced in para 12, WMRE and DfT will develop proposals that would allow WMRE a measure of delegated financial authority over the WMSBU. The legal issues, practicalities and ministerial appetite for application of such authority would need to be worked through, and will also need to be aligned with the emerging industry structure of partnership working between GBR and its key stakeholder.

14. The other workstream will be to continue to develop more influence for WMRE in the key decisions made by other operators that serve the West Midlands, building on the work of the GRC.



**West Midlands  
Combined Authority**

## **Strategic Economic Development Board Meeting**

**Friday, 9 July 2021 at 10.00am**

### **Notes**

#### **Members**

Greater Birmingham & Solihull LEP	Tim Pile (in the Chair)
Black Country LEP	Rachel Eade MBE
Coventry & Warwickshire LEP	Sarah Windrum
Cabinet Portfolio - Economy & Innovation (City of Wolverhampton)	Councillor Ian Brookfield
Dudley MBC	Councillor Ian Kettle
Redditch BC	Councillor Matthew Dormer
Solihull MBC	Councillor Ian Courts
Warwickshire CC	Councillor Peter Butlin
WM Universities	Prof John Latham
Higher Education	Prof Sir David Eastwood
Further Education	Andy Dobson (Halesowen College)
Construction	Sat Nijjer
Creative Industries Sector	Anita Bhalla
MedTech	Sandie Shokar

#### **Officers in Attendance**

Black Country LEP	Sarah Middleton
Black Country LEP	Prof Delma Dwight
Black Country LEP	Charlie Hopkirk
City of Wolverhampton	Tim Johnson
Coventry & Warwickshire LEP	Paula Deas
Coventry & Warwickshire LEP	Kate Hughes
Coventry City Council	Andy Williams
Greater Birmingham & Solihull LEP	Ed Watson
Greater Birmingham & Solihull LEP	Henriette Breukelaar
Greater Birmingham & Solihull LEP	Hilary Smyth-Allen
The Marches	Ilia Bowles
West Midlands Innovation Board	Mike Wright
West Midlands Combined Authority	Julia Goldsworthy
West Midlands Combined Authority	Rebecca Riley
West Midlands Combined Authority	Jonathan Skinner
West Midlands Combined Authority	Jordan Gerrard
West Midlands Combined Authority	Jamie Elliott
West Midlands Combined Authority	Joseph Baconnet
West Midlands Combined Authority	Patrick White

Create Central  
West Midlands Growth Company  
West Midlands Growth Company  
West Midlands Growth Company

Ed Shedd  
Becky Frall  
Dan Storer  
Mary Grace Hager

**Item  
No.**

**14. Apologies for absence**

Apologies for absence were received from Councillors Matthew Dormer, George Duggins, Iqbal Padda, Izzi Seccombe and Ian Ward and from Matthew Hammond, Prof David Keene

With regard to new Members the Chair welcomed Councillor Ian Kettle, Dudley MBC.

In respect of the former public sector representatives, Councillor Angus Lees, Dudley MBC, and Councillor Danny Millard, Sandwell MBC, the Chair advised that he had written on behalf of the Board to record the Board's formal appreciation of their respective contributions.

**15. Declarations of Interest**

No declarations were made.

**16. Notes of the Strategic Economic Plan Board Meeting held 13<sup>th</sup> May 2021**

Resolved:

That the notes of the meeting held on the 13<sup>th</sup> May 2021 be approved as an accurate record.

**17. SED Board Tracker Log**

Resolved:

That the SED Board Tracker Log be received and noted.

**18. Forward Plan**

The Chair advised that the Forward Plan continued to be refined as required.

Resolved:

That the Forward Plan continue to be reviewed and updated to provide for a planned future work programme of the Board.

## 19. West Midlands Business Support Review

Paula Deas introduced the report and advised that the work on the Review had been a team effort to include the SteerCo group and input from Councillor Ian Brookfield, CA Portfolio Lead for Economy and Innovation; Tim Pile, Chair the SED Board; the Mayor, Andy Street; the seven Met local authorities; the three LEPs and Growth Hubs; and the Chambers of Commerce. She advised that the improved Ecosystem had four key components: -

- a modern, customer journey, built around the user not the provider.
- a new approach to account management, for the largest firms, investors and SMEs, with the Growth Company fully integrated into the support ecosystem.
- replacing the current large number of schemes with new premium products aimed at specific sectors, supply chains and issues – delivered region-wide at scale.
- a campaign to drive up demand and usage

Patrick White stated that to do nothing had not been an option and would still have had a cost. The four building blocks for the Business support Ecosystem were: -

1. An integrated customer journey;
2. A Universal West Midlands offer and brand;
3. Targeted Premium Products; and
4. A campaign to drive take up.

In respect of the universal offer, he clarified that this meant there would be a suite of products available for SMEs across the West Midlands, not the same product but a suite of consistent, high standard products available to SMEs across the West Midlands, building on the best that is already there. Where there were priority sectors/clusters or priority issues such as net zero transition or the circular economy there was a need for targeted premium products, at scale to support to these sectors organised by the right person to deliver. In respect of the campaign, this needed to be sustained and focussed to drive up business awareness and business demand for support services, as there was evidence that businesses looked to peer networks rather than the public sector for support. These would provide for a more consistent offer for SMEs; the offer being easier to navigate; stronger support for specific sectors and issues; and clear account management, as it was acknowledged that there were some current issues at present, as well as good practice. In conclusion the report was not saying there was not a role for local authorities to deliver their own products or advocating for a regional delivery body, what was required was a local needs system wired together and sharing information on what worked, with the benefits of scale. The SED should have a leadership role to ensure that the WM Business Support system delivered what was required for the region, holding individual parts of the system to account where they deliver against regional objectives.

The Chair thanked the team and wider network that had inputted into the review for all their work.

Councillor Ian Brookfield echoed the thanks and advised that the WMCA Board and Met Leaders all saw the value in this piece of work and were all committed to it. He stated that it would build on what was already working in the localities and ensured the business community that recommendations were supported by the political community of the West Midlands.

Prof Sir David Eastwood asked who was the customer, what was the cluster and how would the SED Board know the new system was working?

Patrick White advised that the customer for these purposes was businesses and that the beneficiary of a new business support system should be businesses, as well as the economy and residents of the West Midlands. In respect of clusters this was for a concentration of businesses you wanted support whether co-located or a concentration of activity spread across the region, thus it was a crossover of value chain and a cluster, such as the Electric Vehicle supply chain support required a different approach as opposed to a concentration of MedTech. In respect of measuring the new system, working with City Redi, and potential impact of 10,000 jobs in line with the Plan for Growth and the Jobs Plan with the aim to improve productivity and jobs improvements in our high value sectors.

The Chair advised that driving what success would look like would require clear targets to measure outcomes against the investment being made. Patrick White noted the comment and advised that a lot of the outcomes would arise from the design of the programmes for the targeted sectors, so currently difficult to attach numbers.

Sarah Windrum advised that there was a need to differentiate business support from innovation support, in respect of net zero business support would help businesses decarbonise and innovation support helping business to develop next generation products and services. She referenced the Made Smarter programme and advised that the Growth Hubs were the gateway, whilst innovation was the catapult to process and product innovation. She welcomed the SED Board being the driver of the region's business support and measurements of success.

Julia Goldsworthy highlighted that as well as the benefits, the report acknowledged that doing nothing was not without costs, thus this work was not only about looking at opportunities but also to position the region against risk and uncertainty and provide for the region being able to best respond to the an evolving economic, policy and institutional context. The Chair agreed that the review should not be viewed as an overlay but a new way of doing things.

Councillor Ian Courts refenced what success would look like in respect of statistics that could be used, to include market penetration, but also queried in respect of business feedback what would the mechanism be. The Chair welcomed the point in respect of feedback and noted there would not be simple metric as one size would not fit all.

Patrick White agreed with the Chair's comment and advised that it would need to be designed into the implementation of different elements but in the policy area he felt they were much better at securing real time feedback. Now the programmes would not be constrained by EU funding mechanisms, he stated that they would be much better at building in real time feedback when developing the programmes, highlighting that the metrics would be different for different sectors, such as electric vehicles as opposed to business startups.

The Chair welcomed the response and asked that the current deck slides be updated to reflect the emphasis and implication of the comments made. Patrick advised that this would happen, as the report was going forward to the CA Board.

The Chair welcomed and noted that the Board were content with the four pillars; that whilst the report would go through the CA Board, the three LEPs and the WM Growth Company, the CA in their governance review should reflect that ownership remained with the SED Board; and that the future commissioning be undertaken in partnership with the aforementioned bodies. He reiterated his thanks to the work of the team and noted that it provided a leading piece of work for the Country.

Resolved:

That the SED Board

- 1) Endorse the recommendations of the review into the West Midlands Business Support ecosystem, which are that the West Midlands should make 4 major changes:
  - Put in place a modern, customer journey, built around the user not the provider.
  - Implement a new approach to account management, covering the largest firms, investors and SMEs, with the LEP Growth Hubs, LA teams and Growth Company operating as a fully integrated support ecosystem.
  - Replace the current large number of schemes with new premium products aimed at specific sectors, supply chains and issues – delivered region-wide at scale.
  - Carry out a campaign to drive up demand and usage.
- 2) Recommend that the CA Board, Growth Company Board and LEP Boards all agree the recommendations and commit to a shared implementation and funding plan, overseen by the SED Board with delivery off each element carried out by a lead organisation on behalf of the region.
- 3) Ask the CA to ensure that the Governance Review covers the need for the SED Board to hold individual programmes and agencies to account on behalf of the West Midlands as a whole. This is key to delivery.

- 4) Agree that the three LEP's and CA commission the next stage of work to implement the recommendations so that early work on delivery planning can get under way, to coordinate with the Growth Company's review of account management.

## **20. West Midlands Growth Company – Account Management**

Dan Storer and Mary Grace Hager were in attendance.

Dan Storer advised that the study aimed to provide a coherent overview of the current regional public sector strategic account management infrastructure and highlight any coverage gaps. Currently there was not a cohesive or comprehensive understanding of the key companies in the region, nor a systemic view of how they are being served by regional bodies. The study would provide clarity on how Account Management was being delivered, the current level of engagement and would provide real time intelligence.

Mary Grace Hager advised there were 3 stages to the study: -

### **1. Identify key strategic companies**

She advised that the study would identify 1,000-2,000 strategically important companies with a base in the West Midlands (3 LEP geography). The list will include location data and some basic financial performance metrics. Strategically important companies will be defined as large UK- and foreign-owned companies and a smaller sub-set of high growth, emerging technology companies with high potential for growth.

In order to identify the players with the largest existing presence in the region and potential for further investment, the focus would initially be on the size of the workforce and parent company turnover. The study would also include a smaller number of regional strategically important high-growth, emerging tech companies which complemented the future technology ambitions of the Local Industrial Strategy.

### **2. Assess Account Management Best practices**

The project coordinator will reach out to identified contacts at the WMGC, the three Local Enterprise Partners, and the Local Authorities requesting a list of managed companies. To help determine the level, type, and purpose of engagement, the project coordinator would also conduct a qualitative survey of key account management practices and items covered would include frequency of contact, structure of engagements, leadership support, seniority of contacts, and best practice examples.

The piece of work would also identify gaps and overlaps in support offered.

### 3. Share State of Play and Potential Next Steps

The resulting output would be in two-parts: the list of key companies, and a report detailing the process and learnings. The report would include a definition and breakdown of account management, a regional comparison of key account management programs, a summary of current strategy business relationship processes, and key takeaways from an initial analysis. Members were advised that the report was anticipated on 24<sup>th</sup> July 2021.

Dan Storer advised that it very much represented an audit, to agree next steps and best practice around the country would be reviewed to include the Devolved nations offer and Manchester and London.

Councillor Ian Courts welcomed the piece of work but stressed the importance of individual local authorities and their existing relationships with their companies. He stated that he would be keen to see how the data was used later on.

Julia Goldsworthy stated that it would provide an understanding at the larger businesses end, in relation to business support and was to be welcomed.

The Chair stated that there was a need to ensure a regular touch point for the Board with both the WM Business Support Review and the Account Management Audit and asked officers to incorporate these into the Board's Forward Plan.

Paula Deas supported the activity and observed that it segued into Business Support and would be fundamental in the continued development of a business support eco-system.

Andy Dobson agreed that the piece of work did seem sensible as it was fundamental to understand where relationships already existed and the to understand the need to intervene when required.

The Chair advised that he would be keen to see a CRM programme to underpin the programme of relationship management. Dan Storer advised that there were multiple touch points and the Audit would now see who engages.

Resolved: that the SED Board: -

- 1) support the WMGC in undertaking an audit of account management arrangements with key strategic companies across the region; and
- 2) that the Forward Plan be updated to incorporate regular feedback from both the Account Management review and from the revised WM Business Support offer.

## 21. West Midlands Innovation Board and Programme Update

Mike Wright, Chair of the WM Innovation Board was in attendance. He highlighted that the aim of Phase 1 of the WM Innovation Programme was 'to drive up levels of demand-led business innovation across all areas of the region' by:

- Understanding the regions innovation needs.
- Developing new innovation support interventions.
- Influencing the development of business support packages
- Working with stakeholders to promote the region's major market opportunities and innovation ecosystem.

Mike Wright highlighted delivered to date since the Board's inception in November 2019, when they took responsibility for the delivery of the £2.96m West Midlands Innovation Programme. These included: -

- 2 projects delivered; 8 projects in delivery; and 2 projects in development;
- £2m of the £3m allocation committed and £8m leveraged;
- 23 jobs created;
- 178 businesses assisted; and
- 37 collaborations assisted and 1400 attendees at networking events.

In respect of National Policies and opportunities he advised that the Government's vision was for the UK to be the world's most innovative nation and that to support the Government in their innovation ambitions and to address the regions own ambitions to increase R&D&I in the region, the West Midlands required an Innovation Strategy that would:

- Provide a framework supporting clusters of globally competitive R&D&I activity, connecting infrastructure, Universities, SMEs, skills, access to finance and regional support.
- Complement the Governments Build Back Better strategy and its policies for levelling up and the development of a green industrial revolution
- Support the vision of our Leaders to deliver productivity and growth in the region's businesses

Mike Wright advised that some workshops had been held with businesses and he had noted the comments on clusters but advised that sector innovation was on decline, as innovation was now cross sectoral to include 5G and AI. In respect of next steps, he advised that: -

1. Work constructively with BEIS to develop a proposal for an Innovation Deal which will complement the regions Plan for Growth;
2. Work with the SED Board in the development of effective regional Business Support strategies that support Innovation.
3. Revisit the 2018 WMIP Phase 2 proposal (£36m) and update it to support the coordination of the regional innovation ecosystem.

4. Progress an Innovation Strategy to align the full ecosystem and exploit the regions globally competitive R&D&I assets.

In respect of the SED board, Mike Wright advised that the Innovation Board were seeking the with the SED Board and wanted to work with the SED Board to release funding to deliver the WM Innovation Programme Phase 2. In respect of Phase 2 the Innovation Board wanted to work closer with partners on the skills agenda for the region. He advised that SMEs needed to have UK and International clients, which whilst not an issue, needed to inform the context the innovation board operated in, as increasingly innovation would be on a global basis.

Councillor Ian Courts asked for an evaluation of Phase 1. With reference innovation technology and green growth, he advised that this could help with the environment agenda and Mike Wright confirmed that zero carbon was an area his Board wished to focus on.

Prof David Eastwood stated that innovation was a cluttered landscape with many regional players and these were increasing not decreasing. In respect of Foreign Direct Investment (FDI) he queried whether the region was doing well or did require support and stated that there was need for conversation of what was working and what was not working, which would ensure duplication was avoided. He commented that he felt there was too much going and there was a need to align the investment and skills agendas, as he felt there was some redundancy and lack of clarity in the way the region operated at the moment and consequently a need for some preciseness.

The Chair agreed with the principle of avoiding duplications, noting that attracting FDI to the region was the role of the WM Growth Company. He agreed that there was a need to reflect on who was doing what and suggested that eh and Prof David Eastwood have a further conversation to look to ensure that the SED Board served the economy as best as it could.

Mike Wright noted the points on duplication and lack of clarity but advised that from his view, businesses needed to see the WM as the place to do innovation.

Resolved: that the SED Board

- 1) Note the activity of the Innovation Board to date.
- 2) Agree to the next level of interaction between the Innovation Board and the SED Board.
- 3) Agree to work with the Innovation Board to release funding to deliver WMIP Phase 2; and
- 4) Request officers to facilitate a further meeting between the Chair and Prof David Eastwood to consider the region's economic landscape.

## 22. Create Central

Ed Shedd advised on the evaluation of the Year 1 activity undertaken by Create Central to deliver for the West Midlands, highlighting the following key achievements: -

- Production and Inward Investment Strategy
- Securing a five-year Memorandum of Understanding (MOU) with the BBC
- Establishing the Create Central brand
- Creative Content Hub
- Innovation and cross-sector working

In Year 2, Ed Shedd advised that the focus would be on the following activities: -

- Catch-up on activities delayed by Covid-19
- Networking and socialising events in person
- Training events and actions on youth, diversity, and inclusion
- Maintain clarity of communications and positioning
- Deliver for all parts of West Midlands and creative content sector
- Find best balance between direct delivery and strategic influence
- Achieving financial sustainability

He detailed the funding achieved to the end of March 2022: -

- £500k from WMCA Adult Education Budget for the Bootcamps
- £1m from BFI's National Cluster Growth Fund - awarded to deliver a two-year programme of activities - £500k to support small team of specialists and overhead costs
- £500k from WMCA for Zanna Creative's retainer, a contribution to overhead costs and innovation programme delivery
- £125k from GBSLEP – £35k towards P&I Associate and £90k was direct programme costs

In respect of other activity Ed Shedd advised, that as a direct result of Create Central activity the region had achieved: -

- £18m Creative Content Hub (with £3m from GBSLEP)
- £14m (+ WMCA funding TBC) BBC Training ATA
- c£3m Creative Cities Convention TBC
- £300k BBC Three development fund partnership for region
- £150k Innovation Engin3 development funding for region

Pending projects included:

- Creative Futures UKRI proposal submitted
- Taskforce and activities for West Midlands as an esports hub established – festival proposal in development
- EPIC Games 'Mega Grant' proposal submitted

Ed Shedd advised that Year 1 had been successful as reflected in BOP Consulting's independent evaluation and that the next steps included remaining as a public-private sector body; a funding model to be developed in the next 3 months; and Create Central to developing a 2022-2024 Growth Plan, working with regional and national partners, identifying funding options and funding models.

Anita Bhalla welcomed the comments from BOP and noted some caution with the MOU agreed with the BBC, as the region already had tangible BBC assets i.e., the Asian Network and Newsbeat. She expressed the hope, that when the business plan came forward this should be reviewed by a smaller, cross-sectional, focussed group who could consider KPIs and output measures. In respect of post 2023, if funding was not allocated, she asked how the SED Board might assist.

Sarah Windrum advised that at C&WLEP they were working on a developing a freelance eco-system, and felt their work could feed into Create Central. In respect of receiving content, such as screen, she felt that Coventry City of Culture could be a catalyst and that Create Central should be part of the legacy planning.

The Chair advised that Create Central needed to be clear on their scope, with Sarah Windrum adding that they needed to understand the relationships across the region, particularly at grass roots.

Councillor Ian Kettle noted that there were multiple sources of funding available, but it was difficult to identify the sources, which should be flagged up to Government.

Ed Shedd advised that the Create Central Board recognised that there was a need to move the MOU with the BBC into tangible action; he noted that fragmentation still existed and advised that the team were trying to work across all the bodies, with a small team undertaking partnership work with local communities; in respect of funding, he welcomed all the comments made and noted it was important to achieve sustainable funding.

The Chair welcomed the update and comments made. He asked that the next report to the Board include feedback on their clarity of scope.

Resolved that the SED Board:

- 1) Recommends that Create Central should continue as the sector body for the creative content industries beyond March 2022, delivering economic development support for the creative sector.
- 2) Endorses BOP Consulting's independent evaluation of Create Central's impact in its first year of delivery.
- 3) Noted that Create Central's delivery model beyond March 2022 would be agreed within the next three months and agree that Create Central's Membership remain a public-private delivery body embedded within the evolving West Midlands local government structures.
- 4) Note that Create Central would submit a detailed business model for approval at SED Board in October 2021.

- 5) Noted that a funding model for Create Central beyond March 2022 would be agreed within the next 3 months, to include a request to the British Film Institute to extend its current programme to March 2023 and request additional resources to support delivery.
- 6) Note that Create Central would submit a funding model for approval at SED Board in October 2021.

## **23. Policy context and development**

- **Latest economic intelligence**
- **Community Renewal Fund (CRF)**
- **Business and Tourism Programme**
- **LEP Review**
- **West Midlands Plan for Growth**

Julia Goldsworthy introduced the paper and highlighted that the following key elements:

- CRF – the short-listed bids had been submitted to Government, with feedback expected pre-summer recess. The CA were also developing a “lessons learnt” document in preparation for the UK Shared Prosperity Fund.
- LEP Review – noted the Review was ongoing and not likely to be completed by the parliamentary summer recess as originally advised.
- WM Plan for Growth – the cluster approach had been accepted and work was continuing for the CA, LEPs and local authorities to share their priorities for the next stage of recovery with the aim of bringing together these views by the end of September.

Resolved:

That the SED Board: -

- 1) Note the latest economic intelligence about how COVID-19 has affected the West Midlands.
- 2) Note the latest activity and status on the Community Recovery Fund (particularly the business priority), Business and Tourism Programme and LEP Review.
- 3) Provide feedback on and endorse the approach to a West Midlands Plan for Growth which seeks to accelerate growth and the benefits to communities from a small number of private sector-led investments.

## **24. Sector Recovery Plans – ProfTech update (Modern Services Major Market Opportunity) including Kalifa Review**

Henriette Breukelaar and Hilary Smyth-Allen were in attendance to provide an update on the sector recovery plan in respect of ProfTech.

Henriette Breukelaar advised that the GBSLEP team were working closely with the Plan for Growth to ensure the cluster was firmly embedded into future plans.

Hilary Smyth-Allen referenced the charts highlighting the growth of Fintech in the region and the comments of the Kalifa Review in relation to Birmingham as an established cluster with a growing financial sector. She highlighted: -

- The West Midlands was frontier place to help government on delivering key policy agendas such as levelling up, global Britain and Plan for Growth through the ProfTech opportunity, underpinned by established BPFS and tech credentials.
- Having a visible cluster organisation was critical to a perception of strength of the regional offer nationally.

In respect of Strategic Leadership, GBSLEP were part of the BPFS sector delivery Plan and detailed the Investment and activity to date, to include:

- Funded BPFS policy lead (ProfTech allocation approx. £30kpa)
- FinTech Ecosystem evidence base (£50k)
- ProfTech Strategic Opportunity Review (£45k)
- Seed investment for SuperTech cluster organisation including strategic comms (£75k)
- No\_Code development pilot (delivered via cluster org) (£45k)
- Innovation grant pilot (£30k)
- Skills team collaboration with Cambridge Spark to enhance L7 capacity for AI apprenticeships
- CRF application to scale No\_Code investment
- Strategic influence on SDF application for FinTech by Walsall College & Birmingham Metropolitan College (post Kalifa response opportunity)

In respect of the WM Growth Company and Investment and activity to date:

- Dedicated FinTech inward investment manager
- Dedicated BPFS sector lead
- ProfTech was a key part of emerging narrative refresh for TTI and focus for inward investment targets in Australia and Canada as priority geographies.
- Strategic comms for SuperTech cluster organisation (contract from GBSLEP)

Sarah Windrum referenced the SuperTech programme and advised that it only allowed for platforms to be developed in a certain way, that is a No Code platform and she advised that there was a need for flexibility. She welcomed the clear areas and ambitions of what was wanting to be achieved.

Hilary Smyth-Allen advised that there were barriers to start new ProfTechs and that in respect of the challenges in the Kalifa review in how English regions could accelerate growth equivalent to the case study examples in the devolved nations, the WM was the only English region investing in its FinTech cluster development, through Local Industrial Strategy. They were learning from this activity and willing to speak to businesses to see if other initiatives were needed.

The Chair noted that it was a competitive process to receive funding from the centre and that there was a need to recognise that the WM was in competition with the rest of the country.

Resolved:

That the SED Board: -

- 1) Note and comment on progress of the draft 3-year FinTech and wider ProfTech opportunity, as key component of the LIS Modern Services New Major Market Opportunity (MS-MNMO).
- 2) Recognise the ongoing regional strengths as a sector-based cluster – as per recent national recognition (Kalifa Review) - with transformative potential in context of emerging thinking for post-LIS new Plan for Growth.

## **25. Sector Recovery Plans – Tourism**

Becky Frall advised that the Tourism Recovery Plan built on the Tourism Strategy of 2019 with positives in the region to include Coventry City of Culture 2021 and the Commonwealth Games in 2022. Three pillars had come through the Tourism Board with the aim to: -

- Retain businesses;
- Rebuild business activity; and
- Resilience to be built in against potential future shocks.

She advised that retention of staff was critical with furlough coming to an end and it was envisaged that 2019 employment levels would return by 2024.

In respect of rebuilding, she advised that brand identity was important, to include local authorities as individual destinations. Branding would assist in leveraging major events to the region and a key focus would be on business tourism and events.

In terms of resilience, she stated that key areas would be sustainable tourism, inclusive tourism and to advocate across the region.

Anita Bhalla advised that there were other issues to visit the region, such as the cultural sector; there were issues of transport and covid; long term partnerships were required; and funding was need, such as Heritage Lottery funds.

Becky Frall advised that work was undertaken with Transport for WM, to develop campaigns for a one ticket transport/day out offer and in terms of funding she agreed to have a further conversation with Anita Bhalla. She added that she would share future updates with the SED Board.

Resolved:

That the SED Board: -

- 1) Approve the draft West Midlands Tourism Recovery Plan in principle.
- 2) Delegate final sign off to the West Midlands Board for Tourism and WM Growth Company board.

**26. Sector Plans - Risk Matrix**

Ed Watson presented the Risk Matrix for information and it was noted that the January meeting would receive a longer-term view of risks.

Kate Hughes advised that there should be reference to the private sector within the risk register.

Resolved:

That the SED Board: -

- 1) Receive, note and comment on the updated sector risk analysis with regard to Covid-19 and EU Exit; and
- 2) Acknowledge the ongoing risk analysis and its integration with sector-led activity through the action plans.
- 3) Note that updates would be provided on a quarterly basis.

**27. Date of Next Meeting**

The Chair advised that officers would look to book an “in-person” meeting.

Resolved:

That the SED Board note that the next meeting would be held 10<sup>th</sup> September 2021.

The meeting closed at 12.40 pm

Chair

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**West Midlands  
Combined Authority**

## **Investment Board**

**Monday 19 July 2021 at 11.00 am**

### **Minutes**

#### **Present**

Councillor Bob Sleight (Chair)  
Nick Abell

Portfolio Lead for Finance & Investments  
Coventry & Warwickshire Local  
Enterprise Partnership  
Stratford-on-Avon District Council  
Coventry City Council  
City of Wolverhampton Council

Councillor Matt Jennings  
Councillor Jim O'Boyle  
Councillor Stephen Simkins

The following participated in the meeting remotely via Microsoft Teams:

Councillor Mike Bird  
Paul Brown

Walsall Metropolitan Borough Council  
Black Country Local Enterprise  
Partnership  
Birmingham City Council  
Dudley Metropolitan Borough Council  
Solihull Metropolitan Borough Council  
Greater Birmingham & Solihull Local  
Enterprise Partnership

Councillor Tristan Chatfield  
Councillor Steve Clark  
Councillor Karen Grinsell  
Gary Taylor

#### **Item Title No.**

#### **22. Apologies for Absence**

Apologies for absence were received from Councillor Waseem Ali (Sandwell), Councillor Tony Jefferson (Stratford-on-Avon) and Sue Summers (West Midlands Development Capital).

#### **23. Minutes - 29 June 2021**

The minutes of the meeting held on 29 June 2021 were agreed as a correct record.

#### **24. Investment Programme Update**

The board considered a report of the Director of Investment & Commercial Activities on the status of the Investment Programme so as to help set the context for any investment decisions being made by the board.

Approved funding from the Investment Programme currently totalled £833.3m as at 30 June 2021, with proposals for a West Midlands Co-Investment Fund and the City Learning Quarter (Phase 1) - College of Wolverhampton Technical Centre scheme due to be presented to the WMCA Board for approval on 23 July 2021. Investment Programme funding actually drawn/incurred by projects against those funding commitments as at 31 March 2021 provisionally totalled £307.6m.

Since the last meeting of the board, the following submissions had been approved:

- Formal notification to reduce Investment Programme funding approved for Birmingham International Station by £1m to £8.27m.
- Formal notification to reduce Investment Programme funding approved for Roundabout Over-Trace by £1.37m to £18.58m.

The Director of Finance stressed that Investment Programme funding was often a capped contribution to a specific project that had multiple sources of other funding. For those projects that were the responsibility of the WMCA, the WMCA Board had recognised that there was currently limited capital contingency available. Work was ongoing as to how the WMCA might access other funds to help address this.

Resolved:

- (1) The status of Investment Programme delivery be noted.
- (2) The Investment Programme funding status be noted.

**25. Collective Investment Fund Dashboard**

The board considered a report from West Midlands Development Capital on the Collective Investment Fund dashboard as at 1 July 2021.

Resolved:

The report be noted.

**26. Brownfield Land & Property Development Fund Dashboard**

The board considered a report on the Brownfield Land & Property Development Fund dashboard as at 1 July 2021.

Resolved:

The report be noted.

**27. Revolving Investment Fund Dashboard**

The board considered a report from West Midlands Development Capital on the Revolving Investment Fund dashboard as at 1 July 2021.

Resolved:

The report be noted.

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

Resolved:

In accordance with s100A4 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 involved the likely disclosure of exempt information relating to the business affairs of a particular person (including the authority holding that information).

**29. Chancerygate, Holbrook Lane, Coventry**

The board considered a report from Director of Housing & Regeneration and the Director of Investment & Commercial Activities on proposals to increase a previously approved loan to assist in the construction of 17 light industrial units at Chancerygate, Holbrook Lane, Coventry totalling 105,218 square feet. The original proposals had been approved at the meeting of this board on 20 July 2020.

West Midlands Development Capital reported that labour and materials had seen recent increases in costs, which had prompted the request to increase the previously agreed loan. The Director of Investment & Commercial Activities indicated that the developer was now at the stage of contracting for the works and therefore any subsequent cost overruns would need to be met by the borrower. This would mean that the WMCA should not be approached for any further increase in the loan facility.

Resolved:

An increase to the previously approved loan, for the sum set out within the report, to fund the increased costs required to deliver the development by way of a senior commercial loan on the key terms and conditions also included within the report be approved.

**30. Collective Investment Fund Dashboard**

The board considered a report from West Midlands Development Capital on the Collective Investment Fund dashboard as a 1 July 2021.

Resolved:

The report be noted.

**31. Brownfield Land & Property Development Fund Dashboard**

The board considered a report on the Brownfield Land & Property Development Fund dashboard as at 1 July 2021.

Resolved:

The report be noted.

**32. Revolving Investment Fund Dashboard**

The board considered a report from West Midlands Development Capital on the Revolving Investment Fund dashboard as at 1 July 2021.

Resolved:

The report be noted.

**33. Black Country Land & Property Investment Fund Dashboard**

The board considered a report on the Black Country Land & Property Investment Fund dashboard as at 1 July 2021.

Resolved:

The report be noted.

**34. Date of Next Meeting**

Monday 9 August 2021 at 11.00am.

The meeting ended at 11.40 am.



## West Midlands Combined Authority

### Transport Delivery Committee

Monday 19 July 2021 at 2.00 pm

#### Minutes

##### Present

Councillor Kath Hartley (Chair)	Birmingham City Council
Councillor Pervez Akhtar	Coventry City Council
Councillor Robert Alden	Birmingham City Council
Councillor Linda Bigham	Coventry City Council
Councillor Christopher Burden	City of Wolverhampton Council
Councillor Robert Grinsell	Solihull Metropolitan Borough Council
Councillor Celia Hibbert	City of Wolverhampton Council
Councillor Timothy Huxtable	Birmingham City Council
Councillor Mohammed Idrees	Birmingham City Council
Councillor Ziaul Islam MBE	Birmingham City Council
Councillor Rizwan Jalil	Sandwell Metropolitan Borough Council
Councillor Morriam Jan	Birmingham City Council
Councillor Chaman Lal	Birmingham City Council
Councillor David Stanley	Dudley Metropolitan Borough Council
Councillor Alan Taylor	Dudley Metropolitan Borough Council
Councillor Richard Worrall	Walsall Metropolitan Borough Council

##### In Attendance

Pete Bond	Transport for West Midlands
Hannah Dayan	Transport for West Midlands
Dan Essex	West Midlands Combined Authority
Jon Hayes	Transport for West Midlands
Tom Painter	West Midlands Rail
Kate Taylor	West Midlands Combined Authority
Sandeep Shingadia	Transport for West Midlands

##### Item Title No.

##### 1. Apologies for absence

Apologies for absence were received from Council Samiya Akhter (Sandwell Metropolitan Borough Council), Councillor Adrian Andrew (Walsall Metropolitan Borough Council) and Councillor Mark Parker (Solihull Metropolitan Borough Council).

##### 2. Chair's Remarks

The Chair brought the WMCA Governance Review to the attention on the committee, The Governance Services Manager informed the committee that the review was currently underway, to which the findings would be reported to the WMCA Board at its September 2021 meeting.

The Chair also raised the briefing note circulated to members prior to the meeting relating to Transport for West Midlands position on the use of face coverings on public transportation.

The Chair congratulated Anne Shaw on her appointment as Interim Managing Director Transport for West Midlands.

**3. Minutes**

The minutes of the meeting held on 15 March 2021 were approved and the minutes of the meeting held on 28 June 2021 were approved subject to an amendment to minute no. 7 as Councillor Timothy Huxtable requested that his comments and concerns relating to University Station be reflected within the minutes.

Resolved:

That the minutes of the meeting held on 15 March 2021 be approved. The minutes of the informal meeting held on 28 June 2021 were approved subject to an amendment to minute no 7.

**4. Appointment of Vice Chair (s)**

Resolved:

That Councillor Timothy Huxtable and Councillor Richard Worrall be appointed as vice-chairs of the committee.

**5. Forward Plan**

The committee noted the items to be reported to future meetings. Councillor Robert Grinsell requested that the committee received a briefing on Park & Ride and also that the West Midlands Cycle Scheme was reflected within the forward plan for future meetings.

Resolved:

(1) That the items to be reported to future meetings be noted.

(2) That the committee receive a briefing on the Commonwealth Games Transport Plan Consultation at its September meeting and a briefing on Park & Ride at its November meeting.

**6. Financial Monitoring Report**

The committee received a report which set out the financial position as at 31 May 2021.

The Chair queried appendix 4 of the report relating to Autonomous Vehicles and suggested that the budget for this was small and requested further detail on this programme. The Director of Integrated Transport Services suggested that an update either be provided at a future committee or a briefing outside of committee.

Councillor Timothy Huxtable also reference appendix 4 of the report and drew attention to the figures for Cross City Bus – Dudley – Druids Heath Package and requested an update from officers on whether an agreed package of the highways capital works had been agreed. The Director of Integrated Transport Services indicated that a separate briefing would be provided on this.

Resolved:

(1) The year to date position as at the end of May 2021 against the TfWM Revenue Budget, showing an overall favourable variance of £0.280m, be noted.

(2) The TfWM Capital Programme expenditure as at the end of May 2021, totalling £26.6m which is £10.0m below budget, be noted.

## **7. Cycling Charter Progress Update**

The committee received a report from the Cycling and Walking Development Officer outlining the performance, operation and delivery of TfWM led initiatives within the West Midlands Cycling Charter action plan, the progress of the West Midlands Cycling and Walking Programme currently being delivered to increase cycling and walking in the region, whether for transport or exercise.

Councillor Richard Worrall noted that following a fatality in Walsall he felt that more should be done to issue a policy around cycle routes on road and the opportunities to make them fit for purpose and become more accessible. He also felt that disabled access was poor and asked what more could be done within the new cycle hire scheme to support those with disabilities. The Cycling and Walking Development Officer commented that the charter had a balanced approach to delivering the local cycling and walking infrastructure plan, but developing the network took investment and further work on developing routes would be undertaken as the charter progressed.

Following Councillor Ziaul Islam's question relating to the consultation undertaken the Cycling and Walking Development Officer informed the committee that the scheme had received some negative comments from Local Authorities but continued to work with communities to determine any changes that could be made to the scheme before removing scheme completely.

Resolved:

The progress to date of the TfWM led initiatives of the West Midlands Cycling Charter action plan be noted.

## **8. Rail Business Report**

The committee received a report from the Head of Rail Franchising and Partnerships informing them on the performance, operation and delivery of rail services in the West Midlands including on rail operator partnership agreements and West Midlands Rail Executive activity.

Councillor David Stanley noted that he was pleased on the progress being made on the Wolverhampton to Walsall line and requested further details on the Tettenhall line. The Head of Rail Franchising and Partnerships informed the committee on the developments of establishing a customer panel within the new West Midlands Trains and National Rail contract to provide a stronger representative view across the region from a passenger perspective.

Councillor Ziaul Islam requested reassurance as to when Perry Barr station would be opened to which the Head of Rail Franchising and Partnerships confirmed this would be opened before the Commonwealth Games and played a big part in transportation links to Alexander Stadium.

Following Councillor Timothy Huxtable's comments relating to Camp Hill / Bordesley Island the Head of Rail Franchising and Partnerships commented that there were no definitive and defined plans for the delivery of that yet.

Resolved:

The content of the report be noted.

#### **9. COVID - 19 Recovery Update**

The Director of Integrated Transport Services shared the following points:

- Transport for West Midlands position on face coverings following the change in regulations whereby they were no longer legally enforceable. TfWM have a clear expectation of all passengers to continue to wear a face covering on all modes of transportation.
- The network continues to be monitored in terms of car journeys and increase of road usage.
- It was noted that there had been an increase in patronage around rail, with bus data showing stability and Metro now returning to pre-Covid patronage levels.
- The impact of isolation and sickness relating to bus drivers was being closely monitored to ensure that services on the networks were not impacted.
- Department for Transport had given notice on the national funding provided to support bus services during COVID with a new approach to funding being looked at.

Resolved:

The update be noted.

#### **10. WMCA Board Transport Reports (for information only)**

It was noted that there were no transport related reports submitted to the WMCA Board, the Director of Integrated Transport Services informed the committee of the reasons as to why original reports outlined on the WMCA Board forward plan would be brought forward.

**11. Member Engagement Groups Update**

The committee received a report on the recent developments and meetings of the six Member Engagement Groups.

Resolved:

The update in relation to recent meetings of the committee's Member Engagement Groups be noted.

**12. Date of Next Meeting**

Monday 13 September 2021 at 1.00pm.

The meeting ended at 4.00 pm.

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## Wellbeing Board

Tuesday 20 July 2021 at 10.00am

### Minutes

#### Present:

Councillor Izzi Seccombe (Chair)	Portfolio Lead for Wellbeing
Lola Abudu	Public Health England
Councillor Margaret Bell	Warwickshire County Council
Councillor Karen Grinsell	Solihull Metropolitan Borough Council
Councillor Julian Gutteridge	Nuneaton & Bedworth Borough Council
Councillor Paulette Hamilton	Birmingham City Council
Councillor Suzanne Hartwell	Sandwell Metropolitan Borough Council
Councillor Jasbir Jaspal	City of Wolverhampton Council
Matthew Ling	West Midlands Fire Service

#### In attendance:

Mubasshir Ajaz	West Midlands Combined Authority
Ed Cox	West Midlands Combined Authority
Jed Francique	West Midlands Combined Authority
Madeleine Freewood	City of Wolverhampton Council
Simon Hall	West Midlands Combined Authority
Matthew Hartland	NHS Black Country & West Birmingham Clinical Commissioning Group
Tatum Matharu	West Midlands Combined Authority
Richard Mendelsohn	Birmingham & Solihull Clinical Commissioning Group
Aqeel Rizvi	West Midlands Combined Authority
Grace Scrivens	West Midlands Combined Authority

#### 1. Apologies for Absence

Apologies for absence were received from Councillor Stephen Craddock (Walsall), Andy Hardy (NHS), Paul Jennings (NHS) and Paul Maubach (NHS).

#### 2. Minutes

The minutes of the meeting held on 22 January 2021 were agreed as a correct record.

#### 3. Workshop on the Functions of the Wellbeing Board

The board held a workshop session to consider its role and purpose, along with how its members may work together more collaboratively on a common agenda. Members gathered in smaller groups to consider in more detail the knowledge they brought into meetings, the things they were good at, and those things they cared strongly about. They then considered the collaborative opportunities for the different organisations represented on the board to work together on cross-cutting issues.

The Chair thanked members for the open and reflective manner in which everyone had participated in the workshop and the recognition that there was a common agenda across a number of issues that board members were able to work more collaboratively together on in future.

#### **4. Reconvening the Mental Health Commission**

The board considered a report from the Strategic Lead for Mental Health providing an update on the work being undertaken to lay the foundations for a new Mental Health Commission.

The WMCA first convened a Mental Health Commission in 2016/17, chaired by Rt Hon Norman Lamb that was informed by a citizens' jury and involved a number of high profile local and national figures. It made 18 important, substantive recommendations with the aim of strengthening the region's response to mental health needs. A new Mental Health Commission had the potential to make a vital, timely contribution to the pursuit of a mentally healthier region by building on and 'adding value' to the local work that was being undertaken in constituent local authority areas. It was expected that the commission would make its recommendations in April 2022.

Councillor Paulette Hamilton welcomed these proposals, but stressed the importance of having the data that underpinned the review and identified those priority areas that the commission should focus on. Councillor Margaret Bell noted that local authorities were already undertaking significant work in the early and preventative stages of mental health support, and so the commission should focus on plugging gaps in service rather than seeking to duplicate provision. Councillor Karen Grinsell urged the commission to keep a tight focus on its work and target those specific areas that were identified as needing addressing.

The Head of Wellbeing & Prevention requested that board members contact him if they were able to nominate themselves or colleagues to participate in the commission, or if they had a recommendation as to who might be a suitable chair.

Resolved:

- (1) The proposal and approach to setting up the new Mental Health Commission be noted.
- (2) The proposals in respect of the Select Committee approach, shadow Young Person's Mental Health Commission, Elected Members' Advisory Group, the timelines, Chair selection, membership and Mental Health Start Awards be endorsed.
- (3) An update on the Mental Health Commission be reported to each future board meeting.

## 5. Wellbeing Programmes Update

### (a) Physical Activity

The board considered a report from the Strategic Lead for Physical Activity & Wellbeing on the progress made in delivering the physical activity work programme.

Since the last meeting, the WMCA had been working alongside the Department of Culture, Media & Sport, Sport England and Public Health England to develop the principles and priorities for the 'Commonwealth Active Communities', which would deliver the physical activity legacy work arising out of the Commonwealth Games being held in the region during July/August 2022. The report provided details of other activity currently being undertaken, including public active space design, the West Midlands Active Travel Fund, and 'Include Me WM' which aimed for more inclusive sport and physical activity initiatives.

Resolved:

The progress made in delivering the WMCA's physical activity work programme be noted.

### (b) Thrive

The board considered a report from the Interim Head of Thrive on the progress being made in delivering the Thrive work programme.

Recent work undertaken included recruiting a Thrive at Work sub-team to focus on employer engagement, raising awareness about the importance of workforce wellbeing and promoting Thrive at Work as a means to support that aim. Capacity within the accreditation sub-team had also been strengthened to help facilitate more employers through the Thrive at Work process. As of 1 July 2021, Thrive into Work was available in Birmingham, Solihull and Coventry (in addition to the Black Country, where the service was already running). This Thrive into Work service was being delivered by Prospects, part of the Shaw Trust.

Resolved:

(1) The progress of the Thrive at Work programme be noted.

(2) The progress of the Thrive into Work programme be noted.

### (c) Health Inequalities and Population Health

The board considered a report from the Head of Wellbeing & Prevention on the progress being made in delivering the WMCA's health inequalities and population health objectives.

The report provided details on the activity currently being delivered, including the Cities Health Inequalities Project which was a three-year project funded by the Health Foundation that aimed to support combined authorities to accelerate their efforts to address health inequalities through a focus on the opportunities offered by devolution, particularly in relation to addressing the determinants of health. Work was also being undertaken with Public Health England to recruit a programme manager and a senior analyst to help continue the work of the health intelligence hub, specifically on the wellbeing dashboard and embedding a 'Health in all Policies' approach.

Resolved:

The progress in delivering the WMCA's Health Inequalities and Population Health work programme be noted.

**8. Forward Plan**

The Chair noted that the board could expect reports on the Health of the Region, an update on the Health Commission and on disability work to its next meeting.

**9. Date of Next Meeting**

Tuesday 19 October 2021 at 10.00am

[The meeting ended at 12.00pm]



## Overview & Scrutiny Committee

Wednesday 21 July 2021 at 2.00pm

### Minutes

#### Present:

Councillor Cathy Bayton (Chair)	Association of Black Country Authorities
Councillor Lisa Trickett (Vice-Chair)	Birmingham City Council
Councillor Naeem Akhtar	Coventry City Council
Councillor Maya Ali	Joint Coventry/Solihull Representative
Councillor Mike Chalk	Worcestershire Non-Constituent Local Authorities
Councillor Tony Diccico	Solihull Metropolitan Borough Council
Councillor Peter Fowler	Birmingham City Council
Councillor Ian Kettle	Dudley Metropolitan Borough Council
Councillor Nigel Lumby	Shropshire Non-Constituent Local Authorities
Councillor Charn Padda	Sandwell Metropolitan Borough Council
Councillor Simon People	Staffordshire Non-Constituent Local Authorities
Councillor Vera Waters	Walsall Metropolitan Borough Council

#### In Attendance:

Councillor Liz Clements	Transport Scrutiny Sub-Committee
Dan Essex	Governance Services Manager
Satish Mistry	Interim Director Law & Governance
Lyndsey Roberts	Scrutiny Officer
Kate Taylor	Head of Finance Business Partnering

#### 1. Apologies for Absence

Apologies for absence were received from Paul Brown (Black Country LEP) and Councillor Shabrana Hussain (Birmingham City Council).

#### 2. Appointment of Chair

The committee noted that at the WMCA Board meeting held on 25 June 2021, Councillor Cathy Bayton had been appointed as the Chair of this committee for 2021/22.

#### 3. Appointment of Vice-Chair

The appointment of the Vice-Chair was the responsibility of the Overview & Scrutiny Committee and had to be a member from a different political group to the Mayor. The Chair proposed that Councillor Trickett be appointed as Vice-Chair of this committee, as she had chaired the committee for the last two years and therefore brought considerable experience to the role as well as being able to steer the transition of the work of the committee from last year into this year.

Resolved:

Councillor Lisa Trickett be appointed as Vice-Chair of the Overview & Scrutiny Committee for 2021/22.

**4. Appointment of Chair of the Transport Scrutiny Sub-Committee**

The appointment of the Chair of Transport Scrutiny Sub-Committee was the responsibility of the Overview & Scrutiny Committee and had to be a member from a different political group to the Mayor.

The Chair reported that as Councillor Liz Clements was an active member of the sub-committee last year and had considerable experience chairing Birmingham City Council's Sustainability & Transport Overview & Scrutiny Committee. She therefore proposed that Councillor Liz Clements be appointed as Chair of the Transport Scrutiny Sub-Committee. In order to maintain the close link between transport scrutiny and the main Overview & Scrutiny Committee, it was also proposed that Councillor Liz Clements be co-opted as a non-voting member of the Overview & Scrutiny Committee.

Resolved:

- (1) Councillor Liz Clements be appointed as Chair of the Transport Scrutiny Sub-Committee for 2021/22.
- (2) Councillor Liz Clements be co-opted as a non-voting member of the Overview & Scrutiny Committee for 2021/22.

**5. Chair's Remarks**

**(a) Welcome and Introductions**

The Chair welcomed members to the first meeting of the year and invited everyone to introduce themselves and give an indication as to how they thought they may be able to contribute to the work of the committee during the year.

**(b) Process for Appointment of Chair**

Given the unexpected manner in which the nomination for Chair of this committee took place at the WMCA Board AGM in June, the Chair requested that the Interim Director of Law & Governance formulate a more structured and transparent process for appointing the Chair of the committee in future years.

**(c) Appointments to Overview & Scrutiny Committee**

The Chair reported that the committee was currently awaiting a nomination from the Greater Birmingham & Solihull LEP, Coventry & Warwickshire LEP, Warwickshire Non-Constituent Local Authorities and a second representative from the Association of Black Country Authorities.

**(d) Eid al-Adha**

The Chair noted that this meeting was being held on the same day as the festival of Eid al-Adha and apologised for the fact that this had meant some members were unable to attend. The Chair assured that future meetings would not coincide with religious festivals.

**6. Minutes - 8 March 2021**

The minutes of the meeting held on 8 March 2021 were agreed as a correct record.

**Matters Arising**

**(a) Economic Funding Tracker** (minute no. 109)

At the last meeting concern was expressed over the content of the funding tracker as it did not clearly show the actual money received to date against the asks and delivery of schemes. Members noted that this information would provide greater transparency, accountability and confidence.

The Chair and Vice-Chair would be meeting with the Director of Finance and the Director of Strategy on 11 August to discuss the economic funding tracker in further detail. The tracker would be presented to future meetings of the committee.

**(b) Economic Needs of the Black Country Scrutiny Review - Summary of Findings** (minute no. 112)

At its last meeting, the committee considered a draft report outlining the findings of the scrutiny review undertaken to understand whether the region's economic recovery proposals were meeting the needs that had been identified within the Black Country sub-region.

The findings of the review were reported to a meeting of the WMCA Board held on 19 March through the minutes of this committee. It was expected that a response from the Mayor to the findings of the review would be received prior to the next meeting of the Overview & Scrutiny Committee.

**(c) Scrutiny Review on the Effectiveness of the WMCA's Governance Structures in Delivering the Policy Objectives of the WMCA- Update on Recommendations** (minute no. 114)

During 2019/20 the committee undertook a scrutiny review that looked at the effectiveness of the WMCA's governance structures in delivering the policy objectives of the WMCA. The Interim Director of Law & Governance informed members of the committee that the WMCA Board would be undertaking a separate review of governance that had emanated from a meeting with the Mayor and constituent authority leaders. The terms of reference for the review included a focus on the decision-making arrangements particularly around advisory bodies, the process of report writing and engagement with constituent authorities.

In terms of timescales, the Interim Director of Law & Governance reported that a mapping exercise would be completed in September and the comparative work would be completed in October.

The Chair sought clarification as to whether the allowances scheme that included a payment of basic and special responsibility allowances to members of the Transport Delivery Committee, an arrangement that was not replicated within any other WMCA Board or committee, would be reviewed as part of the governance review. Given that these allowances were last reviewed more than five years ago, the Chair emphasised the need for a review so that the WMCA Board may confidently adopt a scheme of allowances that appropriately recognised the requirements of membership of the WMCA Board and its committees.

The Interim Director of Law & Governance noted that following the comments made at the WMCA Board meeting held on 25 June, he had liaised with the Deputy Mayor who had confirmed that a review of the allowances scheme may emerge from the evidence as part of the wider governance review. He also assured the committee that findings of the scrutiny review on the effectiveness of the WMCA's Governance structures in delivering the policy objectives of the WMCA would be reviewed and considered as part of the governance review.

## **7. Schedule of Future Meetings**

The schedule of meetings was agreed as follows:

- 6 September 2021
- 14 October 2021 (Mayoral Q&A Policy)
- 8 November 2021
- 15 December 2021 (Mayoral Q&A - Draft WMCA Budget2022/23)
- 10 January 2022
- 7 March 2022

## **8. Arrangements for Future Meetings**

The committee discussed the arrangements for future meetings and agreed that face-to-face meetings were preferred, however meetings would be held over Microsoft Teams where required.

## **9. Potential Committee Work Plan and Scrutiny Review Topics**

### **(a) Draft Committee Work Programme**

With regards to air quality, there was an opportunity for members of the committee to work with the Head of Environment on the role of the WMCA and how this was balanced with the work of local authorities in addressing air quality issues. It was reported that there would be additional requirements as a result of the outcome of the Environment Bill that was expected in the autumn.

In terms of the re-introduction of scrutiny champions, it was agreed that a further discussion would be held at the next meeting.

### **(b) WMCA Board Forward Plan**

The committee noted a forward plan of items that were to be reported to future meetings of the WMCA Board.

**(c) Proposed Scrutiny Review 2021/22**

The committee considered a report of the Interim Director of Law & Governance that provided an overview of a draft scoping document for a scrutiny review that looked at the remit and use of housing and land powers available to the WMCA.

The Chair proposed that a review be undertaken to examine the role and remit of the WMCA to deliver affordable housing within the West Midlands through the use of the Brownfield Land & Property Investment Fund, and to consider how this supported and added value to the responsibilities of the constituent authorities in respect of affordable housing provision.

Resolved:

- (1) The draft scoping document for the proposed scrutiny review on the remit and use of housing and land powers available to the WMCA be agreed.
- (2) Councillor Naeem Akhtar, Councillor Simon Peuple, Councillor Lisa Trickett and Councillor Vera Waters be appointed as members of the scrutiny review.

**10. Date of Next Meeting**

The next meeting of the committee would be held on Monday 6 September 2021 at 10.00am.

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**West Midlands  
Combined Authority**

## **Investment Board**

**Monday 9 August 2021 at 11.00 am**

### **Minutes**

#### **Present**

Councillor Bob Sleigh (Chair)	Portfolio Lead for Finance & Investments
Councillor Karen Grinsell	Solihull Metropolitan Borough Council
Councillor Shaz Saleem	Dudley Metropolitan Borough Council
Sue Summers	West Midlands Development Capital
Gary Taylor	Greater Birmingham & Solihull Local Enterprise Partnership

The following participated in the meeting remotely via Microsoft Teams:

Councillor Mike Bird	Walsall Metropolitan Borough Council
Councillor Tony Jefferson	Non-Constituent Authorities
Councillor Stephen Simkins	City of Wolverhampton Council

#### **Item No. Title**

#### **35. Apologies for Absence**

Apologies for absence were received from Councillor Tristan Chatfield (Birmingham City Council), Councillor Jim O' Boyle (Coventry City Council) and Nick Abell (Coventry and Warwickshire Local Enterprise Partnership).

#### **36. Notification of Substitutes**

Councillor Shaz Saleem had been nominated as a substitute for Councillor Steve Clarke.

#### **37. Minutes of last meeting**

The minutes of the meeting held on 19 July 2021 were agreed as a correct record.

#### **38. Investment Programme Update and Dashboard**

Ian Martin presented a report on the status of the Investment Programme to assist the board in setting out the context of any investment decisions to be made by the board.

He reported that since the last meeting, the WMCA Board had approved the West Midlands Co-Investment Fund (Outline Business Case) Investment Programme funding of £12.5m and the City Learning Quarter (Phase 1) - College of Wolverhampton Technical Centre (Full Business Case), capital funding of £7.7m.

Ian Martin also reported on the recently announced City Region Sustainable Transport Settlements (CRSTS) of which £4.2bn is available nationally to improve local transport networks, support net zero and levelling-up. He advised that there is potential for CRSTS to fund some of the shortfall within the Investment Programme.

Resolved:

1. That approval by the WMCA Board on 23 July 2021 of Investment Programme funding awarded for West Midlands Co-Investment Fund and City Learning Quarter (Phase 1) -College of Wolverhampton Technical Centre (both projects were approved by Investment Board on 29 June 2021) be noted;
2. That the details regarding the City Region Sustainable Transport Settlements (CRSTS) as outlined in section 4 of the report be noted;
3. That the status of the Investment Programme delivery as detailed within the report be noted; and
4. That the Investment Programme funding status be noted.

**39. WMCA Collective Investment Fund (CIF) - Dashboard**

Nick Oakley presented the Collective Fund (CIF) Dashboard (public iteration) as at 1 August 2021.

Resolved: That the dashboard be received and noted.

**40. WMCA Brownfield Land and Property Investment Fund (BLPDF) - Dashboard**

Nick Oakley presented the Brownfield Land and Property Fund (BLDF) Dashboard (public iteration) as at 1 August 2021.

Resolved: That the dashboard be received and noted.

**41. WMCA Revolving Investment Fund (RIF) - Dashboard**

Nick Oakley presented the Revolving Investment Fund (RIF) Dashboard (public iteration) as at 1 August 2021.

Resolved: That the Dashboard be received and noted.

**42. Exclusion of the Public and Press**

Resolved:

That in accordance with Section 100A4 of the Local Government Act 1972, the press and the 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).

**43. Build Fifty5, YMCA Golden Brick Facility**

Ed Bradburn presented a report that sought approval of investment funding from the WMCA's Revolving Investment Fund to fund the costs of delivering multiple brownfield sites to Golden Brick for the development of YMCA transitional living units.

Ian Martin reported that Homes England would be providing the finance for the project and a lot of work on due diligence had been undertaken by WMDC.

In relation to concerns expressed by Gary Taylor and Councillor Simkins regarding the projected profit margins for the development that seem very low, and whether the delivery of the project could be at risk given the cost inflationary pressures facing the construction sector, Ed Bradburn advised that monitoring surveyors would be appointed for each tranche to check on the programme and costs. He added that Homes England would be claiming the outputs from the project alongside their funding and they had not raised any concerns in this regard.

Resolved: That a loan from the WMCA's Revolving Investment Fund for the sum specified in the report, be approved to fund the delivery of multiple brownfield sites to Golden Brick (as defined in the report) to facilitate the development of YMCA transitional units.

#### **44. Port Loop Phase 3**

Gareth Bradford gave a presentation on the report that sought approval for grant funding from the WMCA's Land Fund to support infrastructure works, remediation and a park within the wider Icknield Port Loop development (Phase 3) in Birmingham City Centre.

He reported that Port Loop was a strategic regeneration priority within Birmingham City Council's 2031 Development Plan and is part of the Port Loop Masterplan which offers 1,150 new homes and retail and leisure space within 15 minutes of the city centre.

Grant funding would make the project commercially viable, enabling the developer to de-risk the site by delivering infrastructure, remediating the site and providing a public park that would unlock 319 modular homes (minimum 20% affordable) on one of the WMCA's identified inclusive growth corridors.

It was noted that extensive due diligence had been undertaken by Avison Young and Thomas Lister on behalf of the WMCA and the developer had also provided professional assurance in response to the queries raised by the WMCA's Investment Panel.

Resolved:

1. That grant funding from the WMCA's Land Fund for the amount stated in the report be approved to support Port Loop Phases 3A, 3B, 3D and park in Birmingham City Centre that unlocks 319 modular homes (minimum 20% affordable) which are currently stalled on the Birmingham- Smethwick Corridor, one of the WMCA's inclusive growth corridors;

2. That the WMCA has existing interests in Port Loop related to grant funding and loan facility on previous phases and this new application does not 'double count' any outputs be noted;
3. That the funding is fully compliant with the WMCA Single Commissioning Framework (SCF) approved by this board, the Housing and Land Delivery Board and the WMCA Board in March 2019 be noted and
4. That Birmingham City Council is fully supportive of this application for 319 homes at Port Loop which is one of the top priorities for SCR investment identified by the council be noted.

**45. WM5G Benefit Delivery**

Robert Franks, Managing Director of WM5G gave a presentation that updated the board on WM5G Benefits Delivery. The presentation outlined WM5G's strategic objectives, summarised the key benefits WM5G has delivered versus its targets in 2020/21 and set out where it is delivering benefits for 2021/22.

It was noted that WM5G has met or exceeded all of its targets for 2020/21 and is on track to deliver its targets and benefits for 2021/22 and the West Midlands is ahead of other regions and is the best connected region for 5G so far.

Resolved: That the presentation be noted.

**46. WMCA Collective Investment Fund (CIF) - Dashboard**

Nick Oakley presented the Collective Investment Fund (CIF) Dashboard (private iteration) as at 1 August 2021 and updated the board on the current position with all undrawn committed schemes.

Resolved: That the dashboard be received and noted.

**47. WMCA Brownfield Land and Property Investment Fund (BLPDF) - Dashboard**

Nick Oakley presented the Brownfield Land and Property Investment Fund (BLPDF) Dashboard (private iteration) as at 1 August 2021 and updated the board on specific schemes.

Resolved: That the dashboard be received and noted.

**48. WMCA Revolving Investment Fund (RIF) - Dashboard**

Nick Oakley presented the Revolving Investment Fund (RIF) Dashboard (private iteration) as at 1 August 2021.

Resolved: That the dashboard be received and noted.

**49. Land and Property Investment Fund (LPIF) Dashboard**

Sarah Middleton presented the Land and Property Investment (LPIF) Dashboard as at 1 August 2021.

Resolved: That the dashboard be received and noted.

The meeting ended at 12.10 pm.

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## Overview & Scrutiny Committee

Monday 6 September 2021 at 10.00am

### Minutes

#### Present:

Councillor Cathy Bayton (Chair)	Association of Black Country Authorities
Councillor Lisa Trickett (Vice-Chair)	Birmingham City Council
Councillor Naeem Akhtar	Coventry City Council
Councillor Maya Ali	Joint Coventry/Solihull Representative
Councillor Mike Chalk	Worcestershire Non-Constituent Local Authorities
Councillor Liz Clements	Transport Scrutiny Sub-Committee (co-optee)
Councillor Tony Diccio	Solihull Metropolitan Borough Council
Councillor Peter Fowler	Birmingham City Council
Councillor Ian Kettle	Dudley Metropolitan Borough Council
Councillor Nigel Lumby	Shropshire Non-Constituent Local Authorities
Councillor Charn Padda	Sandwell Metropolitan Borough Council
Councillor Simon Peaple	Staffordshire Non-Constituent Local Authorities
Councillor Vera Waters	Walsall Metropolitan Borough Council

#### In Attendance:

Fiona Bebbington	Head of Business Planning & Performance Reporting
Dan Essex	Governance Services Manager
Adam Hawksbee	Head of Policy & Programme Development
Jackie Homan	Head of Environment
Linda Horne	Director of Finance
Satish Mistry	Interim Director of Law & Governance
Sara Rasul	Corporate Strategy Lead
Lyndsey Roberts	Scrutiny Officer
Kate Taylor	Head of Finance Business Partnering

#### 11. Apologies for Absence

Apologies for absence were received from Councillor Shabrana Hussain (Birmingham City Council).

#### 12. Chair's Remarks

##### (a) Scrutiny Champions

The Chair reported that following the last meeting some members had expressed an interest in becoming a scrutiny champion for Housing & Land and Environment, Energy & HS2 for 2021/22. A scrutiny champion would be expected to keep abreast of policy developments, review the minutes of the relevant boards and committees, and bring any matters to the attention of the Overview & Scrutiny Committee that they felt may benefit from further consideration or scrutiny.

The Chair considered that the Finance portfolio would benefit from having a scrutiny champion and members were to inform the Scrutiny Officer if they were interested in becoming the champion for this portfolio area.

Resolved:

- (1) Councillor Simon Peuple be appointed as the Scrutiny Champion for Housing & Land.
- (2) Councillor Peter Fowler be appointed as Scrutiny Champion for Environment, Energy & HS2.

**(b) Senior Officer Changes**

The committee considered a briefing note from the Interim Head of HR that provided a summary of the changes at senior officer level at the WMCA and the timescales for recruitment to vacant roles.

The Chair noted the interim arrangements within the WMCA and the financial cost of the interim appointments and consultants employed by the WMCA. It was agreed that the committee would pursue these lines of enquiry during the Mayoral Q&A on the proposed budget 2022/23.

Resolved:

The report be noted.

**(c) Aisha Masood, Young Combined Authority**

The Chair reported that this was the last meeting that Aisha Masood would be attending as her term on the Young Combined Authority Board would be coming to an end at the end of the month. She thanked her for her significant involvement and contributions to meetings of the committee and looked forward to meeting her replacement.

Aisha Masood thanked the committee for allowing members of the Young Combined Authority to participate within its meetings and scrutiny reviews, which had created relationships with similar groups across other combined authorities.

**13. Minutes - 21 July 2021**

The minutes of the meeting held on 21 July 2021 were agreed as a correct record.

**14. Matters Arising**

**(a) Economic Needs of the Black Country Scrutiny Review - Summary of Findings (minute no. 6b)**

The Chair reported that she had received a response from the Interim Chief Executive to the recommendations arising from the Black Country Scrutiny Review.

The WMCA agreed with the recommendations, particularly those relating to the coherence of funding and the co-ordination of delivery across the West Midlands. The WMCA echoed the aspiration that any further devolution must be simplified and enable the region to respond to current and emerging challenges.

It also recognised the need to support businesses and residents, and to understand the particular needs and inter-related dependencies in relation to education, skills, employment, transport and health. The WMCA was currently reviewing its governance arrangements and, in particular, was seeking to strengthen its focus on delivering inclusive economic growth and linking residents to jobs and opportunities.

Whilst the committee welcomed the response and the acceptance of the recommendations by the WMCA, members considered that it lacked the specific detail as to how each of the recommendations would be progressed. In terms of the next steps, the Chair and Vice-Chair agreed to have an initial meeting with the Head of Policy & Programme Management to discuss the individual recommendations and better understand how they may be progressed. An update would be provided at the next meeting.

Resolved:

The 'Economic Needs of the Black Country Scrutiny Review - Summary of Findings' report to be circulated to members of the committee for information.

## **15. Corporate Strategy**

The committee received a presentation from the Head of Policy & Programme Development that provided an update on the development of the Corporate Strategy.

The corporate strategy would be the single umbrella strategy that set out the objectives of the WMCA for the next three years. It would translate the WMCA's vision, regional and local authority priorities and the Mayoral Manifesto into a work programme. The Head of Policy & Programme Development sought the views of the committee on these proposals, in particular, on the content and framing and language prior to its submission to the WMCA Board on 19 November 2021 for approval.

Members discussed and shared comments on the extent in which the six draft aims applied to the non-constituent authorities, the need for a distinction between the responsibilities of the WMCA and local authorities, the importance of inclusive economic growth which needed to be reflected within the document together with how an equitable approach would be achieved. In terms of transport, it was considered that the vision within the document was not ambitious enough and it should have a focus on the development of an integrated public transport system that would allow passengers to have the same freedom to move around the region as was currently enjoyed by car owners.

In response to a question raised by the Chair, the Head of Policy & Programme Development explained that any activity undertaken outside of the agreed corporate strategy would not be funded.

Resolved:

- (1) The presentation on the emerging draft corporate strategy be welcomed.
- (2) Comments and observations received from members of the committee to be considered by the WMCA.

#### **16. Grant Register, Business Planning and Performance Reporting**

The committee considered a report from the Director of Finance that provided an overview of the current business planning, performance reporting and risk foundation and what the WMCA was working towards to provide exemplar reporting that enabled evidence-based decisions to be made.

In addition, members also received the current grant register that contained 'live' grants where the WMCA was the accountable body and captured a comprehensive total of grants, awarding body, time period for delivery and a description of that the grant delivered.

The committee thanked the Director of Finance for the comprehensive grant register which provided the information that it had previously sought. It provided greater transparency, accountability and confidence. The Chair added that it would be useful if the register included a column that identified the local authority in which funding had been allocated.

Resolved:

- (1) The current changes and progress with regards to business planning and performance reporting be noted
- (2) The grant register be noted.

#### **17. Pre-Development Scrutiny: Air Quality and the Role of the WMCA**

The committee considered a report from the Head of Environment that provided an opportunity for a small group of members to work with the Inclusive Growth & Public Service Reform directorate to review and understand the additional requirements arising from the outcome of the Environment Bill as it progressed through Parliament.

At its meeting on 25 June, the WMCA Board discussed the activity in respect of air quality and concern was expressed relating to the powers of the WMCA and how it complimented and contributed to the work being undertaken by constituent authorities. Additional requirements on local authorities would be announced in the autumn with regard to air quality in the form of the Environment Bill and a report would be presented to the WMCA Board on 19 November that would set out the options on the role of the WMCA and how this was balanced with the work of the constituent authorities.

The Head of Environment indicated that it would be helpful for Overview & Scrutiny Committee to be involved in the development of this WMCA Board report.

Resolved:

- (1) The proposed course of action with regards to scrutiny's engagement in air quality matters be endorsed
- (2) Councillor Liz Clements, Councillor Peter Fowler and Councillor Vera Waters meet with the Head of Environment in September and October, ahead of the 'Air Quality: Options on the Role of the WMCA' report being presented to the WMCA Board on 19 November for consideration.
- (3) The 'Air Quality: Options on the Role of the WMCA' report to be considered by the Overview & Scrutiny Committee on 8 November be noted

#### **18. WMCA Governance Review Progress Update**

The committee received a presentation from the Interim Director of Law & Governance that provided a progress update on the WMCA governance review.

The committee received an overview of the review group's terms of reference, the key themes that had been identified to date which would be explored further, details of the governance mapping exercise, comparative data, the consideration of the governance review report from the Overview & Scrutiny Committee and the emerging key themes that had been debated.

Members welcomed the comparative work undertaken with other combined authorities and questioned whether the Portfolio Lead had to be a Leader of a constituent authority or could these functions be delegated to other members, drawn from each authority, to be key policy leads at a WMCA level. The work pressures of a Leader of a constituent authority was acknowledged together with the importance of a common purpose within the region.

With regards to scrutiny, the review group recognised that scrutiny was an essential part of the West Midlands Combined Authority. The Chair shared an email received from Councillor Bob Sleight regarding the WMCA's allowances scheme. It was noted that the issue would be referred to the Mayor and local authority leaders for their consideration as to an appropriate course of action to take with regard to any necessary review.

The Interim Director of Law & Governance reported that a final report on the findings of the Governance Review would be presented to the Overview & Scrutiny Committee on 8 November, and he noted that Councillor Bob Sleight would also be in attendance.

Resolved:

The presentation be noted.

**19. Minutes: Transport Scrutiny Sub-Committee - 28 July 2021**

The committee received the minutes of the Transport Scrutiny Sub-Committee meeting held on 28 July 2021.

Resolved:

The minutes of the meeting held on 28 July 2021 be noted.

**20. Work Programme**

The committee noted a forward plan of items that were to be reported to future meetings of the committee and WMCA Board.

It was agreed that a workshop would be held on Friday 1 October at 10.00am in preparation for the forthcoming Mayoral Q&A session on 14 October on policy matters.

**21. Date of Next Meeting**

The next meeting of the committee would be held on Thursday 14 October at 9.30am.



# Young Combined Authority

Young Combined Authority (YCA) Board update, Summer 2021



## Applications are open!

Applications are officially open for more young people to join the YCA Board and Community. We're looking for future leaders who can guide and challenge the decision-makers of today on regional issues such as skills, environment, transport and more. Anyone aged 16 to 25 years who lives in the West Midlands is welcome to apply. The deadline is Wednesday 29 September (midnight).

Apply via: <https://aspire4u.typeform.com/to/hY7aw6W0>

Find out more on the YCA's Twitter/ Instagram: @wmyoungboard

### YCA's Annual Review (June)

We presented a 'YCA Annual Review' to the WMCA Board in June, to set out our achievements from the June 2020/21 year and our aims for the year ahead.

You can read the report online at:

<https://governance.wmca.org.uk/documents/s5539/Appendix.pdf>

### YCA's support of the Race Equalities Taskforce (July)

YCA reps Olivia and Lily joined the WMCA Board meeting in July to share a statement of support for the proposal to establish a West Midlands Race Equalities Taskforce.

They pointed out that the meeting marked one year on from when the YCA presented its Letter on Black Lives Matter to the WMCA Board (2020) and said: "We are hopeful that this Race Equalities Taskforce will lead the way, break down barriers and make real change. We want it to build a movement for equality that we can feel a part of, supported by and inspired by. So, we urge the WMCA to be bold, to act with purpose and intent as the decisions which you are making will impact the young people of colour in this region for years to come."

The WMCA Board went on to endorse the establishment of the Taskforce, and we are keen to be updated on and support next steps.

### Shaping the WMCA's plans for the next 3 years (August)

On 5 August, YCA Board members led an online event to give young people in the region a chance to shape the WMCA's plan for the next 3 years.

The event brought together members of the YCA Community and local youth councils with the Mayor of the West Midlands, Andy Street, and senior WMCA officers for a discussion about future work. Feedback from the event is being fed directly into the WMCA's planning process and will shape what the organisation does in the years ahead. **We'd like to say thank you to everyone who joined!**

### Stay up to date with the YCA!

Follow us on social media: @wmyoungboard

For any questions, please email: [Lucy.Gosling@wmca.org.uk](mailto:Lucy.Gosling@wmca.org.uk)