



# AGENDA

| No.  | Item   | Presenting    | Pages         | Time |
|--|--|---------------|---------------|------|
| <b>Meeting Business Items</b>                    |  |               |               |      |
| 1.   | Apologies for absence  | Chair         | None          |      |
| 2.   | Declarations of Interest<br>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 - 14 November 2022   | Chair         | 1 - 8         |      |
| 5.   | Matters Arising <ul style="list-style-type: none"> <li>• Action Log</li> </ul>   | Chair         | 9 - 10        |      |
| 6.   | Forward Plan   | Chair         | 11 - 14       |      |
| <b>Business Items for Noting / Consideration</b> |  |               |               |      |
| 7.   | Financial Monitoring Report 2022/23  | Kate Taylor   | 15 - 24       |      |
| 8.   | Rail Delivery Monitoring Report  | Tom Painter   | 25 - 38       |      |
| 9.   | Swift Delivery Monitoring Report   | Matthew Lewis | 39 - 44       |      |
| 10.  | Transport Update   | Pete Bond     | Verbal Report |      |
| 11.  | Operational Update   | Pete Bond     | Verbal Report |      |
| 12.  | Bus Network Update   | Jon Hayes     | 45 - 64       |      |
| 13.  | WMCA Board Transport Reports   | Chair         | To Follow     |      |

|     |   |           |         |  |
|-----|---|-----------|---------|--|
| 14. | <p>Notices of Motion<br/>To consider the following motion submitted by Councillor Richard Worrall:</p> <p>"Transport Delivery Committee is concerned that some bus operators are presently unwilling to take part in the Government's £2 maximum fare initiative, which not only penalises affected bus passengers and particular areas of the West Midlands, but also leads to would-be bus users' confusion as to which operators are, and are not, in the scheme.</p> <p>"We recommend to Transport for West Midlands to contact the bus operators concerned to urge them to consider their position and take part in the scheme."</p> | Chair     | None    |  |
| 15. | Member Engagement Groups Update   | Chair     | 65 - 70 |  |
| 16. | Transport for West Midlands Capital Pressures   | Anne Shaw | 71 - 82 |  |
| 17. | <p>Exclusion of the Public and Press<br/>To pass the following resolution:</p> <p>That in accordance with s100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item(s) of business as it is likely to involve the disclosure of exempt information as specified in paragraph 3 of the Act.</p>   | Chair     | None    |  |
| 18. | Confidential Appendix to Transport Capital Pressures Report   | Anne Shaw | 83 - 94 |  |

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## West Midlands Combined Authority

### Transport Delivery Committee

Monday 14 November 2022 at 1.00 pm

#### Minutes

#### Present

|  |                                       |
|--|---------------------------------------|
| Councillor Richard Worrall (Chair)       | Walsall Metropolitan Borough Council  |
| Councillor Timothy Huxtable (Vice-Chair) | Birmingham City Council               |
| Councillor Mary Locke (Vice-Chair)       | Birmingham City Council               |
| Councillor Pervez Akhtar                 | Coventry City Council                 |
| Councillor Robert Alden                  | Birmingham City Council               |
| Councillor Linda Bigham                  | Coventry City Council                 |
| Councillor Bill Gavan                    | Sandwell Metropolitan Borough Council |
| Councillor Robert Grinsell               | Solihull Metropolitan Borough Council |
| Councillor Shabrana Hussain              | Birmingham City Council               |
| Councillor Narinder Kaur Kooner OBE      | Birmingham City Council               |
| Councillor Saddak Miah                   | Birmingham City Council               |
| Councillor Josh O'Nyons                  | Solihull Metropolitan Borough Council |
| Councillor David Stanley                 | Dudley Metropolitan Borough Council   |
| Councillor Julie Webb                    | Sandwell Metropolitan Borough Council |

#### Item Title

#### No.

#### 33. Apologies for Absence

Apologies for absence were received from Councillor Zaker Choudhry (Birmingham), Councillor Carol Hyatt (Wolverhampton), Councillor Anne Millward (Dudley), Councillor Gurmeet Singh Sohal (Walsall) and Councillor Karen Simm (Wolverhampton).

#### 34. Chair's Remarks

##### (a) Transport Governance Review

The on-going transport governance review was now expected to report in January/February 2023. There would be a consultation with the Chair and the committee's vice-chairs before final recommendations were proposed to the WMCA Board.

##### (b) Bus Service Petitions

A petition regarding bus service no. 600 had been submitted by Councillor Mary Locke and a petition regarding bus service no. 65 had been submitted by Councillor Bill Gavan. These were currently being considered by Transport for West Midlands.

**(c) Administrative Arrangements for the Committee**

A number of administrative concerns raised by members regarding ID passes, car parking, paperless agendas and power supplies within meeting rooms would be considered further.

**35. Minutes - 10 October 2022**

The minutes of the meeting held on 10 October 2022 were agreed as a correct record.

**36. Matters Arising**

In respect of minute no. 22 ('Rail Programme Update'), Councillor Narinder Kaur Kooner asked whether a ramp could be installed at Perry Barr station so as to facilitate disabled access on both sides of the station. The Director of Integrated Transport Services undertook to pass this request on to the rail team for further consideration.

In respect of minute no. 26 ('Tram Naming Update'), Councillor Timothy Huxtable reported that the briefing note had been agreed at a recent meeting of the Rail & Metro Member Engagement Group.

**37. Forward Plan**

The forward plan of items to be reported to future meetings of the committee was noted. In respect of the review of school bus services, Councillor Narinder Kaur Kooner highlighted the importance of ensuring that members had an opportunity to consider the implications of this. Councillor Timothy Huxtable noted that the meeting of the Putting Passengers First Member Engagement Group in December may be best placed to consider the review before bus operators had made final decisions.

**38. Capital Programme Delivery Monitoring**

The committee considered a report from the Director of Strategic Partnerships & Delivery Integration on a progress monitoring update on the approved Transport for West Midlands-led 2022/23 programmes and projects.

The 2022/23 capital programme allocation was approved by WMCA Board as part of the capital and revenue budget in February 2022. The reporting considered by this committee had historically only focussed on schemes that had elements of funding allocated via the Integrated Transport Block. Further work was being undertaken by Transport for West Midlands on broadening the capital reporting for the committee to reflect the wider City Region Sustainable Transport Settlement programme, as well other capital funded schemes. This work would inform a proposed reporting framework which was to be shared with members. An update on this would be provided at the meeting of the committee on 9 January 2023.

Councillor Timothy Huxtable requested an update on the Dudley Interchange and Walsall Town Centre Interchange Feasibility Study projects. The Director of Strategic Partnerships & Delivery Integration indicated that a more detailed report on the Dudley Interchange scheme would be submitted to the next meeting of the committee. In respect of Walsall Town Centre Interchange, this project was dependent on the wider Walsall Masterplan and work was currently being undertaken to look at what could be achieved within available funds. In respect of the Dudley Interchange project, Councillor David Stanley requested a site visit be held with the Chair ahead of the meeting of this committee on 9 January 2023. The Chair agreed to undertake this visit and requested Transport for West Midlands to make appropriate arrangements.

Resolved:

- (1) The achievements since the October meeting of the Transport Delivery Committee be noted.
- (2) The progress of deliverables and outturn of the 2022/23 Capital Programme be noted.
- (3) The variations from the baseline programme be noted.

### **39. Bus Delivery Monitoring**

The committee considered a report from the Director of Integrated Network Services on the monitoring and delivery of the high-level deliverables and wider performance monitoring of bus services in the West Midlands.

The high-level deliverables within the Transport for West Midlands business plan directly relating to the delivery of bus services were:

- Delivering the bus vision to support growth, inclusion and reduced car dependency.
- Enhancing infrastructure and improving customer experience at Transport for West Midlands' passenger waiting facilities, bus stations and major interchanges.
- Creating and maintaining a world class system for accurate and reliable public transport travel information, including the requirements set out in the National Bus Strategy and regional Vision for Bus.

Councillor Robert Alden enquired as to potential variances in patronage numbers across the region. The Head of Network Transformation reported that senior citizen concessionary travel was seeing a slower return than commercial patronage. There was also a slower return in Birmingham city centre patronage, and evening and weekend levels were recovering at a faster pace than daytime journeys.

In respect of the Birmingham Cross City Network, Package 3 - South bus priority works, the Head of Network Transformation undertook to provide Councillor Timothy Huxtable with a fuller response as to the measures to be taken to mitigate against the required removal of shrubs and trees.

Resolved:

The report be noted.

[NB. Councillor Timothy Huxtable declared a personal interest in this item as a result of him representing the Mayor at meetings of the West Midlands Bus Alliance Board.]

**40. Network Resilience Update**

The committee considered a report from the Director Network Resilience providing an update on crime and anti-social behaviour, the Regional Transport Co-ordination Centre and wider network management and road safety.

The year-to-date crime figures for 2022/23 were: bus - 2,738, rail - 1,152 and metro - 44, making a total crime figure of 3,934. This figure represented a 25.1% increase from the 2021/22 total of 2,945. The crime types that were rising at the highest rate on the transport network were arson/criminal damage, theft, possession of weapons and violence against the person.

Councillor Robert Grinsell enquired as to whether reporting data was produced in a more granular level to better identify hotspots. The Head of Security & Policing reported that a monthly joint partnership tasking meeting was held to interrogate the data in more detail. He would see if it was possible to provide council level data to this committee. Councillor Narinder Kaur Kooner enquired as to whether the number of prosecutions undertaken was publicised in order to act as a deterrent to future criminality. The Head of Security & Policing undertook to look into whether this information was available.

Resolved:

The report be noted.

**41. Ring & Ride and West Midlands On Demand Co-Mingling Pilot**

The committee considered a report from the Director of Integrated Transport Services providing an overview of current operations of West Midlands On Demand and Ring & Ride and on a proposed merging the operations of these services on a trial basis in Coventry from January 2023.

Demand responsive transport, as being trialled through West Midlands on Demand in Coventry, was intended to address some of the deficiencies in the fixed route bus network, making a wider range of destinations more easily accessible, providing an attractive, affordable service for those who may be adverse or unable to use the buses. The region's long-established Ring & Ride service also addressed accessibility challenges, but was targeted at those who were unable to access public transport primarily due to physical or mental disability or other mobility impairments.



Both services were subject to different rules and operating criteria and it was considered that by merging the services together ('co-mingling'), the customer service could be improved, the current customer base expanded and a more efficient and economical fleet operation enabled.

Councillor Narinder Kaur Kooner reported that she was aware that many former customers of Ring & Ride had stopped using the service due them thinking it had been terminated. It was vital that the service continued to be promoted, including amongst groups that had not previously used it. The Head of Network Transformation indicated that work was being undertaken to see if improvements could be made to the way in which the service could be booked, but these improvements would always ensure that a telephone booking service was provided. Councillor Linda Bigham sought assurances that the payment system being used in the trial was robust enough to handle different payment methods. The Head of Network Transformation confirmed that cash and card payments would be accepted, and he would check to see how long personal payment information was retained by the software.

The Chair enquired as to when a report on the outcome of the trial could be expected. The Head of Network Transformation indicated that he expected an initial evaluation report to be prepared in Spring 2023, with a final report expected in July 2023.

Resolved:

- (1) The challenges faced by the bus market and the impact on/potential of Demand Responsive Transport in this context be recognised.
- (2) The likely opportunities of merging ('co-mingling') of West Midlands On-Demand and Ring & Ride services in Coventry be recognised.
- (3) The proposal to conduct a co-mingling trial in Coventry from January 2023 be approved.
- (4) Given that much longer journeys would be possible, the proposed modification from a flat-fare to a distance-based charging regime for West Midlands On-Demand and Ring & Ride in Coventry be approved.
- (5) For the purposes of the trial, the setting of fares be delegated to the Director of Integrated Transport Services, on the understanding these would take into account affordability for passengers and the cost of providing the service and on the basis that single journeys up to 10 miles would be capped at £2 for those eligible for concessions on account of age or disability.

#### **42. West Midlands Cycle Hire Update**

The committee received an update from the Director of Strategic Partnerships & Delivery Integration on the last developments regarding the West Midlands cycle hire scheme.

Councillor Robert Grinsell enquired as to whether the cycle hire scheme had experienced any incidents of 'road rage' directed at cyclists. He was also interested as to whether any training was provided to bus drivers in respect of vulnerable road users such as cyclists. The Director of Strategic Partnerships & Delivery Integration undertook to check whether there had been any reports of anti-social behaviour directed at cycle hire users. He was also aware that bus drivers did receive specific training to ensure that they were able to share road space safely with cyclists. Where there were particularly difficult road layouts, highway authorities would seek to provide segregated road space to provide an additional layer of safety for cyclists.

Resolved:

The report be noted.

**43. Transport for West Midlands Drone Team**

The committee considered a report from the Head of Security & Policing on the formation of a drone team within Transport for West Midlands.

A PricewaterhouseCoopers study 'Skies without Limits 2.0' predicted that drones could contribute £45bn to the UK's economy by 2030, saving businesses £22bn, reducing carbon emissions and creating 650,000 jobs. The Regional Transport Co-ordination Centre had established itself as the one true source of transport information utilising the existing fixed CCTV network supported by local authorities across the West Midlands. The technology now existed to stream live drone images into the centre, and this would give excellent real time CCTV coverage across the West Midlands.

Local authorities and partner agencies would be able to take advantage of the drone team's services for still aerial imagery, video footage and thermal imagery via an online tasking request form.

Councillor Pervez Akhtar enquired as to the funding available to support the use of drones across the region. The Head of Security & Policing reported that a drone typically cost a third of that of a fixed CCTV camera, and therefore this relative cheapness enabled their potential use in significantly more roadside locations to provide situational awareness to the network duty manager. The 12 month trial would enable their usefulness to be assessed in a number of different situations and whether a wider business case could be established.

Resolved:

The report be noted.

**44. Park & Ride Update**

The committee considered a report of the Director of Integrated Network Services on Park & Ride matters within the region, as well as the continued impacts COVID-19 was having on car park operations and development.

Transport for West Midlands currently operated 9,186 Park & Ride spaces on the region's public transport network. These were located in 65 car parks, serving 39 railway stations and five metro stops. As a result of the previous high demand there was a focus by Transport for West Midlands, in conjunction with local authorities, on expanding Park & Ride at the locations that were most beneficial to the region strategically, economically and, fundamentally, for customers and communities.

The aftermath of COVID-19 restrictions and lockdowns had a significant impacts on demand for Park & Ride. This had provided uncertainty on whether the sites previously prioritised for expansion were still the correct ones to take forward, or whether the pandemic had changed people's travel habits in such a way that other locations or initiatives were more appropriate for focus in the future. With this in mind, alongside other changes impacting rail and car park use such as reduced frequencies, strike action etc., a review was to be undertaken into the existing Park & Ride strategy to understand how best to approach future Park & Ride development and, fundamentally, improve access to sites by other modes.

Councillor Timothy Huxtable noted that there was no plan to provide Park & Ride along the Camp Hill line. The Head of Park & Ride explained that the policy of Transport for West Midlands was not to provide Park & Ride sites within three miles of Birmingham city centre. In addition, other nearby stations already had Park & Ride facilities available.

Councillor David Stanley noted problems with car parking at Coseley station. The Head of Park & Ride indicated that she had met with officers from Dudley Metropolitan Borough Council to discuss this issue, and had undertaken monitoring to assess the impact of station-related parking on local residents.

Resolved:

The report be noted.

#### **45. Transport Services Recovery Update**

The committee received an update from the Director of Integrated Transport Services on the latest activity related to the recovery of the transport network and services from the effects of the COVID-19 pandemic.

Bus patronage was currently around 86% - 88% of pre-pandemic levels, showing a slow but steady recovery. Costs of operation were now around 120% of pre-pandemic levels (including fuel and driver pay etc) and set to increase further. Government funding for January to March 2023 had now been clarified and would be devolved to Transport for West Midlands. In respect of the Government's £2 fare cap for January to March 2023, further clarification was being awaited, but it was expected that this would be paid directly to bus operators and was being agreed with them.

Resolved:

The report be noted.

**46. Notice of Motion**

The committee considered a Motion submitted by Councillor Richard Worrall.

Resolved:

The motion, as set out below, be adopted:

“The Transport Delivery Committee wished to express its urgent concerns to the WMCA Board about the prospect nationally and regionally of large-scale:

- closures of railway booking offices and de-staffing of stations; and
- losses of main bus services and network coverage, should pandemic-related support cease in the coming weeks and months.

We urgently recommended to West Midlands Combined Authority to make urgent representations to the Department for Transport, for example through the Mayor and the Portfolio Lead for Transport, to take early steps to avoid the foregoing.”

**47. Member Engagement Groups Update**

The committee considered a report of the Governance Services Officer setting out the recent developments and meetings of its six Member Engagement Groups.

Resolved:

The recent activities of the committee’s Member Engagement Groups be noted.

**48. Date of Next Meeting**

Monday 9 January 2023 at 1.00pm.

The meeting ended at 3.30 pm.

## Transport Delivery Committee

### Action Tracker

2022 / 2023

| Date of Meeting | Action  | Allocated to                        | Status    | Comments   |
|-----------------|---|-------------------------------------|-----------|--|
| 11 July 2022    | The Mayor to be invited to a future meeting.  | Chair / Governance Services Officer | Completed | The chair to inform the Governance Services Officer when best appropriate to invite the Mayor to committee.          |
| 11 July 2022    | The Park & Ride item scheduled on the forward plan for February 2023 to be brought forward to the September 2022 meeting. | Governance Services Officer         | Completed | An update on Park and Ride is scheduled for the November 2022 meeting.   |
| 11 July 2022    | An operational update in relation to the West Midlands Cycle Hire Scheme to be brought to the September 2022 meeting.     | Sandeep Shingadia                   | Ongoing   | An operational update in relation to the West Midlands Cycle Hire Scheme to be brought to the November 2022 meeting. |
| 11 July 2022    | A copy of the seven Sprint Routes to be shared with members.  | Angela Hosford                      | Completed |  |
| 11 July 2022    | A morning briefing to be arranged whereby National Express are invited to discuss bus performance with members.           | Jon Hayes                           | Completed | A morning briefing has been schedule to take place on the 14 November 2022   |

|                  |  |                   |         |   |
|------------------|--|-------------------|---------|---|
| 10 October 2022  | A copy of the briefing note shared with Councillor Anne Millward relating to Dudley Interchange to be shared with all committee members. | Sandeep Shingadia | Ongoing |   |
| 10 October 2022  | Dudley Interchange to be discussed at a future morning briefing of the Transport Delivery Committee.                                     | Sandeep Shingadia | Ongoing |   |
| 10 October 2022  | An update on Walsall Town Centre Feasibility Study to be shared at the next committee.   | Sandeep Shingadia | Ongoing |   |
| 14 November 2022 | Visit to Dudley Interchange.   | Sandeep Shingadia | Ongoing | Provisional diary invitation scheduled Monday 30 January 10-12noon. Craig Evans, Governance Services Officer to confirm in diaries for TDC Members in due course. |

## TRANSPORT DELIVERY COMMITTEE FORWARD PLAN: FEBRUARY 2023 – MARCH 2023

| <b>Title of Report</b>                       | <b>Reason</b>  | <b>Date of Meeting</b> | <b>Purpose</b> | <b>Lead Officer</b> | <b>Confidential</b> |
|--|--|------------------------|----------------|---------------------|---------------------|
| Financial Monitoring Report 2022/23          | To review the latest revenue and capital position of TfWM                            | 6 February 2023        | Note           | Kate Taylor         | No                  |
| Capital Programme Delivery Monitoring Report | To consider the latest delivery position with TfWM capital projects                  | 6 February 2023        | Note           | Sandeep Shingadia   | No                  |
| Rail Delivery Monitoring Report              | To monitor the delivery of high-level deliverables and wider performance monitoring. | 6 February 2023        | Comment        | Tom Painter         | No                  |
| Park & Ride Delivery Monitoring Report       | To monitor the delivery of high-level deliverables and wider performance monitoring. | 6 February 2023        | Comment        | Andrew Thrupp       | No                  |
| Save-A-Space Trial Extension                 | To note and approve the Save-A-Space trail extension.                                | 6 February 2023        | Comment        | Babs Spooner        | No                  |



| Title of Report                              | Reason   | Date of Meeting | Purpose        | Lead Officer      | Confidential |
|--|--|-----------------|----------------|-------------------|--------------|
| Transport Update                             | To consider the latest activity from TfWM related to transport.                                      | 6 February 2023 | Note           | Pete Bond         | No           |
| Report back from Member Engagement Groups    | To consider a report back from member engagement groups held since the last meeting of the committee | 6 February 2023 | Comment / Note | Pete Bond         | No           |
| Financial Monitoring Report 2022/23          | To review the latest revenue and capital position of TfWM  | 13 March 2023   | Note           | Kate Taylor       | No           |
| Capital Programme Delivery Monitoring Report | To consider the latest delivery position with TfWM capital projects                                  | 13 March 2023   | Note           | Sandeep Shingadia | No           |
| Bus Delivery Monitoring Report               | To monitor the delivery of high-level deliverables and wider performance monitoring.                 | 13 March 2023   | Comment        | Jon Hayes         | No           |
| Resilience Delivery Monitoring Report        | To monitor the delivery of high-level deliverables and wider performance monitoring.                 | 13 March 2023   | Comment        | Mark Corbin       | No           |





| <b>Title of Report</b>                    | <b>Reason</b>   | <b>Date of Meeting</b> | <b>Purpose</b> | <b>Lead Officer</b> | <b>Confidential</b> |
|---|---|------------------------|----------------|---------------------|---------------------|
| TfWM Business Plan                        | To consider the Annual TfWM Business plan.  | 13 March 2023          | Comment / Note | Pete Bond           | No                  |
| Transport Update                          | To consider the latest activity from TfWM related to transport.   | 13 March 2023          | Note           | Pete Bond           | No                  |
| WMCA Board Transport Report               | To consider and comment on those transport related reports being consider at the next meeting of the WMCA Board | 13 March 2023          | Comment        | Pete Bond           | TBD                 |
| Report back from Member Engagement Groups | To consider a report back from member engagement groups held since the last meeting of the committee            | 13 March 2023          | Comment / Note | Chair               | No                  |
|   |   |                        |                |                     |                     |

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## Transport Delivery Committee

|                                      |  |
|--------------------------------------|--|
| <b>Date</b>                          | 9 January 2023   |
| <b>Report title</b>                  | Financial Monitoring Report  |
| <b>Accountable Director</b>          | Linda Horne<br>Executive Director of Finance and Business Hub<br>E-mail - <a href="mailto:Linda.Horne@wmca.org.uk">Linda.Horne@wmca.org.uk</a>             |
| <b>Accountable Employee</b>          | Kate Taylor<br>Head of Finance Business Partnering and Strategic Planning<br>E-mail - <a href="mailto:Kate.Taylor@wmca.org.uk">Kate.Taylor@wmca.org.uk</a> |
| <b>Report has been considered by</b> | Councillor Pervez Akhtar   |

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

#### The West Midlands Transport Delivery Committee is recommended to:

- (1) Note the year to date position as at the end of November 2022 against the TfWM Revenue Budget shows an adverse variance of £0.6m, as detailed in Section A.
- (2) Note the TfWM Capital Programme expenditure as at the end of November 2022 totals £181m, which is £78.6m below budget, as detailed in Section B.

#### 1. Purpose

- 1.1 This report sets out the financial position as at 30 November 2022. The content relates to the financial position of the Combined Authority's Transport Delivery Revenue and Capital Budgets and consists of the following Sections:

## SECTION A

### 2.0 Section A - Summary Revenue Position

2.1 The year to date position on the Transport revenue budget as at the end of November 2022 shows an adverse variance of £0.6m against budget.

|  | November 2022 Year to Date |                 |                   | Full Year         |                 |                   |
|--|----------------------------|-----------------|-------------------|-------------------|-----------------|-------------------|
|  | Actual<br>£'000            | Budget<br>£'000 | Variance<br>£'000 | Forecast<br>£'000 | Budget<br>£'000 | Variance<br>£'000 |
| Net TfWM Surplus / (Deficit) before reserves | 420                        | (3,641)         | 4,061             | (9,150)           | (9,078)         | (72)              |
| Use of Reserves                              | 1,384                      | 6,048           | (4,664)           | 9,179             | 9,078           | 101               |
| <b>Net TfWM Surplus / (Deficit)</b>          | <b>1,804</b>               | <b>2,407</b>    | <b>(603)</b>      | <b>29</b>         | <b>0</b>        | <b>29</b>         |

2.2 The most notable variance at this early stage of the year relates to Concessions where there is lower than budgeted patronage and fare levels.

These savings have been partly offset by lower than budgeted drawdown of reserves to support the overall budget as they have not yet been required.

2.3 As noted in the previous report, the key movements within the full year position reflects an increase in the MML operating costs of £4.2m to reflect ongoing cost pressures and revenue lost during the service shutdown. This increase has been offset by additional Local Transport Fund (LTF) grant of £1.8m and non-pay savings of £2.5m.

2.4 Further details of net spending are set out in Appendix 1.

## SECTION B

### 3.0 Summary Position TfWM Capital Budget

3.1 Overall, TfWM Capital Programme expenditure totalled £181m which was £78.6m below the year to date budget of £259.6m, with the variance primarily contained within the Investment Programme portfolio (£35.2m).

| TRANSPORT PROGRAMME         | YEAR TO DATE - NOVEMBER 22 |                |                  | FULL YEAR        |                |                  |
|-----------------------------|----------------------------|----------------|------------------|------------------|----------------|------------------|
|                             | ACTUAL<br>£000             | BUDGET<br>£000 | VARIANCE<br>£000 | FORECAST<br>£000 | BUDGET<br>£000 | VARIANCE<br>£000 |
| Investment Programme        | 94,836                     | 130,076        | 35,240           | 197,316          | 205,286        | 7,970            |
| CWG Programme               | 41,822                     | 61,759         | 19,937           | 56,320           | 61,535         | 5,215            |
| Other Major Programmes      | 9,250                      | 17,154         | 7,904            | 25,451           | 38,878         | 13,427           |
| Minor Work Programme        | 1,989                      | 4,753          | 2,764            | 6,808            | 8,595          | 1,787            |
| Grants to Local Authorities | 4,109                      | 4,625          | 516              | 13,359           | 36,757         | 23,398           |
| CRSTS                       | 28,982                     | 41,265         | 12,283           | 61,374           | 77,663         | 16,289           |
| <b>TOTAL</b>                | <b>180,988</b>             | <b>259,632</b> | <b>78,644</b>    | <b>360,628</b>   | <b>428,714</b> | <b>68,086</b>    |

- 3.2 The TfWM delivered Investment Programme portfolio contains the schemes which feature in the WMCA Devolution Deal Investment Programme to be delivered by TfWM. These schemes are all, to some extent, funded from the West Midlands Combined Authority Devolution Deal funding arrangements.
- 3.3 The Transport Programme has been categorised into six sub programmes. The largest of these is the Investment Programme with a budget to November of £130.1m, including Rail, Sprint & Metro Extension Schemes.
- 3.4 Appendix 2 documents the financial performance of the TfWM Investment Programme schemes which has a total budget of £205.3m for 2022/23. At the end of November, actual costs totalled £94.8m, which was £35.2m below the budget. The largest variance to date within Metro is the Wednesbury to Brierley Hill Extension scheme which is £7.5m due to the rephasing of some activities in accordance with the agreed phased delivery plan agreed by WMCA Board in July 2022.
- 3.5 The Metro Birmingham Eastside Extension has a year to date budget variance of £6.2m due to the process of agreeing revised commercial terms for HS2 utilities works.
- 3.6 Rail Camp Hill Line Local Enhancements Package 2 project has a year to date variance from budget of £7.5m due to the rephasing of physical construction activity. This is not expected to impact on the completion date.
- 3.7 Rail Walsall to Wolverhampton Local Enhancements Package 1 project has a year to date variance from budget of £3.2m due to the rephasing of physical construction activity after the discovery of mining infrastructure at the site.
- 3.8 Appendix 3 documents the financial performance against the Commonwealth Games Programme with a year to date budget of £61.8m. This includes all the schemes (SPRINT, Perry Barr & University Rail Stations, and Alexander Stadium Redevelopment) originally scheduled to be delivered in advance of the Games in July and August 2022. At the end of November, actual costs totalled £41.8m, which was £19.9m under budget. The largest variance is the University Station Improvement project which has a £4.6m variance from budget due to ongoing commercial negotiations reducing the value of payments in the month. Perry Barr Station is £4.4m behind budget owing largely to the timing of expenditure relating to contract close out on physical construction. Sprint schemes are £8.5m behind budget year to date due to construction works requiring review and approval of compensation events, creating a time lag between work done and contractor agreement. It is expected that the current under spend will be caught up by the end of this financial year.
- 3.9 Appendix 4 documents the financial performance against the Other Major Works programme. This programme includes trials of new transport innovation encompassed within Future Transport Zones (focused on discovering new ways to help people and goods move around), in addition to clean bus technology, and Key Route Networks, to manage congestion and keep the West Midlands moving. At the end of November, actual costs totalled £9.3m, which was £7.9m below the budget. The largest variance of £2.4m relates to Coventry Electric Bus City project due to ongoing discussions around power suppliers. The Cross City Bus Dudley to Druids Heath Package has a year to date budget variance of £1.9m as a result of rephasing of a sub-scheme into the following financial year.
- 3.10 Appendix 5 documents the financial performance against the Minor Works Programme with a year to date budget of £4.8m. This programme includes a broad range of relatively small schemes. At the end of November, actual costs totalled £2.0m.

- 3.11 Appendix 6 documents the financial performance against the Grants to Local Authorities. Actual where there is a variance from budget of £0.5m at the end of November.
- 3.12 Appendix 7 details the City Regional Sustainable Settlement Fund (CRSTS) which comprises of schemes delivered by both WMCA and Local Authorities. The 2022/23 budget has been rebased after an exercise with project sponsors to reflect the most up to date information for the CRSTS programme. Actual spend as at the end of November is £29m, a year to date budget variance of £12.3m. The largest variances are within schemes delivered internally by WMCA and are due to the timing of project business case assurance and approvals. A number of schemes have now received approval to draw down CRSTS funding and acceleration is expected in the final quarter of the year.

## Appendix 1: Transport for West Midlands Revenue Budget Position 30<sup>th</sup> November 2022

|                                      | ACTUAL<br>£000 |                |                 | BUDGET<br>£000 |                |                 | YTD<br>VARIANCE<br>FAV /<br>(ADVERSE)<br>£000 | FORECAST<br>£000 | BUDGET<br>£000   | FULL YEAR<br>VARIANCE<br>FAV /<br>(ADVERSE)<br>£000 |
|--------------------------------------|----------------|----------------|-----------------|----------------|----------------|-----------------|---|------------------|------------------|---|
|                                      | INCOME         | EXPENDITURE    | NET             | INCOME         | EXPENDITURE    | NET             |   |                  |                  |   |
| Transport Levy                       | 78,010         | 0              | 78,010          | 78,010         | 0              | 78,010          | 0   | 117,015          | 117,015          | 0   |
| Use of Reserves                      | 649            | 0              | 649             | 6,048          | 0              | 6,048           | (5,398)                                       | 9,144            | 9,078            | 67  |
| <b>TOTAL FUNDING</b>                 | <b>78,659</b>  | <b>0</b>       | <b>78,659</b>   | <b>84,057</b>  | <b>0</b>       | <b>84,057</b>   | <b>(5,398)</b>                                | <b>126,159</b>   | <b>126,092</b>   | <b>67</b>   |
| <b>Concessions</b>                   |                |                |                 |                |                |                 |   |                  |                  |   |
| National Bus Concession              | 93             | 30,792         | (30,700)        | 121            | 31,512         | (31,391)        | 691   | (48,041)         | (47,843)         | (198)   |
| Metro / Rail                         | 0              | 3,030          | (3,030)         | 0              | 3,039          | (3,039)         | 10  | (4,556)          | (4,576)          | 21  |
| Child Concession                     | 0              | 3,813          | (3,813)         | 0              | 4,278          | (4,278)         | 464   | (6,311)          | (6,710)          | 399   |
| <b>Bus Services</b>                  | <b>93</b>      | <b>37,635</b>  | <b>(37,543)</b> | <b>121</b>     | <b>38,829</b>  | <b>(38,708)</b> | <b>1,165</b>                                  | <b>(58,909)</b>  | <b>(59,130)</b>  | <b>221</b>  |
| Bus Stations / Infrastructure        | 4,726          | 7,945          | (3,219)         | 5,015          | 8,552          | (3,537)         | 317   | (5,619)          | (5,643)          | 25  |
| Subsidised Network                   | 22,435         | 31,004         | (8,569)         | 1,363          | 9,932          | (8,569)         | 0   | (13,420)         | (13,420)         | 0   |
| Accessible Transport                 | 105            | 3,603          | (3,497)         | 0              | 3,704          | (3,704)         | 207   | (6,471)          | (6,638)          | 167   |
| <b>Rail and Metro Services</b>       | <b>27,266</b>  | <b>42,552</b>  | <b>(15,286)</b> | <b>6,378</b>   | <b>22,188</b>  | <b>(15,810)</b> | <b>524</b>                                    | <b>(25,510)</b>  | <b>(25,702)</b>  | <b>192</b>  |
| Metro Services                       | 127            | 4,333          | (4,206)         | 136            | 5,152          | (5,016)         | 810   | (8,787)          | (6,137)          | (2,649)   |
| Rail Services                        | 837            | 2,774          | (1,938)         | 1,031          | 3,517          | (2,486)         | 548   | (4,023)          | (4,165)          | 141   |
| <b>Integration</b>                   | <b>964</b>     | <b>7,107</b>   | <b>(6,143)</b>  | <b>1,167</b>   | <b>8,669</b>   | <b>(7,502)</b>  | <b>1,358</b>                                  | <b>(12,810)</b>  | <b>(10,302)</b>  | <b>(2,508)</b>                                      |
| Safety and Security                  | 470            | 1,067          | (597)           | 448            | 1,282          | (834)           | 238   | (796)            | (1,257)          | 461   |
| Passenger Information                | 15,120         | 18,863         | (3,742)         | 605            | 4,819          | (4,214)         | 472   | (6,128)          | (6,959)          | 831   |
| Sustainable Travel                   | 66             | 1,029          | (963)           | 98             | 1,332          | (1,234)         | 271   | (1,796)          | (1,893)          | 97  |
| <b>Network Resilience</b>            | <b>15,656</b>  | <b>20,959</b>  | <b>(5,302)</b>  | <b>1,151</b>   | <b>7,434</b>   | <b>(6,283)</b>  | <b>981</b>                                    | <b>(8,721)</b>   | <b>(10,109)</b>  | <b>1,389</b>  |
| Commonwealth Games                   |                | 1,663          | (1,663)         | 18             | 2,133          | (2,115)         | 452   | (3,573)          | (3,744)          | 171   |
| Business and Democratic Support      | 27,346         | 27,346         | 0               | 18,656         | 18,656         | 0               | 0   | 0                | 0                | 0   |
| Strategic Development                | 0              | 2,712          | (2,712)         | (167)          | 2,490          | (2,657)         | (55)  | (3,681)          | (3,697)          | 16  |
| Transport Governance                 | 753            | 3,275          | (2,522)         | 867            | 3,749          | (2,882)         | 359   | (4,387)          | (4,863)          | 476   |
| Capital Finance Charges              | 21             | 99             | (77)            | 0              | 90             | (90)            | 13  | (130)            | (135)            | 5   |
| <b>TOTAL EXPENDITURE</b>             | <b>72,099</b>  | <b>148,954</b> | <b>(76,855)</b> | <b>28,191</b>  | <b>109,844</b> | <b>(81,653)</b> | <b>4,798</b>                                  | <b>(126,130)</b> | <b>(126,092)</b> | <b>(38)</b>   |
| <b>NET before Earmarked Reserves</b> | <b>150,758</b> | <b>148,954</b> | <b>1,804</b>    | <b>112,249</b> | <b>109,844</b> | <b>2,405</b>    | <b>(602)</b>                                  | <b>29</b>        | <b>0</b>         | <b>29</b>   |

At the end of November 2022 there is a £0.6m adverse variance against budget and a full year forecast that remains in line with budget.

### Concessions

The driver behind the year to date saving relates largely to the ENCTS and Child concessions budget due to lower patronage and fare levels.

The full year forecast has been broadly retained at budgeted levels to enable provision for the risk in relation to the bus network going forward.

## **Bus Services**

There are savings across Bus Infrastructure budgets of £0.3m in the main relating to staffing, cleaning, and maintenance budgets.

The Subsidised Bus position is in line with budget with Local Transport Funding (LTF) offsetting the increased subsidised service costs in relation to some services.

Within Accessible Transport there are savings to date of £0.2m favourable due to contractual savings plus additional revenue received from WMAT.

The full year position mostly reflects savings to date within Accessible Transport.

## **Rail & Metro**

Within Metro Services the favourable position to date reflects the LTF grant that has been received in relation to the first half of year, alongside savings on general insurance premiums to date.

The full year position reflects an increase in the Metro subsidy requirement of £4.2m.

Within Rail Services the year to date savings are largely within staffing and maintenance budgets. The full year favourable position reflects savings within external advice of £0.7m which have been used to help fund the additional Metro subsidy requirement.

## **Integration**

Savings to date largely relate to staffing where there are vacant posts across several budgets, plus an under-spend within the marketing budget which is expected to be utilised by the end of the year. There are also increased capital recharges due to the extension of the Active Travel Fund.

The favourable movement in the full year position mainly reflects a forecast reduction in external advice expenditure which will contribute towards funding the additional Metro subsidy requirement plus year to date staff savings.

## **Network Resilience**

Within the Network Resilience budget there are savings against the Staffing budget due to vacant posts alongside external advice savings.

## **Strategic Development**

In year savings are largely within the staffing budget because of hiring delays; vacant posts are now expected to be appointed during the fourth quarter of the year. The remaining underspend is due to timing, with activity relating to the Local Transport Plan, Local Transport Investment Programme and Rail surveys expected in the later part of the year to align with recruitment.

## **Reserves**

Reserves drawn down to date relate to the delivery of the West Midlands Cycle Hire scheme which are under that budgeted by £0.1m.

Budgeted reserves earmarked to support the 2022/23 Transport Budget have not yet been drawn down.

## APPENDIX 2: TfWM Delivered Investment Programme Schemes

| INVESTMENT PROGRAMME  | YEAR TO DATE - NOVEMBER 22 |                |                  | FULL YEAR        |                |                  |           |
|---|----------------------------|----------------|------------------|------------------|----------------|------------------|-----------|
|   | ACTUAL<br>£000             | BUDGET<br>£000 | VARIANCE<br>£000 | FORECAST<br>£000 | BUDGET<br>£000 | VARIANCE<br>£000 |           |
| <b>Rail</b>   |                            |                |                  |                  |                |                  |           |
| Rail - Camp Hill Line Local Enhancements - Package 2                              | 7,727                      | 15,264         | 7,537            | 31,370           | 26,923         | (4,447)          |           |
| Rail - Walsall to Wolverhampton Local Enhancements - Package 1                    | 4,523                      | 7,756          | 3,233            | 10,501           | 15,348         | 4,847            |           |
| Rail - Sutton Coldfield Gateway   | 0                          | 51             | 51               | 14               | 165            | 151              |           |
| <b>Metro</b>  |                            |                |                  |                  |                |                  |           |
| Metro Birmingham Eastside Extension   | 29,326                     | 35,574         | 6,248            | 57,130           | 48,548         | (8,582)          |           |
| Metro Wolverhampton City Centre Extension   | 8,821                      | 5,610          | (3,211)          | 5,610            | 5,610          | 0                |           |
| Metro Wednesbury to Brierley Hill Extension                                       | 35,524                     | 42,975         | 7,451            | 69,246           | 73,676         | 4,430            |           |
| Metro Centenary Square/Edgbaston Extension  | 5,048                      | 5,414          | 366              | 7,068            | 7,068          | 0                |           |
| Bilston Road Track Replacement Phase 2  | 0                          | 865            | 865              | 865              | 865            | 0                |           |
| Metro Network Enhancements - Traction Power and OLE Upgrades with Power Modelling | 412                        | 1,808          | 1,396            | 1,982            | 2,563          | 581              |           |
| WIP Station and Car Park works  | 0                          | 58             | 58               | 0                | 58             | 58               |           |
| Metro Network Enhancements - Wednesbury Depot Upgrades                            | 806                        | 6,305          | 5,499            | 1,983            | 8,544          | 6,561            |           |
| Metro Network Enhancements – Comms and Control                                    | 309                        | 642            | 333              | 620              | 1,118          | 498              |           |
| Buy Before Boarding   | 65                         | 1,511          | 1,446            | 2,130            | 5,647          | 3,517            |           |
| Wolverhampton WIP Public Realm  | 0                          | 909            | 909              | 853              | 909            | 56               |           |
| Wolverhampton WIP Contingency   | 0                          | 2,092          | 2,092            | 1,896            | 2,092          | 196              |           |
| Project Support   | 3                          | 0              | (3)              | 0                | 0              | 0                |           |
| MML Life Cycle Projects   | 489                        | 829            | 340              | 1,016            | 1,118          | 102              |           |
| 2GT Car-Body Works  | 228                        | 208            | (20)             | 228              | 228            | 0                |           |
| OLE Parafit Work  | 1,449                      | 1,776          | 327              | 1,776            | 1,776          | 0                |           |
| Traction Power Phase 2  | 0                          | 100            | 100              | 219              | 219            | 0                |           |
| <b>Sprint</b>   |                            |                |                  |                  |                |                  |           |
| Sprint - Hagley Road Phase 1  | 19                         | 28             | 9                | 2,266            | 2,266          | 0                |           |
| Sprint - Longbridge to Birmingham   | 8                          | 115            | 107              | 168              | 168            | 0                |           |
| Sprint - Hall Green to Interchange via Solihull                                   | 0                          | 69             | 69               | 208              | 208            | 0                |           |
| Sprint - Hagley Road Phase 2 - with Halesowen and Dudley to Birmingham            | 80                         | 113            | 33               | 167              | 167            | 0                |           |
| Sprint - Sutton Coldfield to Birmingham - via Langley                             | 0                          | 1              | 1                | 0                | 1              | 1                |           |
| <b>TOTAL</b>  | <b>94,836</b>              | <b>130,076</b> | <b>35,240</b>    | <b>197,316</b>   | <b>205,286</b> | <b>7,970</b>     | <b>4%</b> |

## APPENDIX 3: Commonwealth Games Programme

| COMMONWEALTH GAMES PROGRAMME                               | YEAR TO DATE - NOVEMBER 22 |                |                  | FULL YEAR        |                |                  |  |
|--|----------------------------|----------------|------------------|------------------|----------------|------------------|--|
|  | ACTUAL<br>£000             | BUDGET<br>£000 | VARIANCE<br>£000 | FORECAST<br>£000 | BUDGET<br>£000 | VARIANCE<br>£000 |  |
| University Station Improvement Project                     | 15,993                     | 20,633         | 4,640            | 19,568           | 20,880         | 1,312            |  |
| Perry Barr Rail Station                                    | 3,253                      | 7,668          | 4,415            | 7,668            | 7,668          | 0                |  |
| Sprint - A45 Birmingham to Airport and Solihull            | 12,566                     | 16,551         | 3,985            | 13,818           | 12,256         | (1,562)          |  |
| Sprint - A34 Walsall to Birmingham                         | 6,252                      | 10,752         | 4,500            | 7,704            | 10,851         | 3,147            |  |
| RTCC-Design and Layout/Commercialisation                   | 327                        | 511            | 184              | 488              | 602            | 114              |  |
| RTCC-Data - Tactical and Operational Intelligence          | 153                        | 472            | 319              | 446              | 540            | 94               |  |
| RTCC – ICT Equipment                                       | 0                          | 0              | 0                | 1                | 1              | 0                |  |
| RTCC-Operations  | 104                        | 153            | 49               | 177              | 370            | 193              |  |
| RTCC-Customer Information                                  | 31                         | 44             | 13               | 65               | 65             | 0                |  |
| RTCC-Highway Interventions                                 | 2,242                      | 3,790          | 1,548            | 4,801            | 5,863          | 1,062            |  |
| Birchley Island - Sandwell MBC                             | (35)                       | 226            | 261              | 487              | 487            | 0                |  |
| RTCC NWM Customer Interface Tool - Journey planner/Website | 340                        | 327            | (13)             | 500              | 1,114          | 614              |  |
| Perry Barr Mitigation Package                              | 5                          | 42             | 37               | 7                | 250            | 243              |  |
| Commonwealth Games Public Realm - Local Authority          | 589                        | 590            | 1                | 590              | 590            | 0                |  |
| <b>TOTAL</b>   | <b>41,820</b>              | <b>61,759</b>  | <b>19,939</b>    | <b>56,320</b>    | <b>61,537</b>  | <b>5,217</b>     |  |



## APPENDIX 4: Other Major Works Programme

| OTHER MAJOR WORKS PROGRAMME                                     | YEAR TO DATE - NOVEMBER 22 |                |                  | FULL YEAR        |                |                  |
|---|----------------------------|----------------|------------------|------------------|----------------|------------------|
|   | ACTUAL<br>£000             | BUDGET<br>£000 | VARIANCE<br>£000 | FORECAST<br>£000 | BUDGET<br>£000 | VARIANCE<br>£000 |
| Clean Bus Technology Fund 2017-2019                             | 85                         | 124            | 39               | 247              | 247            | 0                |
| Cross City Bus - City Centre Package                            | 86                         | 712            | 626              | 273              | 1,661          | 1,388            |
| Cross City Bus - Dudley – Druids Heath Package                  | 34                         | 1,884          | 1,850            | 362              | 4,340          | 3,978            |
| Coventry Electric Bus City                                      | 6,090                      | 8,513          | 2,423            | 16,215           | 16,196         | (19)             |
| Zero Emission Bus Regional Area (ZEBRA)                         | 0                          | 0              | 0                | 0                | 5,742          | 5,742            |
| West Midlands Cycle Hire  | 67                         | 88             | 21               | 311              | 311            | 0                |
| Dudley Interchange  | 443                        | 715            | 272              | 1,058            | 942            | (116)            |
| Future Mobility Zone - Human Centered Data                      | 73                         | 22             | (51)             | 99               | 112            | 13               |
| Future Mobility Zone - Enabling Data Exploitation               | 344                        | 1,267          | 923              | 1,193            | 1,611          | 418              |
| Future Mobility Zone - Innovation Showcases                     | 156                        | 931            | 775              | 1,056            | 1,591          | 535              |
| Future Mobility Zone - Programme Mgmt and Monitoring Evaluation | 260                        | 372            | 112              | 509              | 553            | 44               |
| 5G  | 716                        | 824            | 108              | 1,101            | 1,101          | 0                |
| Future Mobility Zone - Enhanced Ticket Platform                 | 33                         | 219            | 186              | 360              | 626            | 266              |
| Future Mobility Zone - Transport Network Data                   | 863                        | 1,482          | 619              | 2,666            | 3,844          | 1,178            |
| <b>TOTAL</b>  | <b>9,250</b>               | <b>17,153</b>  | <b>7,903</b>     | <b>25,450</b>    | <b>38,877</b>  | <b>13,427</b>    |

## APPENDIX 5: Minor Works Programme

| MINOR WORKS PROGRAMME                                      | YEAR TO DATE - NOVEMBER 22 |                |                  | FULL YEAR        |                |                  |
|--|----------------------------|----------------|------------------|------------------|----------------|------------------|
|  | ACTUAL<br>£000             | BUDGET<br>£000 | VARIANCE<br>£000 | FORECAST<br>£000 | BUDGET<br>£000 | VARIANCE<br>£000 |
| <b>Bus</b>   |                            |                |                  |                  |                |                  |
| DfT Tackling Nitrogen Dioxide - Dudley MBC                 | 26                         | 26             | 0                | 26               | 26             | 0                |
| DfT Tackling Nitrogen Dioxide - Wolverhampton MBC          | 89                         | 68             | (21)             | 153              | 153            | 0                |
| Air Quality Grant Scheme 2021-                             | 0                          | 495            | 495              | 578              | 990            | 412              |
| NPIF 2 Birmingham Growth Point                             | 1                          | 59             | 58               | 59               | 59             | 0                |
| Alcester Road North- Highgate Middleway to Augusta Rd East | 57                         | 703            | 646              | 494              | 1,218          | 724              |
| <b>Rail</b>  |                            |                |                  |                  |                |                  |
| Snow Hill Public Realm                                     | 0                          | 109            | 109              | 109              | 109            | 0                |
| Dudley Port Integrated Transport Hub                       | 0                          | 76             | 76               | 176              | 176            | 0                |
| Aldridge Rail Station Study                                | 0                          | 1              | 1                | 1                | 1              | 0                |
| <b>Sprint</b>  |                            |                |                  |                  |                |                  |
| Electric Vehicle - EV - Charging                           | 53                         | 0              | (53)             | 53               | 53             | 0                |
| <b>Cycling</b>   |                            |                |                  |                  |                |                  |
| Better Streets Community Fund                              | 180                        | 218            | 38               | 342              | 385            | 43               |
| Priority One Development Workstream                        | 294                        | 581            | 287              | 572              | 1,035          | 463              |
| <b>Highway</b>   |                            |                |                  |                  |                |                  |
| Key Route Network Safety                                   | 4                          | 306            | 302              | 613              | 613            | 0                |
| ADEPT Live Lab   | (31)                       | 34             | 65               | (31)             | 34             | 65               |
| M6 Toll - In Vehicle Messaging                             | 433                        | 404            | (29)             | 732              | 781            | 49               |
| <b>Asset Replacement</b>                                   |                            |                |                  |                  |                |                  |
| IDOX - Asset Management System                             | 0                          | 6              | 6                | 10               | 10             | 0                |
| Asset Management Programme                                 | 683                        | 1,347          | 664              | 2,037            | 2,040          | 3                |
| Real Time Information Upgrades                             | 135                        | 104            | (31)             | 160              | 160            | 0                |
| <b>Other</b>   |                            |                |                  |                  |                |                  |
| Asset Management- RTI Upgrades                             | 35                         | 199            | 164              | 621              | 621            | 0                |
| Top Slice  | 28                         | 0              | (28)             | 100              | 100            | 0                |
| HS2 Modelling Framework                                    | 3                          | 15             | 12               | 3                | 30             | 27               |
| <b>TOTAL</b>   | <b>1,990</b>               | <b>4,751</b>   | <b>2,761</b>     | <b>6,808</b>     | <b>8,594</b>   | <b>1,786</b>     |

## APPENDIX 6: Grants to Local Authorities

| GRANTS TO LOCAL AUTHORITIES  | YEAR TO DATE - NOVEMBER 22 |                |                  | FULL YEAR        |                |                  |
|--|----------------------------|----------------|------------------|------------------|----------------|------------------|
|  | ACTUAL<br>£000             | BUDGET<br>£000 | VARIANCE<br>£000 | FORECAST<br>£000 | BUDGET<br>£000 | VARIANCE<br>£000 |
| Active Travel Fund-Tranche 2   | 54                         | 35             | (19)             | 62               | 62             | 0                |
| Active Travel Fund- Tranche 3  | 92                         | 216            | 124              | 651              | 17,098         | 16,447           |
| Priority 1 Delivery- Perry Barr- Sutton Coldfield                      | 0                          | 0              | 0                | 90               | 1,500          | 1,410            |
| Priority 1 Delivery- A45 Coventry Road Birmingham                      | 0                          | 0              | 0                | 50               | 4,454          | 4,404            |
| Priority 1 Delivery- Binley Road Coventry                              | 1,617                      | 1,000          | (617)            | 4,559            | 4,559          | 0                |
| Priority 1 Delivery- WTBH Metro Corridor Access Improvements           | 0                          | 0              | 0                | 550              | 1,000          | 450              |
| B4106 Spon End - Coventry CC   | 953                        | 953            | 0                | 953              | 953            | 0                |
| New St/High St/Victoria Sq Public Realm - Birmingham CC                | 548                        | 200            | (348)            | 2,120            | 2,120          | 0                |
| Major Road Network-A4123 Corridor -A4150 Ring Road to A456 Hagley Road | 48                         | 295            | 247              | 158              | 360            | 202              |
| Major Road Network- A454 Wolverhampton to Neachells Phrases 1 2 And 3  | 138                        | 209            | 71               | 419              | 419            | 0                |
| Major Road Network-A449 Stafford Rd M54 J2 to A4150 Ring Road          | 46                         | 131            | 85               | 470              | 470            | 0                |
| Major Road Network- A46 Link Road Ph3 Coventry                         | 73                         | 118            | 45               | 250              | 250            | 0                |
| Major Road Network- A38 Kingsbury Road Birmingham                      | 0                          | 12             | 12               | 37               | 37             | 0                |
| WM5G Grants for Transport Use  | 111                        | 88             | (23)             | 88               | 88             | 0                |
| Major Road Network- A41 Moxley   | 0                          | 27             | 27               | 27               | 27             | 0                |
| MRN - A461- Dudley   | 111                        | 170            | 59               | 200              | 200            | 0                |
| MRN - A461- Sandwell   | 83                         | 160            | 77               | 320              | 320            | 0                |
| MRN - A461-Rushall Jn -Walsall   | 0                          | 115            | 115              | 230              | 230            | 0                |
| MRN - A456- Dudley   | 0                          | 0              | 0                | 100              | 100            | 0                |
| Major Road Network- A41 Sandwell                                       | 0                          | 50             | 50               | 150              | 150            | 0                |
| MRN - M5 J1 - Sandwell   | 0                          | 83             | 83               | 25               | 250            | 225              |
| MRN - A435   | 0                          | 35             | 35               | 200              | 200            | 0                |
| MRN-A4540 Bham Midd.-Eastside  | 0                          | 100            | 100              | 650              | 650            | 0                |
| MRN-Keresley Link Road   | 34                         | 73             | 39               | 237              | 237            | 0                |
| MRN-Cov North Package Link M6  | 5                          | 48             | 43               | 23               | 223            | 200              |
| MRN-A452 Balsall Common Bypass   | 16                         | 207            | 191              | 440              | 500            | 60               |
| MRN-A45 Cov Rd/Damson Pkway Jn   | 180                        | 300            | 120              | 300              | 300            | 0                |
| <b>TOTAL</b>   | <b>4,109</b>               | <b>4,625</b>   | <b>516</b>       | <b>13,359</b>    | <b>36,757</b>  | <b>23,398</b>    |

## Appendix 7 2022/23 City Regional Sustainable Transport Settlement Programme

| CRSTS (by Sponsoring Authority)                                 | YEAR TO DATE - NOVEMBER 22 |                |                  | FULL YEAR        |                |                  |
|---|----------------------------|----------------|------------------|------------------|----------------|------------------|
|   | ACTUAL<br>£000             | BUDGET<br>£000 | VARIANCE<br>£000 | FORECAST<br>£000 | BUDGET<br>£000 | VARIANCE<br>£000 |
| <b>Birmingham</b>   |                            |                |                  |                  |                |                  |
| CRSTS - IG - East Birmingham to Solihull Corridor               | 0                          | 0              | 0                | 50               | 50             | 0                |
| CRSTS - IG - East Bham to Solihull Bham                         | 0                          | 0              | 0                | 50               | 50             | 0                |
| CRSTS - CoP - Sutton Coldfield Gateway                          | 0                          | 20             | 20               | 160              | 160            | 0                |
| CRSTS - HSaS - A38 Selly Oak to Longbridge Segregated Cycling   | 0                          | 33             | 33               | 130              | 130            | 0                |
| CRSTS - HSaS - City Centre Active Travel to Interchange         | 0                          | 0              | 0                | 110              | 110            | 0                |
| CRSTS - HSaS - One Station and Smallbrook Queensway             | 0                          | 10             | 10               | 110              | 110            | 0                |
| CRSTS - LNIP - Birmingham City Council                          | 4,169                      | 4,169          | 0                | 6,254            | 6,254          | 0                |
| <b>Coventry</b>   |                            |                |                  |                  |                |                  |
| CRSTS - CoP - VLR P2 Cov Demonstration Route                    | 0                          | 1,504          | 1,504            | 6,423            | 6,423          | 0                |
| CRSTS - CRNaC - Foleshill Transport Package                     | 0                          | 219            | 219              | 952              | 952            | 0                |
| CRSTS - DaGR - Cov South Sustainable Transport (GIGA Factory)   | 0                          | 189            | 189              | 505              | 505            | 0                |
| CRSTS - LNIP - Coventry City Council                            | 1,356                      | 1,356          | 0                | 2,034            | 2,034          | 0                |
| CRSTS - Highways Maintenance - Coventry City Council            | 2,724                      | 2,724          | 0                | 4,086            | 4,086          | 0                |
| <b>Dudley</b>   |                            |                |                  |                  |                |                  |
| CRSTS - CoP - VLR P2 Innovation Centre Dudley                   | 0                          | 0              | 0                | 200              | 200            | 0                |
| CRSTS - CRNaC - A461 Dudley WCB Corridor                        | 0                          | 0              | 0                | 100              | 100            | 0                |
| CRSTS - LNIP - Dudley Council                                   | 1,174                      | 1,174          | 0                | 1,760            | 1,760          | 0                |
| CRSTS - Highways Maintenance - Dudley Council                   | 2,991                      | 2,991          | 0                | 4,486            | 4,486          | 0                |
| <b>Sandwell</b>   |                            |                |                  |                  |                |                  |
| CRSTS - IG - Smethwick - Birmingham Corridor Transport Package  | 0                          | 0              | 0                | 250              | 250            | 0                |
| CRSTS - LNIP - Sandwell Council                                 | 1,199                      | 1,199          | 0                | 1,798            | 1,798          | 0                |
| CRSTS - Highways Maintenance - Sandwell Council                 | 3,161                      | 3,161          | 0                | 4,741            | 4,741          | 0                |
| <b>Solihull</b>   |                            |                |                  |                  |                |                  |
| CRSTS - LNIP - Solihull Council                                 | 789                        | 789            | 0                | 1,184            | 1,184          | 0                |
| CRSTS - Highways Maintenance - Solihull Council                 | 2,581                      | 2,581          | 0                | 3,872            | 3,872          | 0                |
| <b>Walsall</b>  |                            |                |                  |                  |                |                  |
| CRSTS - IG - BCW Access Darlaston and Willenhall Train Stations | 0                          | 53             | 53               | 212              | 212            | 0                |
| CRSTS - CRNaC - A41 Mox IP Wal TC WCB Corr                      | 0                          | 0              | 0                | 40               | 40             | 0                |
| CRSTS - LNIP - Walsall Council                                  | 1,042                      | 1,042          | 0                | 1,563            | 1,563          | 0                |
| CRSTS - Highways Maintenance - Walsall Council                  | 2,379                      | 2,379          | 0                | 3,569            | 3,569          | 0                |
| <b>Wolverhampton</b>  |                            |                |                  |                  |                |                  |
| CRSTS - IG - A454 WCB Corridor East Park Active Travel          | 0                          | 0              | 0                | 50               | 50             | 0                |
| CRSTS - CRNaC - A4123 Walk, Cycle and Bus Corridor              | 0                          | 0              | 0                | 200              | 200            | 0                |
| CRSTS - LNIP - Wolverhampton City Council                       | 961                        | 961            | 0                | 1,442            | 1,442          | 0                |
| CRSTS - Highways Maintenance - Wolverhampton City Council       | 2,217                      | 2,217          | 0                | 3,325            | 3,325          | 0                |
| <b>Other</b>  |                            |                |                  |                  |                |                  |
| Metro Line 1 Renovation costs                                   | 222                        | 5,212          | 4,990            | 2,320            | 7,528          | 5,208            |
| Aldridge Station  | 0                          | 100            | 100              | 200              | 500            | 300              |
| Sprint Ph2 A34 - Package E Sandwell & BCC                       | 1,065                      | 631            | (434)            | 1,445            | 1,445          | 0                |
| Sprint Ph2 A45 - Package F Solihull                             | 205                        | 209            | 4                | 1,064            | 1,064          | 0                |
| Sprint Ph2 A34 - Package G Walsall                              | 235                        | 231            | (4)              | 1,085            | 1,085          | 0                |
| Sprint Ph2 A45 - Package H BCC                                  | 300                        | 273            | (27)             | 1,327            | 1,327          | 0                |
| Sprint Ph2 A34 - Package J City Centre                          | 154                        | 143            | (11)             | 1,048            | 1,048          | 0                |
| Bsip Bus Priority X - City Routes                               | 0                          | 2,571          | 2,571            | 318              | 6,000          | 5,682            |
| Swift cEMV contactless payment broker                           | 38                         | 3,125          | 3,087            | 2,191            | 7,291          | 5,100            |
| CRSTS - CoP - VLR P2 R and D                                    | 0                          | 0              | 0                | 600              | 600            | 0                |
| CRSTS - Data Scheme Development Support plus M and E            | 19                         | 0              | (19)             | 0                | 0              | 0                |
| <b>TOTAL</b>  | <b>28,981</b>              | <b>41,266</b>  | <b>12,285</b>    | <b>61,372</b>    | <b>77,662</b>  | <b>16,290</b>    |

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## Transport Delivery Committee

|                                      |   |
|--------------------------------------|---|
| <b>Date</b>                          | 9 January 2023  |
| <b>Report title</b>                  | Rail Business Report Update   |
| <b>Accountable Director</b>          | Malcolm Holmes, Director of Rail, Transport for West Midlands<br>email malcolm.holmes@wmre.org.uk |
| <b>Accountable Employee</b>          | Tom Painter, Head of Rail Delivery, West Midlands Rail Executive<br>email tom.painter@wmre.org.uk |
| <b>Report has been considered by</b> | Councillor Tim Huxtable - Rail & Metro Member<br>Engagement Group Chair                           |

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

#### The Transport Delivery Committee is recommended to:

- **Note** the content of the report

#### 1. Purpose

- 1.1 To provide an update relating to the performance, operation and delivery of rail services in the West Midlands including West Midlands Rail Executive (WMRE) activity.

#### 2. Background

- 2.1 Transport for West Midlands (TfWM) and WMRE currently work to influence the management and delivery of rail services and projects.

- 2.2 This report provides a summary of rail activity in the TfWM and wider WMRE areas between August and December 2022.

#### 3. WMRE Executive Director/TfWM Director of Rail

- 3.1 After seven years of leading WMRE, Malcolm Holmes has announced his intention to stand down from the role in March 2022. Malcolm will be taking up the post of General Manager at the Great Central Railway, a heritage railway in Leicestershire where he has volunteered for many years.

3.2 The process to fill the post of Executive Director/Director of Rail is now being considered with TfWM, and Malcolm has agreed to advise and support as required. TDC will be kept advised of the proposed approach and progress.

#### 4. Rail Service Delivery

4.1 The four principal factors impacting on rail customer experience in the West Midlands are the improving reliability of our local rail operator - West Midlands Trains (WMT), the continuing industrial unrest, the ongoing problems facing Avanti West Coast, and the poor financial health of the railway.

4.2 Evidence of the success of WMT’s traincrew recovery plan can be seen in the comparison of the 2022 and 2021 October half terms. Table 1 below shows the number of services at risk or cancelled over the course of the seven days. 166 services were cancelled in 2022, compared to 394 for the same week last year. This was mainly as a result of WMT having many more drivers available to work - between 24 and 53 available daily. Where services were cancelled, these were spread across multiple routes, reducing the impact on the region’s customers.

| <u>Oct-22</u>                  |     |       |       |       |       |       |        |       |
|--------------------------------|-----|-------|-------|-------|-------|-------|--------|-------|
|                                | Sun | Mon   | Tues  | Weds  | Thurs | Fri   | Sat    | Total |
| Drivers Available              | 646 | 658   | 659   | 659   | 654   | 654   | 654    |       |
| At Risk                        | 0   | 55    | 60    | 24    | 79    | 40    | 87     | 345   |
| Cancelled                      | 0   | 17    | 27    | 3     | 46    | 17    | 56     | 166   |
| % of booked services cancelled | 0%  | 1.36% | 2.16% | 0.24% | 3.67% | 1.12% | 4.42%  | 2.03% |
| <u>Oct-21</u>                  |     |       |       |       |       |       |        |       |
|                                | Sun | Mon   | Tues  | Weds  | Thurs | Fri   | Sat    | Total |
| Drivers Available              | 622 | 622   | 619   | 615   | 609   | 601   | 598    |       |
| At Risk                        | 0   | 50    | 94    | 62    | 121   | 120   | 134    | 581   |
| Cancelled                      | 0   | 31    | 60    | 37    | 88    | 57    | 121    | 394   |
| % of booked services cancelled | 0%  | 2.60% | 5.03% | 3.10% | 7.37% | 4.77% | 10.13% | 4.82% |

Table 1. Comparison of WMT cancellations in 2022 and 2021 October Half Terms

4.3 This improvement is very welcome for customers. However, the increase in headcount does not by itself guarantee an end to the problem of traincrew cancellations. WMT’s traincrew terms and conditions are less flexible than others in the industry. This can sometimes prevent staff from being deployed as productively as on other companies. Any changes to terms and conditions need to be agreed with the trade unions.

4.4 The relationship between the rail industry and its trades unions continues to be fractious. All three of the main rail unions are currently in dispute with the rail industry over pay, terms and conditions and fear of compulsory redundancies. Strikes have occurred at regular intervals since June.

4.5 In an unexpected development, the RMT union cancelled action planned for 5th, 7th and 9th November. However, the offer that was subsequently made to the union by both Network Rail and the train operators was rejected. Consequently, two pairs of 48-hour walkouts in December and January, as well as an overtime ban between 18th December and 2nd January, still went ahead.

- 4.6 As all companies are dependent on voluntary work to some extent, the overtime ban caused considerable disruption, especially for Chiltern Railways. Due to a reliance on overtime in their engineering department, Chiltern were unable to staff all of their maintenance and fuelling depots, meaning they could not have as many trains available for service. This led to them being unable to operate any services north of Banbury.
- 4.7 The relationship between the trades unions and Avanti West Coast seems to be particularly difficult. Avanti West Coast services have experienced a marked decline in the numbers of staff volunteering for Rest Day Work and overtime. This led to the operator introducing a significantly reduced timetable in September.
- 4.8 Until the December timetable change, just one Avanti train an hour operated between the West Midlands and London Euston. TfWM through WMRE have met with Avanti to urge for the previous timetable to be restored at the earliest opportunity. The DfT have also decided not to award Avanti a new contract, and have instead extended their existing agreement for six months. During this time their performance will be assessed, and a decision made as to the future of the business.
- 4.9 In more positive news, TSSA members at Network Rail have voted to accept a pay deal. The union, which is smaller than the RMT, had already suspended strike action. It said 85% of its members voted in favour of the offer, which includes a minimum 9% pay rise by January, job security to 2025, and guarantees on terms and conditions.
- 4.10 The impact of the strikes on revenue is one cause of an increasingly difficult financial landscape for the industry. The DfT estimate that the strikes have lost the industry around £500m in revenue. Earnings are also showing signs of plateauing around the 80-85% of pre-pandemic levels. This is largely as a result of the slow recovery of the business and commuting markets, which are at around 40% and 59% respectively. By contrast, revenue from leisure travel now regularly exceeds pre-COVID levels.
- 4.11 As a result, the industry is under pressure to reduce its cost base and bring down the amount of tax-payer subsidy it currently requires. This may lead to the industry having to make difficult decisions about what it funds and what it does not. WMRE are part of this process for the WMT contract, although as the cost risk sits with DfT they hold the final decision.
- 4.12 One area of investment that is still going ahead is the introduction of brand-new trains. The first of these – a diesel multiple unit Class 196 - entered passenger service on 17<sup>th</sup> October on services between Birmingham New Street and Shrewsbury (see image overleaf). These new trains are the first to arrive in the region for over a decade, and offer a step-change in passenger comfort over the 20-year-old vehicles they replace. As more carriages are delivered, they will be introduced on the Birmingham New Street to Worcester/Hereford route. They will also provide the service to the new stations being constructed on the Camp Hill Line (see section 10).
- 4.13 Later next year WMT will also begin introducing their new electric trains. Known as Class 730s, these will gradually replace the Class 323 fleet on the CrossCity Line. The Class 323s are now in their 30<sup>th</sup> year and have served the region admirably. WMT and TfWM/WMRE plan to do something to celebrate their service before they depart for a new role with Northern Trains.



Figure 1. WMT Managing Director Ian McConnell and Andy Street at Wolverhampton for the launch of the first Class 196 unit

## 5. Great British Railways Partnership

- 5.1 Talks between WMRE and the Great British Railways Transition Team (GBRTT) have now resumed following the brief pause created by the recent changes to the Ministerial team at the DfT.
- 5.2 The turnover of administrations has led to some press speculation as to the future of GBR. This was compounded by the announcement that the legislation within the Government's Transport Bill that would enact the implementation of the Williams-Shapps Plan for Rail and formally create GBR would be deferred to a future parliamentary session. The reason for the deferral was to allow the Government to prioritise emergency legislation in response to the cost of living and energy price situation.
- 5.3 Until it is advised otherwise, WMRE will continue to plan on the basis that the partnerships between local bodies and GBR proposed in the Plan for Rail remains stated Government policy. Indeed, in anticipation of a fresh mandate being given, a series of workshops between WMRE and GBRTT have been diarised, the first of which took place in November. These are intended to restart the talks between the two parties after the enforced pause over the autumn. An output of these sessions will be a re-based programme for the Partnership Agreement, which will inform when a document can be brought to decision makers for approval.
- 5.4 Finally, there have been no new developments regarding Birmingham's bid to become the new home of GBR. GBR's website advises that a decision will be made "later in due course". It had previously been expected that an announcement would be made in 2022.

## 6. Midlands Rail Hub

- 6.1 Network Rail has completed Outline Business Case (OBC) for the core "West" and "Central" elements of the Midlands Rail Hub scheme and has submitted it to government for consideration. Midlands Connect formally launched the OBC on 5th December at an event attended by key stakeholders, and which received considerable press coverage.



6.2 Whilst the Midlands Rail Hub does deliver significant wider strategic benefits for the West Midland and national rail network (see below) the OBC methodology (as agreed by the Department for Transport) focusses on the more immediately measurable and tangible benefits of meeting Midlands Connect’s objectives for improved cross-regional connectivity between the South West / Wales, Herefordshire and Worcester and Birmingham and the East Midlands.



6.3 The Outline Business Case covers all the key elements of Midlands Rail Hub (West and Central in the above diagram) apart from the upgraded route between Water Orton and Leicester (MRH East) which is still subject to ongoing OBC work which will be completed in 2023.

6.4 The new Outline Business Case confirms that:

- There is a positive business case and strong strategic case for full delivery of the core “West and Central” elements of Midlands Rail Hub (even assuming that the future Birmingham - Nottingham market is served by HS2 East)
- The most cost-effective way to deliver the full economic and social benefits of Midlands Rail Hub is to construct both the West and Central elements simultaneously under a single Transport and Works Act Order
- Constructing both the “South West” and “Central” elements simultaneously also delivers a higher Benefit Cost Ratio than delivering these separately

6.5 From a West Midlands perspective, the concept of connecting the Camp Hill and Water Orton lines via the two chords at Bordesley to an expanded Birmingham Moor St (and Snow Hill) station is something we have championed for over two decades.

6.6 The constrained tunnelled approaches to Birmingham New St are effectively at capacity and we are already in a situation where we have only been able to deliver the promised new train services to our three new Camp Hill Line stations, by reducing the overall number of services at Birmingham New St.

6.7 Whilst HS2 provides (and releases) welcome additional capacity on the South East to North West axis through the region, Midlands Rail Hub similarly addresses the capacity constraints on the South West to East Midlands axis and crucially on the rail corridor through east Birmingham towards Tamworth, Nuneaton and Leicester, which is currently poorly served by rail.

- 6.8 There is no other realistically deliverable alternative to the requirement to grow the rail network in order to meet our core economic, social and environmental objectives in a sustainable manner.
- 6.9 MRH in full into central Birmingham therefore underpins both Network Rail's West Midlands Strategic Advice and our WMRE/TfWM West Midlands Rail Investment Strategy as it:
- unlocks the capacity bottleneck at the heart of our regional rail network
  - delivers Midlands Connect's improved cross-regional connectivity objectives (which we fully support)
  - creates a major new interchange hub between local, regional, inter-city and HS2 rail services and local transport modes at Birmingham Moor St / Curzon St station and maximises and spreads the benefits of HS2 across the wider West Midlands region
  - provides direct access to the key city centre regeneration areas in Birmingham Eastside and Digbeth
  - supports, or is a pre-requisite for, future delivery of many new station and train service proposals (e.g. Sutton Park Line)
  - enables further future service changes which would improve local cross-Birmingham connectivity within the West Midlands all of which will drive economic growth across the region
- 6.10 WMRE and TfWM strongly support the need to continue to develop the Full Business Case (FBC) for the entire MRH scheme including both "East" and "West" Bordesley chords, and the Mayor will be writing to DfT express this support for the full scheme. It is hoped that a decision on whether or not government will provide funding for the Full Business Case for MRH will be made next year (noting that it took around a year for the decision to authorise the recently completed OBC work).

## **7. West Midlands Rail Investment Strategy**

- 7.1 WMRE's updated Rail Investment Strategy was developed over the course of 2021/22 as a recognition that the previous RIS that was published in December 2018 was now out of date following the pandemic and other significant developments in rail policy and strategy.
- 7.2 The updated document identified eight key objectives for developing the rail network in the region over the next 30 years, and suggested the key infrastructure and service changes that would be needed to support growth and future travel patterns. The document is available for review on the WMRE website.
- 7.3 The consultation ran for a five week period from 25 October through to 28 November and was principally targeted at stakeholders, however feedback from individual members of the public was also encouraged. The consultation process was undertaken using the WMRE website, which included asking consultees to respond to a number of specific questions, while also allowing for more general feedback.
- 7.4 The consultation was supported by the issuing of a press releases and emails to interested parties, and this achieved a good level coverage in the local and industry press.
- 7.5 In total we received 333 responses to the consultation of which 90% were from individual members of the public.

7.6 The overall sentiments were strongly supportive of the strategy and its objectives. Consultees were asked to comment both on the overarching objectives of the strategy, but also on the individual plans for each line of route. While there was very little dissent from any of the proposals, there were a number of key themes that were raised in people's comments. These included:

- The need for rail service frequencies to be restored to pre-Covid levels as quickly as possible. This was particularly flagged for the Shrewsbury, Cross City and Snow Hill lines.
- The need to deliver improvements as quickly as possible, and not wait many decades for some changes to be delivered
- Very strong support for decarbonisation initiatives, and in particular the delivery of electrification
- The importance of ensuring that rail is properly integrated into wider public transport networks, with affordable and simple fares.
- The importance of ensuring that the rail network is fully accessible to all users.

7.7 The responses covered a wide range of detailed issues, often promoting individual projects or issues for consideration. Some responses felt the strategy wasn't ambitious enough, while others thought it was too ambitious and couldn't be delivered. Many responders submitted highly detailed responses which reflected a high level of interest in the strategy.

7.8 As the consultation responses were generally strongly supportive of the draft RIS and its conclusions, the WMRE Board on 13 December agreed to formally adopt the strategy, and publish a final version that includes a number of detailed drafting changes to primarily reflect issues of accuracy. This will be published on the WMRE website alongside a consultation summary report in early 2023.

## **8. Transport for West Midlands New Stations Study**

8.1 Mott MacDonald have submitted a comprehensive final draft report exploring the case for 15 stations around the TfWM area, including recommendations relating to which stations have the strongest case for undertaking further work.

8.2 The stations were assessed against a number of different criteria including:

- Strategic fit around Governmental priorities (as well as regional policy fit);
- Demand and revenue – both gross and net impacts;
- Business case aspects concerning deliverability and likely outcomes and impacts;
- Dependencies, i.e., the extent to which proposals are reliant on, complementary to, and/or in conflict with, other proposals;
- Industry and stakeholder support, i.e. the extent to which the new station is supported across the region and by the rail industry; and
- Indicative investment cost range

8.3 The assessment used a multi-criteria analysis tool to balance the various criteria and come to a view as to which stations had the strongest case for being taken forward for further work.

8.4 The emerging conclusions are suggesting that the following stations are likely to have the strongest case for further work:

- Coventry East (Binley/Willenhall)
- Balsall Heath
- Foleshill
- Castle Bromwich

8.5 The report will be made available to interested parties once it has been finalised and will be used to support the development of Strategic Outline Business Cases for the stations with the strongest cases.

## **9. Rail Fares Review**

9.1 WMRE partner authorities have now been fully briefed on proposals to make incremental changes to rail fares within the WMRE area in order to support the roll out of Swift Go on the rail network, and also to simplify the fares offer for all passengers making local journeys.

9.2 The proposals were also endorsed in principle by the Grand Railway Collaboration Board in October. The next step is to undertake a detailed assessment of the demand and revenue impacts of the proposed changes, and the details of this complex commission are currently being discussed with DfT, Rail Delivery Group, GBRTT and WMT. This work will also seek to identify the specific impacts at an individual station level, in order to assist in managing the impacts for specific passengers and stakeholders.

## **10. West Midlands Rail Programme**

10.1 Delivery continues across the programme, despite ongoing challenges with resources and materials affecting the wider industry.

10.2 We are engaging closely with the wider industry and after some challenges we are seeing significant improvement in our partners' engagement and resourcing which is helping to progress design approvals.

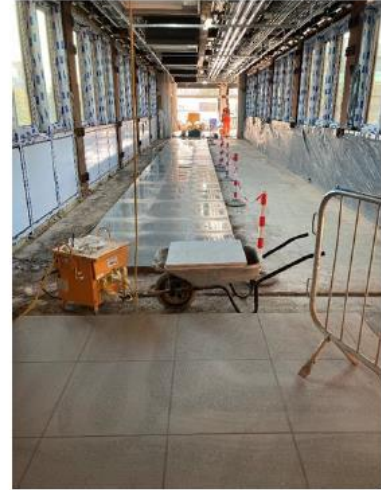
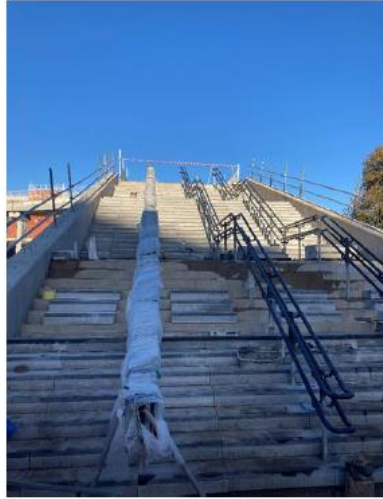
## **University**

10.3 On University, the focus of work is now on the internal spaces of the building, with floor tiling and cladding being installed. Challenges with the supply of cladding have now largely been addressed, enabling installation to continue. However, this has caused some construction delays. In parallel, outside the buildings, the fit out of the canal bridge and installation of the granite staircase is underway.

10.4 Meanwhile, fitting of customer information systems and CCTV to the new platform canopies has been completed. With winter approaching we expect that the benefit of the new canopies will be increasingly evident.

10.5 Alongside the construction, we continue in-depth negotiation with the contractor over schedule and cost to ensure that we have an accurate view of the project when the Entry into Service process and other risks are taken into account. This is expected to lead us to re-baseline early in 2023, and we will brief TDC members and other partners and stakeholders following this process.

10.6 A site visit by the Birmingham City Council Sustainability and Transport Overview and Scrutiny Committee to University station took place in December. This was also attended by the TDC Lead Member for Rail and Metro.



### **Package 1 (Darlaston and Willenhall)**

- 10.7 Significant work is continuing the Package 1 scheme to develop and agree a design for mining remediation. This work sits on the critical path for both Willenhall and Darlaston Stations and we are working closely with Network Rail to adopt an approach to approvals which builds on the principles of Project SPEED. Crucially, risk assessment has identified that grouting can only take place under the track when the line is closed. Accordingly, we are seeking a blockade in Spring 2023 to enable grouting to take place as efficiently as possible and minimise programme impacts. Nevertheless, delivery of mine grouting remains a significant challenge.
- 10.8 We are also continuing to work to resolve the position with regard to fire standards. Following the completion of the original GRIP 4 design, requirements changed with regard to fire evacuation standards and we are working with industry partners to agree how best to respond to this position.
- 10.9 Despite these challenges, we have made progress on site at Willenhall and Darlaston, with Japanese Knotweed removal progressing well. We have now discharged all the planning conditions required to enable demolition of buildings at both sites, with demolition planned for January.
- 10.10 We expect to re-baseline the scheme in early 2023 to take account of these risks and issues. The updated baseline position will be shared with TDC.

### **Package 2 (Camp Hill Line)**

- 10.11 In September we commissioned Network Rail 's Centre of Excellence to undertake a peer review of the Package 2 scheme. This produced a number of recommendations that the team is now taking forward. The team also identified a number of areas of good practice, including the strong relationships with partners including West Midlands Trains and Network Rail.
- 10.12 One of the main issues identified by the Peer Review was the need to secure the blockade required in Volker Fitzpatrick's current construction plans. Whilst it appears unlikely that the freight industry would accept the original plan of a week 47 blockade, we are working closely with Network Rail to identify an alternative blockade to enable delivery to proceed. As part of this work we are considering how best to engage actively with the freight industry.
- 10.13 Design activities on Package 2 are well underway, with the close out of the GRIP 4 design and design reviews progressing for GRIP 5 for key scope including the piling and contiguous wall design.



- 10.14 The current programme for Package 2 shows the stations opening in currency of the December 2023 timetable. However, there are a number of risks to this, as outlined above.
- 10.15 Engagement with the local community is also continuing positively, and we plan to hold a number of drop-in events in the new year. These dates have been confirmed as Thursday 26 January at Kings Heath Community Centre, Saturday 28 January at The Hive in Moseley, and lastly Wednesday 1 February at Stirchley Baths.



*Moseley in Bloom site visit, Nov '22*

### **Aldridge**

10.16 Whilst the Aldridge SOBC is in development, the Programme Team are working with NR and DfT to consider opportunities for acceleration of the project based on the principles of project SPEED.

### **11. West Midlands Grand Rail Collaboration (GRC)**

- 11.1 The GRC continues to demonstrate the value of collaborative working with the board continuing to meet regularly. The board last met on 23rd November with good attendance and a focus on Performance, Customer Experience Policy and Industrial Action. Network Rail also attended to update on the plans they have for CP7 (the rail industry's next five year funding period).
- 11.2 The GRC has recently opened the Collaboration Hub at New Street station. The idea behind the space was to provide GRC members a dedicated location that could also be used by other industry groups, the community, charities and social groups.

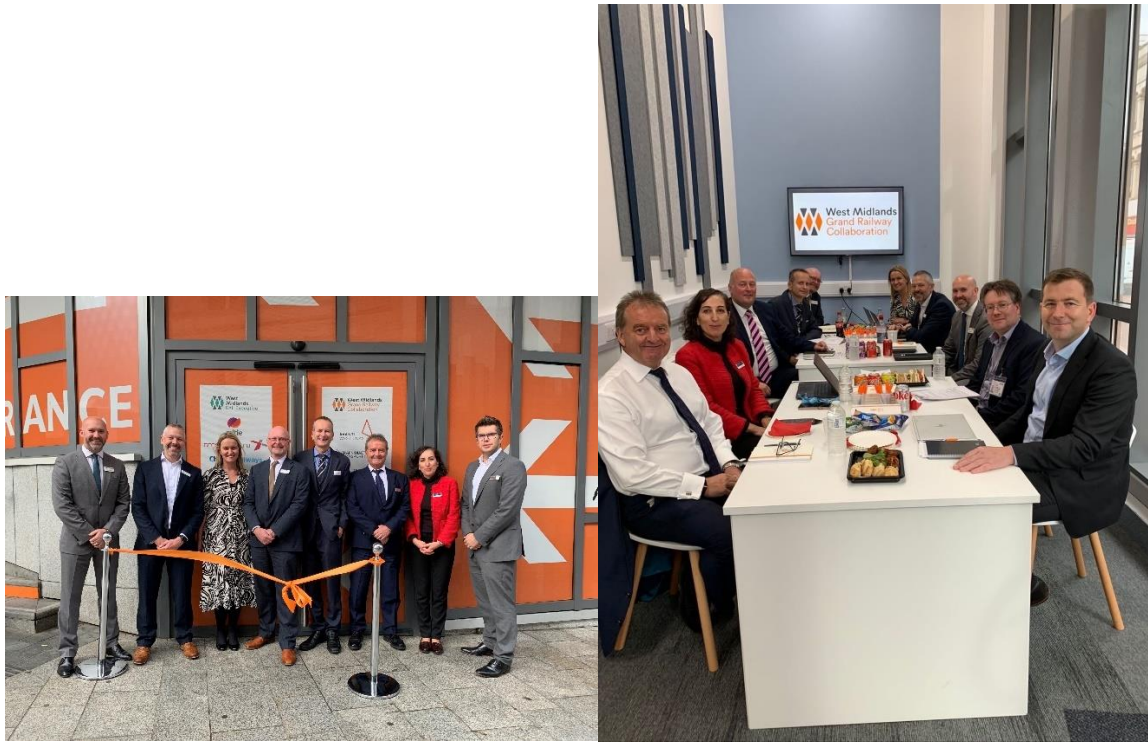


Figure 2. Opening of the GRC Collaboration Hub at New Street station

11.3 Industrial Action continues to be challenging for the industry and with the recent Strike dates and action short of a strike over the Christmas period it is going to heavily impact both industry colleagues and customers. The GRC continues to work with all organisations to support them and also to ensure a consistent message is being delivered to customers.

11.4 The Customer and Commercial Forum is continuing to work well together with the three workstreams starting to make some progress with the initiatives that they have developed. The three workstreams are Revenue Protection, closer working and information during disruption. The purpose of these workstreams is to deliver some quick wins that enhance the customer experience.

**12. Community Rail Update**

12.1 Community rail has a very important role to play in helping local communities and the rail industry recover from the pandemic. It has the potential to attract passengers back to rail and bringing innovation to local rail services, which contribute towards reducing costs by getting more out of our region’s railways.

12.2 The West Midlands has historically been underrepresented in community rail. Until 2018 there were no Community Rail Partnerships (CRPs) in the region, and few stations were adopted. This has now changed, largely due to WMT. There are now two CRPs - Heart of England (covering Warwickshire and Coventry), and Worcestershire. WMRE is a member of both, as well as acting as the host organisation for the former’s Community Rail Partnership Officer. Since March Malcolm Holmes has been Chair of the Heart of England CRP Steering Group.

12.3 The Heart of England CRP and Coventry City Council Community Rail Day in Coventry, supported by WMRE, TfWM and Avanti West Coast, won the ‘Best Community Engagement Project’ category at the Community Rail Network Awards. The image below shows CRP Chair Malcolm Holmes collecting the award alongside CRP Officer Julia Singleton-Tasker and other rail industry and community engagement colleagues.





Figure 3. Heart of England CRP accepting award at the Community Rail Network Awards

- 12.4 Platform Rail – a schools outreach programme that has a relationship with the Worcestershire CRP – was also successful at the awards, being awarded first prize in the "Influencing Positive Change and Sustainability" category.
- 12.5 In November the Heart of England ran a successful Rail Week event at a local secondary school in Coventry. The curriculum included sessions on how to stay safe on the railway, careers advice, and engineering. The event was supported by colleagues from across the rail industry, including a number from WMRE.
- 12.6 In January the Rail and Metro Member Engagement Group will spend time on the Stratford-upon-Avon to Birmingham line in the company of the community lead from West Midlands Trains and also some local station community volunteers. The purpose of the visit is to see examples of how communities can enhance their stations, and to understand what TfWM and local authorities can do to help.

### 13. Communications and Engagement

13.1 It was a busy period for communications and engagement activity:

- a) We planned and delivered communications for the consultation on the West Midlands Rail Investment Strategy, including targeted stakeholder emails, press releases and social media. We have received 333 responses from industry stakeholders, local businesses and members of the public, helping to ensure our strategy meets the needs of local people.
- b) There has been strong engagement with our Camp Hill line project. We are attending local forums, have hosted a small group of residents onsite and will be holding a series of drop-in session in January, enabling people to ask questions, contribute to the projects and learn more about the build.
- c) We are in the process of developing hoarding graphics to go up at the Camp Hill line station sites. These will promote the project, highlight how the station will keep people connected and feature artwork from local community groups and schools.



- d) On 29 November we celebrated Perry Barr station being open for 6 months via a press release and social media. We used this as an opportunity to promote the social value work that was carried out during the build.
- e) Perry Barr station has been shortlisted for the Rail Business Awards in the Project Infrastructure Excellence category. We have also entered the West Midlands Rail Programme into the Spotlight Rail Awards in the Acting as One Team category and are waiting the result.

## 14. Financial Implications

- 14.1 The WMR Executive Board, chaired by Andy Street, West Midlands Mayor, approved the proposed 2023-24 West Midlands Rail Limited budget on 20<sup>th</sup> September 2022
- 14.2 The DfT provide a £500K annual grant as per the Collaboration Agreement towards WMRE costs. This sum is fixed and is not expected to rise in line with future inflation. This contribution is expected to continue despite the significant changes to how rail services are now being commissioned, with the remainder expected to be provided locally. The Collaboration Agreement between DfT and WMRE specifies that a minimum of £140K is provided by WMRE Partner Authorities each year.
- 14.3 WMRE is currently operating within the 2022-23 budget, agreed by WMRE Board in December 2021, and is expected to use the available resource in the pursuit of our Business Plan objectives for the financial year.
- 14.4 The 2021-22 WMR Ltd draft accounts were approved by WMRL Board on 13<sup>th</sup> December 2022. The accounts have been prepared in accordance with section 1A of FRS102 and will be filed at Companies House.

### Rail Capital Programme

- 14.5 The Rail Capital Programme consists of four main projects currently in delivery. The detail of which has been outlined in section 10. A summary of the financial position, as per November 2022, for each project has been outlined in the table below.

| Rail Capital Programme<br>£m                              | YTD ACTUAL<br>(Nov22) | YTD BUDGET<br>(Nov22) | YTD Variance | 2022-23<br>Full Year Budget | 2023-24<br>Full Year Budget | 2024-25<br>Full Year Budget |
|---|-----------------------|-----------------------|--------------|-----------------------------|-----------------------------|-----------------------------|
| University Station  | 16.0                  | 20.6                  | 4.6          | 20.9                        | -                           | -                           |
| Perry Barr  | 3.3                   | 7.7                   | 4.4          | 7.7                         | -                           | -                           |
| Investment Programme Total                                | 19.2                  | 28.3                  | 9.1          | 28.5                        | -                           | -                           |
| Package 1 (Willenhall & Darlaston)                        | 4.5                   | 7.8                   | 3.2          | 15.3                        | 22.8                        | 5.0                         |
| Package 2 (Moseley Village, Kings Heath & Pineapple Road) | 7.7                   | 15.3                  | 7.5          | 26.9                        | 24.9                        | 0.4                         |
| CWG Programme   | 12.3                  | 23.0                  | 10.8         | 42.3                        | 47.7                        | 5.4                         |
| TOTAL   | 31.5                  | 51.3                  | 19.8         | 70.8                        | 47.7                        | 5.4                         |

- 14.6 The project life budgets for the respective schemes have all been approved by WMCA Board. The 2022-23 and beyond budget details have been extracted from as per the October 2022 Financial Monitoring Report Appendix 6.

## 15. Legal Implications

- 15.1 There are no legal implications arising from the contents of this Report.

## **16. Equalities Implications**

16.1 There is no equality impact in relation to this report. A number of the initiatives are likely to have positive impact on rail users. It is important that individual initiatives undergo equality impact assessments to ensure that key inclusion and accessibility considerations are embedded at early design stage. More broadly, journey affordability is currently a key deterrent for a number of users so ticketing affordability considerations should be integrated at all stages to ensure the rail network is inclusive to a wider range of residents.

## **17. Geographical Scope**

17.1 This report covers rail services within the WMRE geographical area, which includes the seven authorities which make up WMCA as well as the nine Shire and Unitary authorities which ring the Met area.

## **18. Inclusive Growth Implications**

18.1 Rail services are a key element of delivering the 'Connected Communities' fundamental of the Inclusive Growth Framework – both for those citizens in receipt of existing services, and for those who will have access via new 'enhancements', links and stations in the future.

18.2 While new capacity is generally a positive, there are implications to how that is introduced on the wider network. Notably, delivering on the capacity enhancements at Kings Norton and Snow Hill – referenced as part of Midlands Rail Hub – are critical to ensuring that residents living in more deprived areas on the Cross City Line do not have to sustain a loss in service frequency in order to introduce new services to Moseley Village, Kings Heath and Pineapple Road.

18.3 Taking a broader view of the region, the mooted improvements to East Midlands connectivity via the Midlands Rail Hub proposals are another way to bring more employment centres within reach of people across the region, and a tangible way to ensure that the wider benefits of HS2 are realised for those people who are more likely to benefit from wider improvements to capacity and connectivity than from HS2 services per se. As such, the potential for these citizens needs to be front and centre of the review.

18.4 The ongoing role of West Midlands Trains in running rail services also falls under the Power, Influence and Participation fundamental of the Inclusive Growth Framework, as it is notionally more democratic and locally accountable than alternative franchisees. However, as several of the Franchise Agreement Committed Obligations have not been rolled into the NRC, it will be important to use committees such as TDC and Overview & Scrutiny to ensure that the vision for local leadership of rail services is adhered to, particularly given the pressures on the cost base.

18.5 The shortage of train crew identified as the root cause of the drop in performance should be seen as an opportunity to draw more citizens from deprived areas and communities into roles within West Midlands Trains – aligned to the Education & Skills and Inclusive Economy fundamentals of the Inclusive Growth Framework. This should learn from programmes like I CAN (University Hospitals Birmingham), which are targeted at key communities and highlight the wider benefits of public service.



## Transport Delivery Committee

|                                      |  |
|--------------------------------------|--|
| <b>Date</b>                          | 9 January 2023   |
| <b>Report title</b>                  | Swift Programme Update   |
| <b>Portfolio Holder</b>              | Transport - Councillor Ian Ward  |
| <b>Accountable TfWM Director</b>     | Anne Shaw, Executive Director, Transport for West Midlands<br><br>E-mail: <a href="mailto:Anne.Shaw@tfwm.org.uk">Anne.Shaw@tfwm.org.uk</a> |
| <b>Accountable Employee</b>          | Matt Lewis, Technical Director – Swift<br><br>E-mail: <a href="mailto:Matthew.Lewis@tfwm.org.uk">Matthew.Lewis@tfwm.org.uk</a>             |
| <b>Report has been considered by</b> | N/A  |

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

#### The West Midlands Transport Delivery Committee is recommended to:

- (1) Note the progress made towards the delivery of the Swift Programme.
- (2) Welcome the increase in both growth of Swift usage and customer satisfaction.

#### 1. Purpose

The Purpose of this report is to provide an update on the Swift Programme detailing recent growth in usage and satisfaction and setting out recently delivered projects and those currently in the delivery phase.

#### 2. Background

- 2.1 Having launched in 2012 as a Pay-as-you-go scheme, Swift is now a decade old and the largest and most comprehensive smartcard scheme in the UK outside of London with c. 250k regular users making c. 50m journeys per annum on buses, trains, and trams. Swift

has moved significantly beyond a Pay-as-you-go offer with season tickets, carnets and now Swift Go, the automatic capping solution on bus and tram meaning there is a Swift product for all users.

- 2.2 This paper sets out a general update on Swift progress, including recent project delivery and an update on inflight projects.

### **3 Key Project Delivery - 2022**

#### *Swift Go Enhancements*

- 3.1 Swift Go is the regions 'best-value' capping solution offering 1 day, 3 day and 1-week caps for bus and tram meaning customers no longer need to understand the hugely complex ticketing offer as Swift Go works out the best fare automatically.
- 3.2 During 2022 the Swift Team has delivered projects that enable customers to top-up their Swift Go accounts at over 1,000 Payzone agents across the region and at Swift vending machines. This means that everyone can access the benefits of Swift Go, included those that are reliant on using cash. The popularity of Swift Go is increasing exponentially with over 10,000 1-week caps reached – this with very little marketing.
- 3.3 The team have also done significant work on the rollout of Swift Go for children which is currently in testing and should therefore be released early in the new year. Once rolled out for children, the team would have delivered a scheme that eclipses the Oystercard in London, other than it is not yet available on rail – see 'Swift on Rail' update below for latest position on this.

#### *TfWM App*

- 3.4 In early 2022, the Swift team delivered the TfWM App following an initial beta stage in 2021. This, for the first time, brought together all of the tools that a customer needs to use public transport, into a single App. This including ticketing finding, ticket purchase, ticket validation, journey planning, real time information, cycle hire integration and account management. The team also delivered additional functionality during the summer to replicate features within the old NWM App as it came to end of life – this enabled the closed down of that old App.
- 3.5 Due to the age of the NWM App, it was not possible to provide in-app messaging to inform customers directly that the App was closing. In recognition on this the Swift team delivered a comprehensive information campaign through social media, at key interchanges, and through email where accounts were known. Despite this a number of users were left uninformed and as such this created some negativity upon closedown.
- 3.6 Furthermore, issues with the Real Time Information feed, amplified by poor bus service performance due to driver shortages has meant that often the data provided is less accurate than we would like. TfWM is working hard with its Real Time Information service providers and National Express to deliver improvements to this feed.
- 3.7 Despite the challenging closedown of the NWM App and the issues with Real Time Information, the TfWM App has proven very popular with over 90k downloads to date.

#### *Metro Zonal Updates*

3.8 West Midlands Metro changed its fares structure in the summer of 2022 to introduce zones that enables it to sell cheaper season tickets. The Swift team has updated software on the handheld device used by Customer Service Representatives on-vehicle, updated back-office software so that Swift Go incorporates the new fares structure for capping, and updated all retail points including Payzone so that all customers, including those using cash can benefit from the changes.

## **4 Inflight Projects**

### *cEMV Contactless Payment*

4.1 In recent years, TfWM has done significant work to enable the acceptance of bankcard on public transport and currently all bus operators and the Metro will allow you to pay for your ticket on-vehicle using your bankcard. However, due to limitation with secure data exchange, customers cannot benefit from 'best value' capping when using their bankcard on multiple operators' services and, worst still, in some cases they will be over charged.

4.2 TfWM working with Midlands Connect and more recently with the Project Coral Team<sup>1</sup> have spent significant time and effort in designing a solution for this issue. The solution is now set out in detailed requirements which have been market tested and through CRSTS, the funding is available to deliver. Procurement will begin in early 2023 with delivery expected by late 2024. At this stage, TfWM will have a ticketing solution that is better than London's. Furthermore, working closely with DfT and the Project Coral team we will roll out the solution delivered in the West Midlands to the rest of the UK. The West Midlands is the recognised leader on smart ticketing outside London and this is one of two projects that we are leading where we will be the springboard for national solutions.

### *Buy Before you Board*

4.3 During 2022, TfWM working with West Midlands Metro has completed a procurement exercise that will transform the ticketing solution on tram. Currently at the contract sign off stage, the successful supplier will begin delivery in the new year. This will see platform validators and ticket vending machines at trams stops with customers purchasing their fares before they board the tram. This will deliver a better experience for customers whilst ensuring that West Midlands Metro collects more revenue.

4.4 Customers will be able to use their Swift card (including Swift Go), their bankcard and barcodes tapping in and out using validators with 'best value' capping applied. Those reliant on cash can purchase barcode tickets from the vending machines or top-up their Swift account at over 1,000 Payzone outlets meaning no one is left behind.

4.5 Project completion is expected during the autumn of 2023.

### *Swift on Rail*

4.6 The biggest gap for Swift has always been acceptance on the railway. Whilst we have c. 35k regular customers using their Swift card to access rail services, these are mainly customers of our direct debit scheme. Rollout of other ticket types has been prevented due to a lack of updated retail solutions and no hardware at stations.

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<sup>1</sup> Project Coral is a collection of Bus Operators who have been working to resolve the contactless payment problem described above.

- 4.7 The Swift on Rail programme will see the rollout of a new retail solution and the installation of platform validators at every station in the WMRE area. This will mean people can purchase their rail tickets through Swift at every station and, using the new validators, we can begin to rollout Swift Go onto the rail network.
- 4.8 Whilst the validator rollout provides us with the opportunity to deliver Swift Go capping onto rail, it should be recognised that there is significant additional work to do before it can be launched. This includes a bespoke integration with the Rail Delivery Groups (RDG) Central Back Office (CBO) which will be the first of its kind, and ticketing reform to provide us with appropriate ticket types to cap to – for example there is currently no day ticket for rail only journeys.
- 4.9 TfWM is working with DfT, RDG, WMRE, West Midlands Trains and the Great British Rail Transition Team to deliver this project and again, it is hoped that delivery in the West Midlands will provide a springboard for the rest of the UK. We are currently in the design stage with detailed planning expected in early 2023.

## **5 Swift & BSIP**

- 5.1 Through its Bus Service Improvement Plan bid, TfWM has been awarded £88m. £57.5m of that funding is being spent on the following fares and payments initiatives:

### *Fares Freeze*

- 5.2 TfWM already has some of the lowest bus fares in the UK and with £18.5m of the BSIP funding fares will be frozen until 2025.

### *Passenger Incentive Programme*

- 5.3 TfWM has £35m to target new users, lapsed users and those who have found accessing public transport a challenge – this group includes care leavers, NEETS, refugees, and people volunteering in the charity sector.
- 5.4 This transformational programme should stimulate significant and sustained growth in bus usage.

### *Bonfire of Bus Tickets*

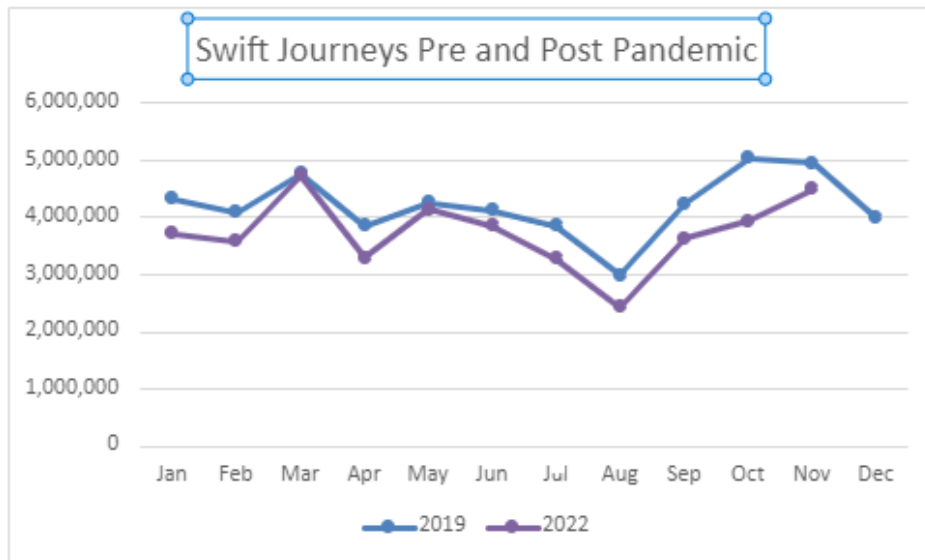
- 5.5 Through our Enhanced Partnership we will be radically simplifying the ticketing offer moving from c. 3000 ticketing choices to c. 12. All tickets will be accepted on all operators' services and for the first time, we will be able to advertise the price of tickets at all our bus stops.

### *Promotion*

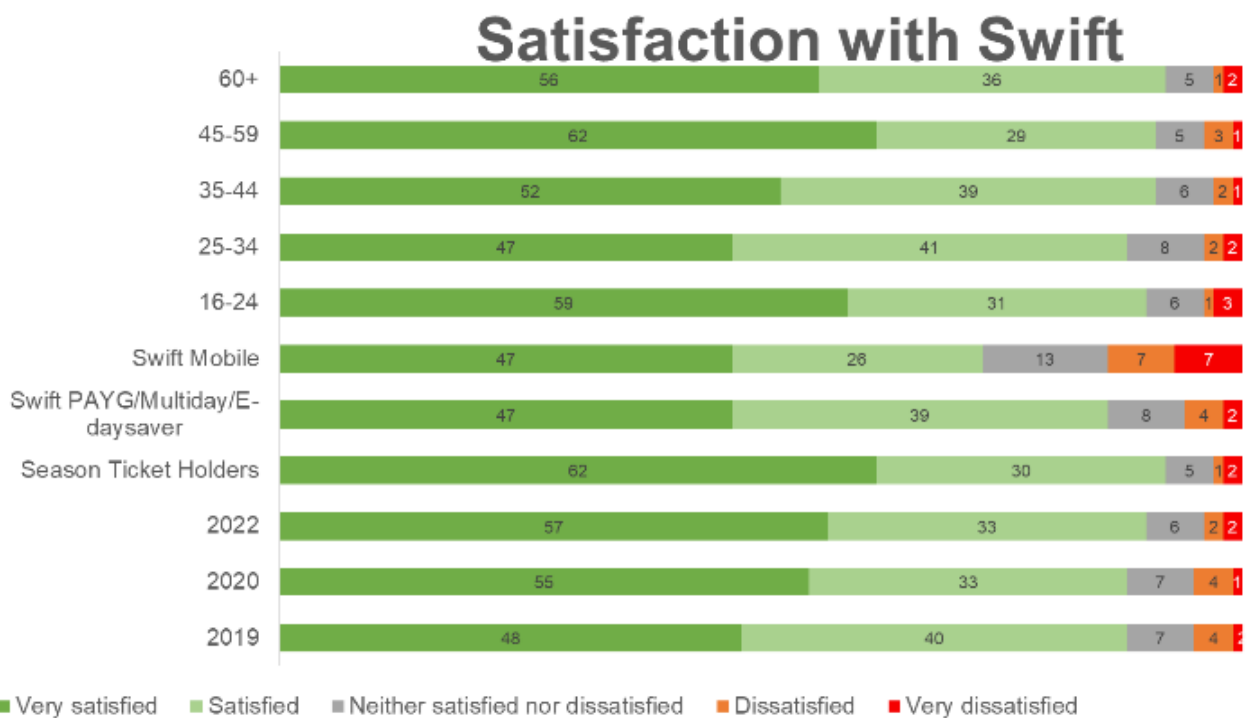
- 5.6 Through the BSIP we have also secured £4m for administration, technical development, and promotion – a minimum of £3.5m of this funding will go on promoting these schemes – this will also be transformational.

## **6 Swift Stats**

- 6.1 Swift is an increasing success with more and more people moving to contactless solutions in recent years. Prior to the pandemic, Swift represented c. 1 in 4 public transport journeys, this has now increased to c. 1 in 3. Furthermore, as can be seen in the graph below, Swift journeys have bounced back strongly and continue to grow.



- 6.2 Swift journeys are at 91% of pre-pandemic levels which is higher than the total journey recovery on each of the three main modes.
- 6.3 As a further reinforcement of success and popularity of Swift, the latest Customer Satisfaction results show record satisfaction levels at 90% which up from 88% in 2021.



## 7. Financial Implications

7.1 There are no financial implications arising out of the recommendations within this report.

## 8. Legal Implications

There are no legal implications arising out of the recommendations within this report.

**9. Equalities Implications**

9.1 There are no equalities implications arising out of the recommendations within this report.

**10. Inclusive Growth**

10.1 There are no inclusive growth implication arising out of the recommendations within this report.

**11. Geographic Area of Reports Implications**

11.1 There are no geographic area implications arising out of the recommendations within this report.

**12. Other Implications**

12.1 There are no other implications arising out of the recommendations within this report.

**13. Schedule of Background Papers**

13.1 None.



## TfWM Transport Delivery Committee

|                                      |   |
|--------------------------------------|---|
| <b>Date</b>                          | 9 January 2023  |
| <b>Report title</b>                  | Update on the West Midlands Bus Network Review.   |
| <b>Portfolio Lead</b>                | Councillor Mary Locke – Lead Member<br>Putting Passengers First Members Engagement Group  |
| <b>Accountable TfWM Director</b>     | Pete Bond – Director of Integrated Transport Services<br><br>E-mail: <a href="mailto:Pete.Bond@tfwm.org.uk">Pete.Bond@tfwm.org.uk</a> |
| <b>Accountable Employee</b>          | Jon Hayes – Head of Bus<br><br>E-mail: <a href="mailto:Jon.Hayes@tfwm.org.uk">Jon.Hayes@tfwm.org.uk</a>                               |
| <b>Report has been considered by</b> | Putting Passengers First – Members Engagement Group   |

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

**The West Midlands Transport Delivery Committee is asked to note the content of this report.**

### Purpose

1. The purpose of this report is to provide members of the West Midlands Transport Delivery Committee (TDC) with an update on the review of Bus Services in the West Midlands which launched on Sunday 1<sup>st</sup> January 2023.
2. The context for this report is provided in the TDC reports of 10<sup>th</sup> October 2022 and 14<sup>th</sup> November 2022 which provide the details for why the review was required and the likely implications.

### Background

1. As detailed in previous reports local bus services across the country are suffering from reduced passengers and revenues, significantly increasing costs and driver shortages. Whilst services in the West Midlands have seen passenger levels recover better than most other parts of the country this has resulted in a number of bus services being no longer viable to operate without public sector support and also a significant increase in the costs of providing the subsidised network. Taken collectively this has resulted in an £6m pressure to maintain a network equivalent to 90% of mileage operated prior to the pandemic.

### **Network Review**

2. As a result of these pressures and as was a requirement of the DfT a comprehensive operator led network review was undertaken during the Autumn. The key outcome of the review was for operators to implement a network they believe is sustainable in the longer term and for TfWM to then assess the implications of those commercial changes and seek to mitigate the impact as far as possible within the policy framework and budget available to the Authority.
3. Following the review of the commercial networks and the impact on the subsidised services TfWM identified 39 services that were potentially 'at risk' against the access standards policy framework and the forecast outcome of the competitive tendering exercise.
4. The outcome is detailed below and the associated appendices.

### **Retained Services**

5. Following the review of services of the 39 which were identified as being at risk 8 have been retained with no changes. Details of these services are available in Appendix A. Further details are available at the following link.

<https://www.tfwm.org.uk/plan-your-journey/ways-to-travel/buses-in-the-west-midlands/upcoming-bus-changes/bus-service-changes-from-1-january-2023/>

### **Retained with Changes**

6. The services listed in Appendix B have been retained with changes to the current provision. The reasons for the changes can be for a number of reasons including.
  - Changes to the commercial viability, route or times of commercial services.
  - Amendment to existing contracts to bring them within the value for money criteria of the access standards. Such changes could include reductions in frequency or overall hours of operation.
  - Service enhancements due to transformation change aligned with the West Midlands Bus Service Improvement Plan (BSIP)
7. Further details on these service changes are available at the following web link.

<https://www.tfwm.org.uk/plan-your-journey/ways-to-travel/buses-in-the-west-midlands/upcoming-bus-changes/bus-service-changes-from-1-january-2023/>

### **Withdrawn Services**

8. Following a competitive tendering exercise, several services did not meet the revised value for money criteria specified within the TfWM access standards framework. These services will be withdrawn from 1<sup>st</sup> January 2023.
9. TfWM have been working with passengers and stakeholders to inform them of their next nearest alternative service including Ring & Ride and Demand Responsive Services, where available.
10. Appendix C provides a list of these services. Further details including alternative services available for passengers is available at.
11. <https://www.tfwm.org.uk/plan-your-journey/ways-to-travel/buses-in-the-west-midlands/upcoming-bus-changes/bus-service-changes-from-1-january-2023/>

### **School Services**

12. As part of the network review process National Express had proposed to deregister 21 dedicated school bus services. Transport for West Midlands and stakeholders were clear that they were not supportive of any change to dedicated school services and particularly at the mid-point of the academic year.
13. National Express have subsequently reviewed this proposal and are retaining services or proposing alternatives as described in Appendix D.
14. Where services have changed TfWM have challenged National Express to ensure that sufficient and target engagement has been undertaken to ensure every parent, pupil and school knows what their revised arrangements from January.

### **BSIP Transformational Service Enhancements**

15. As part of the West Midlands Bus Service Improvement Plan (BSIP) several transformation objectives for the Bus Network were proposed. The network review provided an opportunity to meet some of these objectives whilst also seeking to mitigate the impact of the commercial changes on the network. The section below provides further details of these changes which are also summarised in the tables above.

### **South Birmingham**

#### **Service 46 - Queen Elizabeth Hospital – Northfield – Kings Heath**

16. Introduction of a new service in South Birmingham which links the Queen Elizabeth Hospital, Weoley Castle, Northfield, Hawkesley and Kings Heath. The service will provide new links for passengers and communities across south Birmingham. In addition the service will provide some excellent opportunities for passengers to connect with the extensive network of bus services in south Birmingham.

17. The service has been introduced to replace sections of existing commercial services 46 and 48 which are being withdrawn but designed to transform the bus service provision in the area.
18. The service will be comprehensive and operate regularly during the daytime period and have a full evening and Sunday provision.

#### **Service 69 – Kings Heath – Solihull – Shirley**

19. A new service which provides a improved replacement for existing subsidised service 69. The service will now operate between Kings Heath and Shirley Sainsbury's via Solihull town centre on Monday to Saturday daytimes.
20. Longer hours of operation are introduced, a more robust and reliable timetable and a new terminus in Kings Heath will enable onward connection to the wider network. This includes connecting with service 46 (Kings Heath to Queen Elizabeth Hospital). Both services will terminate at the same bus stop in Kings Heath and the timetables have been co-ordinated to enable passengers to easily transfer between services.

#### **North Birmingham**

##### **Service 54 – Perry Barr to Hamstead**

21. Provision of a full evening and Sunday daytime service on service 54.
22. The service reliability of service 54 had been adversely impacted during the past few years due to the highway works around Perry Barr in preparation for the Commonwealth Games. Since the completion of these highway works the service has operated consistently and this has allowed the daytime frequency of the service to be restored to every 30 minutes. This improvement with the opening of the new Perry Barr Interchange has led to a growth in passengers in recent months.
23. Now is seen as the ideal time to enhance the Sunday and evening service to provide more journeys which will enable more people to use the service as part of their day-to-day activities.

##### **Service 61 – Aston – Perry Barr – West Bromwich**

24. A new service which provides an improved replacement for existing subsidised service 61.
25. The service reliability of service 61 had been adversely impacted during the past few years due to the highway works around Perry Barr in preparation for the Commonwealth Games. Since the completion of these highway works running times have been consistent and combined with the opening of the new Perry Barr Interchange has led to a growth in passengers in recent months.
26. To continue the improvements with this service the route is changed in West Bromwich, with Halfords Lane introduced, which meets a long-standing request from the community

in this area for a re-instatement of a bus service and provides a direct connection with the Midland Metro.

27. The service is also extended beyond Perry Barr to provide new links to Great Barr, Scott Arms, partially replacing service 46.
28. With improvements to the Perry Barr district centre now in place following the Commonwealth Games now is seen as the ideal time to enhance the service to provide a more journeys opportunities to enable more people to use the service as part of their day-to-day activities.

### **Service 96 – Kingstanding / Erdington to Birmingham Airport**

29. Provision of a full evening and Sunday daytime service on service 96. This additionally includes early morning journeys on Monday to Friday's which will operate ahead of the first journeys on the existing timetable.
30. In comparison to the Monday to Saturday daytime service these journeys will additionally extend beyond Chelmsley Wood Interchange and onwards towards Birmingham International Airport. This will provide requested links to Birmingham Airport and the direct and indirect employment opportunities around the site when the existing network of services is less frequent.
31. Service 96 is a largely unique service which serves many unique sections of routes and several local centres in the north and east Birmingham area. Based upon the usage levels and current growth being realised on the Monday to Saturday daytime service TfWM see a comprehensive evening and Sunday service will enhance the bus network and complement the existing provision. The new contract meets requested journey opportunities throughout the route and to Birmingham Airport.

### **Solihull**

#### **Service A9 Kingshurst to Solihull and Blythe Valley**

32. To enhance and complement the existing Solihull network of services service A9 is introduced to provide new cross Solihull links. Operating between Kingshurst and Blythe Valley the service will provide a long-requested link between areas of North Solihull and South Solihull. This will provide improved connectivity in the district, opening up new transport links and the associated employment, education and leisure opportunities for passengers.
33. The service is an improved replacement for withdrawn commercial service 58 with new links provided to the employment and residential area of Blythe Valley.
34. The service will be comprehensive and operate regularly during the daytime period and also have a full evening and Sunday provision.

### **Service A15 Shirley Station to Lyndon**

35. To enhance and complement the existing Solihull network of services service A15 is introduced in Solihull operating from Shirley to Lyndon via Acocks Green.
36. The service is an improved replacement for service 32 and offers a simplified network of services in the Lyndon area. This includes links with services A9 and A16 maintaining existing key links whilst improving co-ordination of services in the area. The service will be comprehensive and operate regularly during the daytime period.

### **Service A16 Yardley Swan – Lyndon – Acocks Green**

37. To enhance and complement the existing Solihull network of services service A16 is introduced in Solihull and East Birmingham operating between Acocks Green and Yardley, Swan Shopping Centre via Lyndon.
38. The service is an improved replacement for service S16 and is part of a simplified network of services in the Lyndon area. This includes links with services A9 and A15, maintaining existing key links whilst improving co-ordination of services in the area. The service will be comprehensive and operate regularly during the daytime period, this enhances the existing span of operation enabling more passengers to use the service.

## **Dudley**

### **Service 25 – Dudley – Merry Hill – Stourbridge**

39. A new service which provides new links for Stourbridge. The service is an improved replacement for existing subsidised service 250/251 and a section of withdrawn commercial service 11/11A.
40. The new service has been designed to enhance and complement the existing network of services in the Stourbridge, Netherton and Dudley areas and provides journey opportunities to the key leisure and retail destination of Merry Hill.
41. With a strong base of existing passengers, the new links across the borough of Dudley and a reliable timetable it is anticipated the service will be able to grow and develop into a strong service in the area.

### **Service 142 / 142A Halesowen – Stourbridge – Merry Hill**

42. A new service 142/142A which provides an improved timetable with more journeys and new links to key destinations in the Dudley borough. The service maintains the key route between Halesowen and Stourbridge whilst extending northwards onto Merry Hill.

43. The service has been introduced to replace sections of services 28 and 298/299 with new cross Stourbridge journey opportunities provided.
44. The service will be comprehensive and operate regularly during the daytime period with an enhanced 30 minute frequency on the core sections of route and provide passengers with improved connectivity in the area.

### **Partnership Services**

45. As part of the Network Review TfWM have worked with and facilitated discussions between commercial bus operators to improve the bus service provision on routes where there is commercial competition.
46. Work has been carried out on the services where existing partnership services are in place and also on routes where there is not an existing partnership operation. This has resulted in improved co-ordination or new co-ordination on some services.
47. The existing partnerships routes continue to have joint ticketing acceptance and a co-ordinated timetable. The new partnership routes do not have a joint ticketing agreement in place, however journeys are logically co-ordinated and/or evenly spaced so passengers can easily determine which operator is operating a journey.
48. An overview of the changes to existing partnership routes and the new partnerships routes are listed below;

#### **Service 31/32 Walsall – Bloxwich – Mossley/Lower Farm (Diamond Bus and NXWM)**

- *Existing Partnership Route.* Revised timetable introduced from 27 November 2022

#### **Service 40 Wednesbury – West Bromwich (Diamond Bus and NXWM)**

- *Existing Partnership Route.* Revised timetable introduced from 27 November 2022

#### **Service 42/43 – West Bromwich – Great Bridge – Tipton/Bilston (Diamond Bus and NXWM)**

- *Existing Partnership Route.* Revised timetable and route. Service 42 journeys no longer serve Dudley with service 229 providing alternative journeys between Tipton and Dudley. Introduced from 01 January 2023

#### **Service 16/16W – Birmingham – Hampstead – West Bromwich/Great Barr (Diamond Bus and NXWM)**

- *New Partnership Route.* Revised timetable and route. Timetables of service 16/16W journeys are co-ordinated with the new provision replacing existing service 46.

#### **Service 45/401E – Walsall – Stone Cross – West Bromwich (Diamond Bus and NXWM)**



- *Diamond Bus to operate all journeys.* A revised service 45 timetable is introduced replacing 401E journeys. Introduced from 01 January 2023.

**Service 110, X3/X4/X5 – Birmingham – Sutton Coldfield – Tamworth (Arriva Bus and NXWM)**

- *Improved timetable co-ordination between services.*

**Services Requiring Further Review**

49. A small number of services have had temporary provision put in place for the period 1<sup>st</sup> January 2023 to 15<sup>th</sup> April 2023. These services require further review early in the new year as a matter of priority. They remain at risk at this stage and any provision beyond 15<sup>th</sup> April 2023 will be dependent upon passenger usage, travel patterns and financial performance, alongside TfWM's access standards. Further detail on the routes concerned is presented in paragraphs 50 to 56.
50. TfWM presently has deminimis contractual arrangements with National Express West Midlands for the services detailed in Coventry. At the beginning of the service review process, NXWM had not identified that they would be unable to continue to resource these services. Notification of this was provided to TfWM at very short notice, which did not allow for a detailed review of data and any tender process. In the circumstances, TfWM arranged for temporary provision, as it was felt that customers being left without a service that had not previously been identified as "at risk" was unacceptable. It is noted that all of the Coventry services concerned provide for staff, patients and visitors travelling to/from University Hospital.
51. **20C Coventry to University Hospital via Arena Retail Park & Lentons Lane.** The 20C shares a common section of route with other services along Foleshill Road. Beyond Arena Retail Park, the 20C serves a number of roads for which it is the only bus service, including: Aldermans Green Road, Lentons Lane, Shilton Lane, Narberth Way and Boswell Drive. TfWM had already awarded a contract to Stagecoach Midlands for a new service 51 Coventry City Centre to Arena Retail Park. This service will now temporarily extend on an hourly frequency beyond Arena Retail Park to University Hospital via the 20C route between these points.
52. **20A Coventry to University Hospital.** National Express' commercial service for this route only provides journeys until 2015. Currently a late evening service operates beyond this time. Stagecoach Midlands have been awarded a temporary contract to provide an additional three journeys in each direction, on an hourly frequency to extend the service to circa 2300.
53. **Coventry Route 3 between Warwickshire Shopping Park & University Hospital.** National Express have taken the decision that this service will now terminate at Warwickshire Shopping Park and not continue to University Hospital. TfWM currently have a contracted route 60 Warwick University to Arena Retail Park via University Hospital. Agreement has been reached with Stagecoach Midlands to re-route this service on a temporary basis, so that it calls at Warwickshire Shopping Park then via Skipworth Road and Dorchester Way that would be otherwise without a service.



- 54.25 Erdington (Six Ways) to Ward End (Fox & Goose).** This service was at risk due to relatively low passenger numbers. However, a bid was received to operate this service within the cost per passenger threshold (CPP). Regrettably when the contract was offered to the successful bidder, they declined to accept it. The next available bid was substantially higher and meant that the CPP threshold would have been significantly exceeded. In conjunction with service 600 below, a solution was identified with Diamond Bus that allowed one vehicle to be used to provide a simplified service on both routes until April 2023. The revised 25 will operate between Erdington and Bromford Bridge, albeit some roads will no longer be served. Alternative services have been recommended to passengers.
- 55.600 Brookvale Park to Erdington (Six Ways).** Due to low passenger numbers, it was not possible to continue to extend the contract for this service. Diamond Bus agreed to a temporary contract to continue to provide a service 600 until April 2023. Following on from a bidder declining to accept service 25, Diamond Bus agreed a simplified timetable/route for both the 25 and 600 services, allowing a single vehicle to operate both services, ensuring some continuing provision for residents.
- 56.78 Queslett to Sutton Coldfield via Streetly** During the early part of the review process, this service was identified “at risk” and subsequently recommended for withdrawal. Following receipt of an unusually high volume of correspondence, further investigations into the 78 service were conducted. An anomaly in the data collection arrangements for this service was discovered that meant not all passenger data had been visible to TfWM. On correcting this, it was found that retention of the service based on a recalculated CPP should be considered. The current operator of this service, Diamond Bus, have agreed to a temporary contract to continue the service unchanged until April 2023.

### ***Stakeholder Engagement***

57. To manage the impact to customers and ensure residents are supplied with the relevant information regarding their travel options from January, a number of stakeholder letters were issued, and briefing sessions held with Councillors and MPs from across the region.
58. On 11<sup>th</sup> October, a letter was sent from Anne Shaw, Executive Director of TfWM, to every leader, councillor, and MP in the West Midlands, outlining the reasoning for the network review, the steps that were being taken to mitigate any loss of service and a list of the services that were ‘at risk’ following the commercial operators review. This was followed by an offer of briefing sessions, by met area, where the team talked through in detail what was being done and the potential impacts to each area.
59. Following the outcome of the first round of tenders, another letter was issued to the same recipient group on 5<sup>th</sup> December with an update of work that had been undertaken and the outcome these tenders.
60. In addition to the above, the team have been in communication with a number of councillors and have answered any queries that have been directly sent.

### ***Passenger Information***

61. The scale of the review has resulted in significant change to the majority of passenger information displays across the bus network. This will include over 9,000 printed timetable displays, 1,500 bus stop flags and 1,630 RTI electronic information displays. This is across the network at stops, interchanges, and bus stations.
62. Unfortunately, due to the scale of the review and the significantly condensed timescales, it has not been possible to update all of the information prior to the changes on the 1<sup>st</sup> January. However, we have displayed over 5,000 posters across the network informing passengers of the up coming changes and providing links to digital up to date information. The same information has also been provided to local libraries and other community hubs, for whom we have contact information, requesting that the poster be displayed in a prominent area.
63. Passengers without access to digital information can access the same information and timetables by calling the TfWM customer contact centre and also by speaking to the passenger support team at TfWMs Bus Stations.
64. We have worked with Bus Operators to provide information on buses and particularly where operators are changing, or services are no longer being operated.

### ***Future Operator Support***

65. The DfT have confirmed that further funding will be available for bus operators and local transport authorities for the period January to March 2023. This will enable operators to continue to commit to the 90% network implemented on 1<sup>st</sup> January 2023. However, National Express have indicated that without further support it is unlikely that this network will be sustainable. TfWM in conjunction with the other city regions continue to liaise with the DfT to communicate this significant risk and seek longer term funding for local bus services.
66. National Express have informed us that a further 10% of the network could be at risk from June 2023 without additional funding or revenue. Our ability to mitigate the impact of further commercial de-registrations is significantly diminished given we have fully committed the budget for subsidised bus service for 2023 / 2024 as part of this network review process.
67. Proposals within the West Midlands Bus Service Improvement Plan will also deliver passenger growth and therefore revenues for bus operators and efficiency savings for reinvestment back into the bus network. Operators have already committed to a fares freeze to 2025, reform of fares and ticketing will commence from early Spring 2023 followed by a £multi-million ticketing incentive programme and an unprecedented programme of bus priority measures. These initiatives will be subject to separate reports to TDC.
68. TfWM are working through the Trail Blazing Devolution Deal including the devolution of Bus Service Operators Grant, which is currently paid to operators direct by the DfT to reimburse for fuel duty and other initiatives. Devolving this locally would enable the

funding to be targeted to delivering aspects of the network important for the region. DfT have been suggesting reform of BSOG, we don't yet know whether Government intent to maintain the existing level of funding and seek to do more with operators for the money or reduce the pot overall. TfWM believe that any reduction in funding will lead directly to a reduction in local services.

69. TfWM have committed to continue to pay operators for acceptance of travel under the English National Concessionary Travel Scheme (ENCTS) at pre-Covid patronage estimates until the end of December 2022. At the time of writing the rate for future payments of ENCTS is undecided.

### **Network Performance**

70. At the time of writing the performance of the network remains challenging for passengers. In week commencing 10<sup>th</sup> December 4% of all mileage was not operated largely due to driver shortages although an increase in congestion due to increased shopping and leisure traffic exasperated by the rail strikes has also contributed.
71. It is anticipated by National Express that the changes to the Network in January will have a positive impact on performance and positively the month of November saw the number of new drivers entering National Express exceed those leaving.
72. From January future funding for West Midlands bus operators will be directly linked to their performance in delivering the network. It is hoped this will further improve performance across the network.

### **3. Financial Implications**

73. All but three De Minimis contracts for the Network Review have now been reviewed, with contracts awarded accordingly. The cost of all of the renewals and extensions to date will be £30.6m across the life of the contracts with £3.84m falling in 2022/23 and £12.74m falling in 2023/24. This includes £9.93m worth of contracts which will be funded by BSIP between 1<sup>st</sup> January 2023 and 31<sup>st</sup> March 2025. The contracts which have been awarded are affordable within the annual budget allocation.

### **4. Legal Implications**

74. There are no new legal implications for WMCA as a result of this report.

### **5. Impact on Delivery of Strategic Transport Plan**

75. The retraction of the West Midlands local bus network resulting from this review will have significant impacts on the achievement of West Midlands Local Transport Plan 5 (WM LTP 5) and affect progress across a range of socio-economic outcomes. The draft Local Transport Plan Core Strategy sets out the key challenges where changing transport can help us deliver inclusive growth and address the impacts of transport on people, places and the environment. These are framed in the 5 Motives for Change:

- Sustaining economic success
- Creating a fairer society
- Supporting local communities and places
- Becoming more active
- Tackling the climate emergency

76. The Core Strategy sets out that significant behaviour change is required to our travel behaviours to make positive progress on the Motives for Change. To do this we need to be aiming to deliver three key transport system impacts:

- Reduce overall levels of traffic
- Improve accessibility
- Electrify the transport system

77. The bus is the primary mode of public transport in the West Midlands accounting for approximately 80% of all public transport trips in the region. The network provides an essential transport choice for 25% of West Midlands residents who do not own or have access to a car. People with cars can access more than those without and 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 and these reductions to the West Midlands bus network will exacerbate this issue.

78. The level of travel behaviour changes to help the West Midlands and the UK reach net zero is significant. It is estimated that to meet national carbon targets (net zero by 2050) would require car mileage to be 10% lower in 2031 than what it is predicted to be, and for local WM2041 targets (net zero 2041) it would need to be 35% lower. Shifting trips away from private car onto sustainable modes is central to this. As set out in the West Midlands Bus Service Improvement Plan, the bus must play a pivotal part in creating an integrated transport network where everyone can thrive without a driving licence and the need to own an expensive vehicle.

79. There is a worry that the changes proposed in the Bus Network Review may jeopardise these wider policy changes proposed in the WM LTP 5, where an effective high quality bus network is available to people, to support those 25% of households without a car to access vital opportunities in the region and to reach net zero targets which include a significant reduction in car usage.

## **6. Equalities Implication**

80. The changes outlined in this report will have a negative equality impact on communities in the region. Some protected characteristics are especially likely to be impacted.

81. Levels of deprivation impact the likelihood of being able to purchase a car. People on the lowest income are much less likely to own a car and some of the most deprived wards have under 50% household car ownership. 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).

82. Most 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. 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. 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.
83. The reduction and changes to the subsidised network are also likely to especially impact women who are more likely to complete multi-purpose trips in contrast to direct commuting patterns. Finally, disabled people or/and older people or/and people with mobility difficulties are also likely to be especially impacted as walking distances to bus stops will increase, making public transport inaccessible to many.
84. To better understand impact a Health and Equity impact assessment was undertaken the key findings of which were as follows:
- The services identified as higher risk, at the outset of the review, showcase low patronage figures. High risk services range between 39 to 400 passengers per week, averaging 0-7 passengers per journey.
  - Nearly 40% of users of the services noted as higher risk are concessionary pass holders.
  - Alternative services have been identified for high-risk services to mitigate as much as possible, any negative impact on customers.
  - Recommended mitigations highlighted within the report include communicating the changes to customers as soon as possible in a variety of ways, such as on bus shelters and stops, talking newspapers and key community groups. Communications need to include alternative options.
85. Overall, whilst a negative impact is anticipated, it is expected to be low/ medium due to the low levels of patronage and the fact that alternative services have been identified. The impact assessment took into account the initial 21 services identified as being at

higher risk of withdrawal. By making the decision to retain some of these services, it's now been decided that only 12 services will be removed, it substantially mitigates any negative equality impact. However, it is important to acknowledge that for a low number of customers, they may be severely impacted should the alternative provision not be suitable and/or convenient. It is also important to take into account the fact that savings obtained through the removal of these services will be reinvested into improving the transport provision for the region, which will have a longer-term positive impact for all.

## **7. Inclusive Growth Implications**

86. There are no specific inclusive growth implications arising from the noting of this update however, buses are the most important part of the public transport system to the majority of people in the West Midlands, and is therefore crucial that people are informed, can access bus services in a way which is safe, convenient and affordable. Buses will also be an important component of the region's transition to net zero. As such, bus patronage will be a key indicator of how clean and inclusive the region's economy is and should be watched closely.

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

87. This report covers the constituent area of the Combined Authority but due to the importance of cross boundary services – into and out of the constituent area – partnership working with non-constituent and shire authorities is crucial in delivering the activities referred to in this report.

**Appendix A – Retained Services with No Changes.**

| <b>Service</b> | <b>Route</b>                          | <b>Comment</b>                                      |
|----------------|---------------------------------------|---|
| 9              | Leasowes Ave to Coventry Rail Station | Evenings and Sundays - Retained                     |
| 30             | West Bromwich to Stone Cross          | Monday, Thursday, Friday and Saturday - Retained    |
| 35/35A         | Aldridge / Leighswood to Walsall      | Monday to Saturday daytime - Retained               |
| 66             | Stone Cross to West Bromwich          | Monday to Saturday daytime - Retained               |
| 74A            | Dudley to West Bromwich               | Monday to Saturday daytime - Retained               |
| 78             | Sutton Coldfield to Streetly          | Monday to Saturday daytime – Retained to April 2023 |
| 226            | Dudley to Merry Hill                  | Evenings and Sundays - Retained                     |
| 229            | Dudley to Bilston                     | Evenings and Sundays - Retained                     |



## Appendix B – Retained services with changes

| Service   | Route                                | Comment  |
|-----------|--------------------------------------|--|
| 7         | Coventry to Brownhill Green          | From 1 <sup>st</sup> January 2023 Stagecoach will operate this service from 6pm and on Sundays. National Express will continue to operate this service to 6pm.   |
| 10        | Birmingham to Woodgate Valley North  | From 1 <sup>st</sup> January this service will be operated by Kev's Coaches and have a new route, timetable and service number.  |
| 10A / 10C | Stourbridge (Circular)               | From 1 <sup>st</sup> January this service, operated by Kev's Coaches, will be replaced by service 88 (Stourbridge to Norton)   |
| 10S       | Ridgacre to Selly Oak                | From 1 <sup>st</sup> January this service will be renumbered service 55 and will extend to Longbridge with a new timetable. Kev's Coaches will provide this service.   |
| 11/11A    | Merry Hill to Dudley                 | From 1 <sup>st</sup> January this service will be renumbered service 25 and will extend to Stourbridge with a new timetable. Diamond Bus will provide this service.  |
| 25        | Erdington to Ward End                | From 3 <sup>rd</sup> January 2023 this service will have an updated route and timetable. The change of route means that some roads will be unserved. Passengers have been informed of their nearest alternative services. All areas remain within the distance criteria within the access standards. |
| 26A       | Wolverhampton to Stowlawn            | Service will be renumbered service 26.   |
| 38        | Northfield to Selly Oak              | From 1 <sup>st</sup> January this service will be renumbered service 55 and will extend to Ridgacre and Harborne   |
| 41        | Walsall to Willenhall                | Sunday evening services to be operated by National Express   |
| 42        | Hollymoor Way to West Heath          | From 1 <sup>st</sup> January this service will be renumbered service 55 and will extend to Ridgacre and Harborne   |
| 54        | Hamstead Village to Perry Barr       | This service will have an enhanced timetable to include additional Monday to Saturday evening journeys and a comprehensive Sunday service.   |
| 61        | Perry Barr to West Bromwich          | New Route and Timetable  |
| 65        | Woods Estate to Darlaston            | Service will be operated by Walsall Community Transport  |
| 69        | Solihull to Brandwood Park           | Stagecoach will provide this service across the revised service 46 (QE Hospital to Kings Heath) and 69 (Kings Heath to Shirley via Solihull).  |
| 71        | Sutton Coldfield to Chelmsley Wood   | Sundays will be operated by Stagecoach.  |
| 96        | Chelmsley Wood to Kingstanding       | Provided by Diamond Bus with a new and improved timetable including journeys extending to Birmingham Airport. Kingstanding to Erdington section served after 6pm and on Sundays and some early morning services.   |
| 250/251   | Stourbridge to Merry Hill (Circular) | Replaced by service 25 (Dudley to Stourbridge via Merry Hill & Brockmoor). This service will be provide by Diamond Bus with frequency enhancements from a bus every hour to every 30mins.  |





|         |  |  |
|---------|--|--|
| 298/299 | Stourbridge to Pedmore Fields (Circular) | Replaced by 142A (Merry Hill to Halesowen) This service will be provided by Diamond Bus.   |
| 600     | Erdington to Brookvale Park Circular     | This service will operate an amended route and timetable which means that some roads will no longer be directly served. Passengers have been informed of the amended route and available alternatives. |



## Appendix C – Withdrawn Services

| Service   | Route                                  | Comment   |
|-----------|--|---|
| 22        | Tipton to Wednesbury                   | Complete service withdrawn                        |
| 26        | Walsall to Blackenhall                 | Complete service withdrawn                        |
| 30        | Darlaston to Bilston                   | Complete service withdrawn                        |
| 34        | Kings Heath to Birmingham              | Complete service withdrawn                        |
| 36        | Walsall to Alumwell (Circular)         | Service will not operate after 6pm and on Sundays |
| 42        | Brownhill Green to Coventry            | Complete service withdrawn                        |
| 50        | Wednesfield to Wolverhampton           | Complete service withdrawn                        |
| 68A / 68C | Perry Barr to Aston Six Ways (Circular | Complete service withdrawn                        |
| 89        | Queslett to Erdington                  | Complete service withdrawn                        |
| 89        | Solihull to Coventry                   | Complete service withdrawn                        |
| 93        | Smiths Wood to Small Heath             | Complete service withdrawn                        |
| 424       | Queslett to Perry Barr                 | Complete service withdrawn                        |

## Appendix D – School Services

| <b>Service</b> | <b>School</b>                   | <b>Area Served</b>      | <b>Status</b>  |
|----------------|---------------------------------|-------------------------|--|
| 15             | King Edwards High School        | Acocks Green / Solihull | Retained   |
| 58S            | Lode Heath School               | Yardley                 | TfWM contract withdrawn – revised contract A9 to provide alternative - operated by Stagecoach. |
| 714            | Compton Park School             | Upper Penn              | Retained   |
| 751            | Smestow School                  | Upper Penn              | Retained   |
| 784            | The King's School               | Pendeford               | Retained   |
| 788            | Barr Beacon School              | Walsall                 | Retained   |
| 794            | Compton Park School             | Bushbury                | Revised to operate with two buses to speed up journey times.                                   |
| 815            | John Willmott / Fairfax Schools | Sutton / Erdington      | Retained   |
| 822            | King Edwards Five Ways          | Birmingham              | Revised – terminate at Harborne  |
| 823            | Hillcrest School                | Birmingham              | Withdrawn – passengers are suggested to use service 23   |
| 829            | St Pauls Girl School (am/pm)    | Birmingham              | Revised to operate with just one bus in the afternoon.   |
| 829A           | St Pauls Girl School (pm)       | Birmingham              |  |
| 855            | Bishop Walsh School             | Sutton Coldfield        | Retained   |
| 863            | Light Hall School               | Yardley                 | Retained   |
| 869            | Plantsbrook School              | Perry Common            | Withdrawn – passengers are suggested to use service 66.  |
| C53            | West Coventry Academy           | Spon End, Coventry      | Retained   |
| C54            | West Coventry Academy           | Coventry                | Retained   |
| C55            | West Coventry Academy           | Allesley Park, Coventry | Retained   |
| 838/A          | John Willmott School            | Stockland Green         | Timetable amended and renumbered 813   |
| 839            | John Willmott School            | Pype Hayes              | Timetable amended and renumbered 814   |

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## Transport Delivery Committee

|                                    |  |
|------------------------------------|--|
| <b>Date</b>                        | 9 January 2023   |
| <b>Report title</b>                | Member Engagement Groups Update  |
| <b>Accountable Chief Executive</b> | Laura Shoaf, West Midlands Combined Authority<br>Email: <a href="mailto:Laura.Shoaf@wmca.org.uk">Laura.Shoaf@wmca.org.uk</a> |
| <b>Accountable Employee</b>        | Craig Evans, Governance Services Officer<br>Email: <a href="mailto:Craig.Evans@wmca.org.uk">Craig.Evans@wmca.org.uk</a>      |

### Recommendation(s) for decision:

#### The Transport Delivery Committee is recommended to:

- (1) To note the recent activities of the committee's Member Engagement Groups.

#### 1. Purpose

- 1.1 To note recent developments and meetings the six Member Engagement Groups.

#### 2. Background

- 2.1 The introduction of Lead Member Reference Groups occurred in 2017 when it was felt that the formal meetings of this committee did not allow members to get further into detail of a number of transport-related items. Following a subsequent review of the role and remit of the Lead Member Reference Groups, they have been renamed as Member Engagement Groups (MEGs) to give the rest of the WMCA a clearer sense of their purpose, allowing members the opportunity to focus on specific aspects of the work of Transport for West Midlands in the delivery of policies.

- 2.2 In total there are currently six MEGs:

- Air Quality, Congestion & Environmental Impact
- Finance & Performance
- Putting Passengers First
- Rail & Metro
- Safe & Sustainable Travel
- Sprint

2.3 Each of the MEGs normally meet ahead of each meeting of this committee and are open to all Transport Delivery Committee members to attend.

### **3. Member Engagement Group Updates**

3.1 An update from Member Engagement Groups is provided below for those groups that met after the last committee.

#### **Air Quality, Congestion & Environmental Impact MEG (Councillor Linda Bigham)**

The group met on January 4. It considered an update from WMCA Environment Team on the development of the WMCA Regional Air Quality Framework; monitoring of key UK events for air quality November/December 2022 and a progress update on TfWM actions to improve air quality. The Group has invited all members of TDC to its technical visit to University of Birmingham's WM-Air Project on Wednesday 25 January 11 – 12.30

#### **Finance and Performance MEG (Councillor Pervez Akhtar)**

The Finance and Performance MEG was given over to the annual transport budget scrutiny session in advance of the draft 2023/24 budget going to January WMCA Board. This session was open to all member of Transport Delivery Committee and was well attended. The Executive Director of the Finance and Business Hub, Linda Horne was also in attendance to present.

Members were taken through the external and internal context for budget setting, updated on the current MTFP position and then updated on the proposed transport budget for 2023/24. Finally an update was given on sustainable funding for 2024/25 onwards. Members then had the opportunity to ask questions.

#### **Putting Passengers First MEG (Councillor Mary Locke)**

The hybrid meeting took place on Wednesday 14 December 2022. Members received an update from Pete Bond on the request that TfWM has received from Cllr Ian Ward to carry out a review of supported travel policies, this will take place in 2023 and cover all discretionary expenditure which amounts to around £85m of the total £165m budget. Cllr Clare Simm asked if this was an opportunity to include some school services. It was understood that the purpose of the review was to look at where savings can potentially be made rather than looking at additional expenditure, therefore it will be necessary to ensure that across all areas funding is directed to benefit those most in need. Members then received an update on the whole area bus network review, were advised that after increasing the value for money threshold, approved by TDC, the number of subsidised bus services that were at risk had reduced and full details of the vast majority of service changes had now been updated on the TfWM website and via direct email to members. In addition to the changes to subsidised bus services members were also reminded that operators have had to make changes to almost all of their commercial services. Timetable changes are due to come into effect on 1<sup>st</sup> January 2023, at-stop information will be updated as close as possible to this date, however the large number will result in a number of stops not being updated until well into January. To mitigate this, information posters have been produced and installed at all bus shelters directing customers to the TfWM website. Information can also be obtained by calling the TfWM Customer Contact Centre and by asking TfWM bus station supervisors at the region's bus stations. Cllr Mary Locke asked about the breaking news story that engineers working for National Express had voted to strike. The full impact of this and timing of any action is not yet know, however members will be kept updated following discussions with the operator.

Updates were also given on the Ring and Ride service, including further information on the co-mingling trial of the Ring and Ride and West Midlands On Demand services in Coventry, which is due to start on 23<sup>rd</sup> January 2023. A further update was given on the work to improve Real Time Information for passengers, including ongoing work to update systems to show when services are cancelled, rather than simply reverting to the scheduled time if a vehicle is not being tracked. Cllr David Stanley asked if it would be beneficial to remove the scheduled timetable information so that only services that are physically being tracked will show. Members also received an update on the progress of the Sprint works and were given information on some very positive improvements to journey times along certain sections, with further improvements expected to be shown in 2023 when the cross-city routes start.

Finally an update was given on the progress of the three metro extensions that are currently being worked on. Cllr Carol Hyatt expressed frustration at the slow progress of the extension to the railway station in Wolverhampton. It was reported that there had been numerous delays as a result of discussions with Network Rail around various standards, it is hoped that these are now finally approaching a resolution and as a result it is expected that the extension to the railway station will open in the Spring of 2023. Members were advised of the progress of the works in Dudley, with phase 1 from Wednesbury to Dudley expected to be operational towards the end of 2024. All designs and plans are in place to start work on phase 2 from Dudley to Brierley Hill once funding is confirmed. An update was also given on the works in Digbeth for the Eastside extension. This was the last meeting of 2022 with the next meeting scheduled for 25<sup>th</sup> January 2023.

### **Rail and Metro MEG (Councillor Timothy Huxtable)**

The Rail and Metro MEG met on 12<sup>th</sup> December and discussed a recent study on new station proposals, Midlands Rail Hub, the West Midlands Rail Programme, rail industrial action, and the progress of the various Metro extension schemes.

The group heard that consultants working for TfWM had recently produced a comprehensive final draft report exploring the case for 15 stations around the TfWM area. This included recommendations relating to which stations have the strongest case for undertaking further work. The stations were assessed against a number of different criteria, including strategic fit around government priorities, financial sustainability, stakeholder support, and deliverability.

An update was provided on the recently completed Outline Business Case (OBC) for the core “West” and “Central” elements of the Midlands Rail Hub scheme. This was launched on 5<sup>th</sup> December and has been formally submitted to the government for consideration. The group heard that there is a positive business case and strong strategic case for full delivery of the core “West and Central” elements of Midlands Rail Hub. In addition, they were advised that the most cost-effective way to deliver the full economic and social benefits of Midlands Rail Hub is to construct both the West and Central elements simultaneously under a single Transport and Works Act Order. This is also because constructing both the “South West” and “Central” elements simultaneously also delivers a higher Benefit Cost Ratio than delivering these separately.

The OBC can be accessed via the following link [Midlands Connect | Midlands Rail Hub: A summary of our Outline Business Case](#).

On the West Midlands Rail Programme, the group heard that delivery continues across the programme, despite ongoing challenges with resources and materials affecting the wider industry. On University, the focus of work is now on the internal spaces of the building, with floor tiling and cladding being installed. On Package 1 (Darlaston and Willenhall), significant work is continuing to develop and agree a design for mining remediation. Risk assessment has identified that grouting can only take place under the track when the line is closed. Accordingly, the project are seeking a blockade in Spring 2023 to enable grouting to take place as efficiently as possible and minimise programme impacts. On the Camp Hill Line (Package 2), design activities are well underway, and work sites are being set up. Engagement with the local community is also continuing positively, and the project plan to hold a number of drop-in events in the new year.

An update was provided on the upcoming industrial action affecting the railways. The group heard that the action short of a strike called by the RMT union and affecting members employed by the train companies, could be as disruptive as the strike action itself. This is because some of the operators do not have Sunday's as part of the working week in staff terms and conditions, meaning that they can only staff them using overtime or Rest Day Work. Chiltern Railways are one of the operators affected in this way, and they will be unable to run any services north of Banbury for the entire period of the action short of a strike.

The group received an update on the progress of the various Metro extension schemes. Westside to Edgbaston is nearly complete save for some snagging. This includes the installation of ANPR cameras to enable the enforcement of the TROs along the route. The Eastside extension towards Digbeth has seen work at both ends, with the demolition of the former McDonalds at Kings Parade having started, whilst in Digbeth itself two-way traffic has resumed after highways works have been completed. Design work for the sections in between is still to be completed. This is a complex piece of work due to the multiple interfaces along the route (e.g. HS2).

Finally, the group discussed the Wolverhampton extension. It was noted that the project had experienced some challenges, but that these were now understood and that there were plans in place to address them. The group heard that spring was the likely date for the commencement of services. The group agreed to undertake a visit to site in the New Year to observe progress for themselves.

### **Safe and Sustainable Travel MEG (Councillor Robert Grinsell)**

The Safe and Sustainable Member Executive Group (MEG) covers two functional areas namely The Safer Travel Partnership & The Cycling & Walking Team. The teams report into Cllr Robert Grinsell as MEG lead.

An update meeting was held on 5<sup>th</sup> December 2022. A previous action involved an invitation for members of TDC to visit to the Safer Travel CCTV control room. This visit had been completed and those that attended found the visit to be beneficial to their understanding of how CCTV is used in helping to keep the travelling public safe.

An update was given regarding visits to Safer Travel Partnerships in Manchester and Liverpool in terms of sharing best practice. Reciprocal visits to Summer Lane will take place in early 2023. The drone team are all now fully trained and permission to fly has been received from the Civil Aviation Authority. The issue of graffiti on Network Rail bridges was raised and this will be actioned by Kerry Blakeman prior to the next MEG meeting.



Hannah Dayan gave updates regarding Active Travel Fund 3, cycle hire sponsorship, increased patronage on bike hire (up 36%) There were updates regarding visits by Chris Boardman to the region highlighting new cycle routes alongside Adam Tranter the Cycling Commissioner. Issues of debris across cycle routes were discussed. Date of next meeting on 16<sup>th</sup> January 2023.

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

4.1 There are no financial implications arising out of the recommendations contained within the report.

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

5.1 There are no legal implications arising out of recommendations contained within the report.

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

6.1 There are no equalities implications arising out of the recommendations contained within the report.

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

7.1 There are no inclusive growth implications arising out of the recommendations contained within the report.

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

8.1 There are no geographical implications arising out of the recommendations contained within the report.

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

9.1 There are no further specific implications arising out of the recommendations contained within the report.

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

10.1 None

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## WMCA Board

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|--|--|
| <b>Date</b>  | 16 December 2022   |
| <b>Report title</b>  | Transport for West Midlands Capital Pressures  |
| <b>Portfolio Leads</b>   | Transport - Councillor Ian Ward<br>Finance - Councillor Bob Sleigh   |
| <b>Accountable Chief Executive</b>                                   | Laura Shoaf, West Midlands Combined Authority<br>email: laura.shoaf@wmca.org.uk  |
| <b>Accountable Employees</b>   | Anne Shaw, Executive Director of Transport for West Midlands<br>email: anne.shaw@tfwm.org.uk<br><br>Linda Horne, Executive Director of Finance & Business Hub<br>email: linda.horne@wmca.org.uk  |
| <b>The issues covered within this report have been considered by</b> | Mayor & Portfolio Leads Liaison - 18 November 2022<br>Strategic Leadership Team - 23 November 2022<br>Strategic Transport Board - 25 November 2022<br>Strategic Transport Officers Group - 28 November 2022<br>West Midlands Finance Directors - 1 December 2022 |

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

1. Note the extent to which the WMCA Transport Capital Programme has been impacted by cost pressures as documented within this report.
2. Note that in respect of one scheme, the cost control issues have resulted in a breach of financial regulations as detailed in Section 8.
3. The Board is recommended to commission a formal independent investigation through the Authority's Chair of Audit, Risk and Assurance Committee in respect of the scheme referred to in recommendation 2 above.
4. Note the limited funding options open to WMCA to meet these additional pressures as set out in Section 5.
5. Approve the approach towards dealing with the most urgent budgetary pressures detailed in Section 5, including the release of capital funding allocated within the Transforming Cities Fund programme.

6. Note that approval for immediate budget increases to three specific project budgets (totalling up to £17.8m) is requested within the Private Appendix to this report.
7. Approve that, subject to DfT approval and following the WMCA SAF process, a number of projects previously funded by TCF and WMCA Capital Investment programme (as detailed in the separate private report) should subsequently be funded from the CRSTS programme.
8. Note the early warning of further capital pressures as documented within this report.
9. Delegate authority to the Section 151 Officer and Executive Director of TfWM (in consultation with the Mayor and WMCA Portfolio Lead for Transport) to make a formal change control application for the CRSTS programme to the DfT in parallel to the WMCA SAF process, in line with the approach set out in Section 6.
10. Note and accept the risk that in a worst-case scenario where no funding alternatives can be identified or costs avoided, a levy increase or corresponding transport budget savings to the value of circa £11m to £20m would be required to meet the full extent of the capital cost pressures detailed within this report. Any precise Levy increase, should this be required, would be subject to a further report to this Board.
11. Note the work being committed, as outlined in Section 7, to enhance the robustness of management and reporting of capital projects in the WMCA Transport Capital Programme.

## **1. Purpose**

- 1.1 The purpose of this report is to update the WMCA Board on the current budget pressures being experienced on transport capital projects in delivery, the reasons for these and to advise on potential solutions to ensure that they can be completed successfully within a managed way which prevents any revenue cost exposure to WMCA and the Local Authorities.
- 1.2 It also considers the impact that the WMCA Board need to be aware of arising from ongoing pressures on capital projects that are under development and heading towards delivery.

## **2. Background**

- 2.1 The Combined Authority, together with the Local Authorities, have been successful over the years in attracting substantial funding for transport projects. In addition to annual settlements from Government on the integrated transport block, other sources of funding include Local Growth fund via the Local Enterprise Partnerships, Transforming Cities Funds as part of devolution deals, Rail Investment Programmes and other grants, examples including Future Transport Zone, Active Travel, zero emission funds for bus infrastructure and retrofit and other innovation programmes.

- 2.2 This has enabled the delivery of a number of substantial projects including bus infrastructure, metro extensions, rail enhancements including Perry Barr Station, public realm, cycling infrastructure, road and traffic signal upgrades and innovation projects including CAV testbeds and other sensor technologies. The majority of these have been delivered successfully on time and within budget, many were completed to support the successful transport arrangements for the Commonwealth Games, ensuring that the region delivers on outcomes in relation to sustainable connectivity on the transport system.
- 2.3 City Regional Sustainable Transport Settlement (CRSTS) has provided further longer-term sustainable funding for WMCA and the Local Authorities enabling the development of a pipeline of further investments on road, rail, bus, active travel, and further innovation such as VLR. A number of projects are now moving forward into the development and delivery stages with some due to be delivered within this 5-year settlement period, and others having their business case developed for delivery in an anticipated second investment period.

### **3. Budget Pressures**

- 3.1 Over the last couple of years', we have seen a number of projects increase in costs due to scope changes and construction challenges which have emerged on site. It has been possible to manage these costs on a project-by-project basis within existing capital resources. Project teams have consistently responded to cost and scope creep pressures, minimising the WMCA's exposure, applying mitigation through commercial strategies which have avoided prolongation (acceleration and recovery) and achieved more efficient ways of working. Residual cost pressures have then been managed through contingency budget allocations as part of the project risk management and through additional budget allocations, including securing additional external funding all noted or approved by WMCA Board. Despite the residual budget pressures detailed within this report, there are examples which demonstrate WMCA have managed to reduce exposure to more excessive cost escalations through management of scope, negotiations with stakeholders and re-evaluations of delivery methods.
- 3.2 These kinds of increases are not uncommon in transport projects, particularly in large complex projects where site conditions have thrown up challenges which cannot be found until works start and significant dependencies exist on other projects (affecting programme delivery timelines, scope change requests or cost inflations during the lifetime of the project). Standard practice is to allow for programme and budget contingencies to accommodate these pressures and this has been the case in all TfWM projects. However, the last few years have thrown up a number of extraordinary further challenges, notably in relation to hyperinflation that we are now facing, and which is a national and global issue. The potential scale means that we are unable to contain this within the existing capital resources and are therefore required to take some actions to mitigate any cost exposure to the Authority.

- 3.3 We are seeing sharp rises in the cost of construction due to national and global events (Brexit, covid, international unrest). The prices and shortage of materials and labour together with rising energy prices is having a major impact on projects in contract and due for completion during 2023. A small practical illustration is that due to metal prices; issues in the raw materials supply chain; and a spike in demand as countries seek to reduce fossil fuel reliance, the cost of electricity sub-stations (which are involved in all our metro and rail projects) have more than tripled in the last 9 months and are taking longer to source. It should also be noted that as we are predicted to enter into a further recession and with interest rates rising this will continue to have an impact for those projects due to complete later in the programme or are in the development pipeline and are yet to enter into construction.
- 3.4 The construction industry is historically one of the first sectors to be negatively impacted by a change in market conditions brought on by recession and inflation, in the last few years labour shortages and corresponding wage inflation has also been an extraordinary factor. This has been particularly evident given the demands of competing mega projects such as HS2 projects in the West Midlands as well as the various time limited programmes currently underway nationally.
- 3.5 The worldwide supply chain was slowly recovering following the pandemic, with a steady rise in output and cost somewhat above general inflation levels. Since October 2021 costs have significantly increased for materials and fuels. By way of example, average material costs have risen significantly since this date from a predicted index of 2.5% to 17%.
- 3.6 These external factors have all added to the financial and / or resource pressure to transport investment programmes. The result is that costs have, and continue to, increase in all transport programmes whilst funding levels remain the same. This is adding greater risk into those projects in flight overspending against budgets agreed and set before a number of these global factors were understood. Therefore, our ability to finish these projects without further budget allocation is also compromised.
- 3.7 WMCA are not exclusively impacted by the adverse delivery conditions. The Chair of the Chartered Institute of Public Finance Accountants recently reported that the costs of excessive inflation were now causing several Authorities nationally to review and trim their investment programmes, and West Yorkshire Combined Authority recently agreed to pause and move to their pipeline over £200m of CRSTS investments as a result of similar concerns.

#### **4. Impacted projects**

- 4.1 The appendix to this report summarises the projects which are exposed to the issues highlighted and is to be discussed within the private section of the Board meeting so as not to compromise commercially sensitive contractual negotiations. In summary, three inflight schemes will require an immediate uplift in budget totalling £17.8m. In addition to this most immediate issue, there are a number of cost escalation 'early warnings' which are considered highly likely to mature into an actual cost pressure to some degree over the short to medium term.
- 4.2 The total value of the immediate and early warning matters equates to £171.1m. It is expected this maximum exposure can be mitigated to £85.9m subject to the effectiveness of specific mitigations WMCA intend to deploy.

4.3 The sums outlined above excludes the costs to address the Dudley to Brierley Hill element of the Wednesbury to Brierley Hill Metro extension which will be the subject of a specific report in the February's WMCA Board. This report will address the funding position for the Extension following an earlier report which agreed a number of funding options which would be pursued to support this scheme's delivery in full. Once the Board has determined its preferred way forward for this scheme and further work is completed on the early warnings a fuller picture of total financial pressures can be presented.

## **5. Cost Pressure Funding Strategy**

5.1 WMCA is heavily constrained in terms of the discretion it can exercise over its capital funding. Whilst the overall programme is substantial, many projects are funded on a project specific basis (e.g. ZEBRA / Land Fund) where the funding is for specific outputs, and diverting that funding to other priorities would result in the funding being clawed back. Local decisions around Gainshare (Investment Programme) funds mean that funding is fully allocated with legally binding funding agreements in place.

5.2 Transforming Cities Fund (TCF) is the only pot of funding which was fully devolved to the region for local leaders to make the ultimate investment decisions. Whilst the City Region Sustainable Transport Settlement (CRSTS) is also a devolved pot, DfT and HMT do retain some influence in how the funding is used to deliver clearly documented deliverables and outcomes.

5.3 In light of the above and to ensure WMCA are able to meet its imminent contractual obligations on the three most urgent schemes, it is recommended that TCF allocations of £17.43m which are not contractually committed for projects within that programme are released to cover the immediate budgetary pressure. This funding reallocation can take place with the approval of WMCA Board.

5.4 The delivery of the projects funded through TCF remains a key regional priority for WMCA and is integral to the success of wider transport investment i.e., the Metro extension. To protect the timely delivery of the scheme, WMCA has ensured adequate development and design funding remains assigned to it, which will be met through TfWM's Local Network Improvement Plan funding. Delivery funding is to be secured through the CRSTS programme through a change control request to DfT, discussions being advanced in this regard.

5.5 The approach to using the Transforming Cities Funding detailed above will, it is considered, provide adequate time to consult and seek agreement from DfT to enacting the change control arrangements within the CRSTS programme. This in turn should allow the inclusion of projects funded through TCF for delivery and also some of the wider early warnings of other projects into the CRSTS programme, should these budget risks crystalise into budget issues.

5.6 As such, the recommendations within this report seek to obtain approval from WMCA Board to the release of capital funding allocated to the value of £17.8m within the Transforming Cities Fund and to endorse the subsequent inclusion of the TCF project within the CRSTS programme following consent to do so by DfT.

- 5.7 In terms of the strategy for the early warnings, as detailed above, WMCA are in advanced discussions with DfT on flexibilities within the CRSTS programme and further details on how WMCA intend to manage the CRSTS programme are detailed below.
- 5.8 It is important to note that WMCA Financial Regulations will require WMCA Board approval to any budget increase either in excess of 10% and / or those which are unfunded. As such, decisions exceeding these tolerances will not be made without full approval from the Board, and funding decisions within these tolerances will be reported to Board for noting, ensuring full transparency of all funding decisions.
- 5.9 Recommendations to import costs into CRSTS would only occur where a thorough commercial and technical appraisal has taken place to the satisfaction of the TfWM Executive Director and WMCA Section 151 Officer, which will include an evaluation of alternative delivery methods where appropriate.
- 5.10 It should be noted that in the event WMCA are unsuccessful in obtaining approval to use CRSTS funding for TCF projects, and the early warnings for projects highlighted in the table crystallise into actual pressures, the only immediately viable funding option would be to fund from borrowing, supported through the WMCA Transport Levy. If the WMCA Board remain committed to the completion of those projects, this would require a maximum additional capital sum of £171.1m to be identified. As detailed within the financial comments below, if funded solely by WMCA borrowing this would require between £11m to £20m of additional funding to be identified annually to meet the capital financing costs. This would be in addition to the current Medium Term Financial Plan estimates. At this point the cost of exit from these schemes has not been appraised, but it is anticipated that with the potential of claw back of other government funding this will far out-way the costs of completion further compounding the issue. This is being analysed to confirm together with an assessment of the impact pausing schemes may have whilst solutions are developed.

## **6. CRSTS Programme Implications**

- 6.1 In order to accommodate the emerging cost pressures, it is proposed to formally introduce specific schemes into the CRSTS programme, subject to the formal WMCA SAF and DfT change control processes the detail of which is yet to be confirmed by DfT.
- 6.2 It is proposed that the new schemes entered into the programme would be provisioned for under the CRSTS soft contingency mechanism. This mechanism was agreed by the WMCA Board in January 2022 as part of the overall CRSTS programme approval.
- 6.3 Under this mechanism, it means that at this stage no schemes that are already within the existing core CRSTS programme would be removed, and none of the associated indicative funding allocations would be reduced. Instead, the financial pressure created by the new schemes being entered into the core programme would be treated as over programming.
- 6.4 The soft contingency mechanism will ensure that until circa year 3 of the programme the total financial commitments made through the WMCA SAF process will be limited to ensure that a total contingency layer of £100m is always retained.



- 6.5 As all schemes are progressed it is expected that as well as some negative financial pressures, some schemes currently in the programme will either be delivered under budget; or be delayed; or potentially be proven unviable as the business cases mature.
- 6.6 In such an event then the associated released budget would be used to off-set the additional cost pressures arising from the entry of the new schemes; and/or to allow schemes from the formal scheme reserve list (already agreed locally and by DfT) to be entered into the core programme.
- 6.7 If by year 3 of the CRSTS programme all schemes appear to be on track to deliver on-time and to budget, then the soft contingency provision will need to be formally triggered. This means some schemes currently in the programme would be slipped into the next delivery period. Those schemes would be identified at the time based on a full review of the programme and a further WMCA Board report and decision.
- 6.8 It is proposed that all schemes in the current programme receive sufficient development and design funding to enable them to be ready to deliver. This means in all cases the schemes in the programme will benefit from at least an Outline Business Case level of approval.

## **7. Project Delivery Governance and Lessons Learned**

- 7.1 The delivery teams have been successful in protecting the authority from compensation events and other risks through commercial and formal risk management arrangements as referred to in para 3.2. However, there are some performance issues (such as managing land acquisitions and CPO's in a timely way to maintain the delivery schedule), and inconsistencies in delivery approach that need to be addressed. Consequently, TfWM is changing the way in which it manages, organises and delivers capital projects. Currently the delivery functions are dispersed across TfWM and sat within modal teams. This creates some discrepancies in management and reporting as well as missing opportunities to integrate designs and delivery across modes and with other scheme promoters. A maturity assessment has been undertaken by Arcadis to review TfWM's capability and capacity with respect to the development and delivery of a portfolio of transport programmes. This has provided TfWM with a baseline and a number of recommendations to improve in this area.
- 7.2 There has also been a number of lessons learnt from the various programmes to understand where and why issues have occurred. Suggested improvements have been incorporated into other projects and programmes as they come forward.
- 7.3 The Executive Director for Transport for West Midlands is in the process of reviewing and will soon be consulting with staff on the changes proposed to deliver against these recommendations and improve performance going forward.

- 7.4 Whilst this will address some areas, it will not necessarily address the impacts of inflation and other external factors that impact on delivery costs. It will however better equip TfWM to manage programmes more effectively, have oversight of a single programme brought together from across the various funding streams, and greater transparency of delivery including better reporting to Transport Delivery Committee which currently has the responsibility to monitor TfWM's performance. This will result in a better set of reporting products and provide greater visibility at a Member and Officer level across the WMCA and its constituent Authorities.
- 7.5 Any findings and recommendations from the Audit being recommended on the technical breach will also be incorporated into these plans.
- 7.6 A further independent Internal Audit of TfWM Capital Delivery Management, Risk, Monitoring and Reporting will be commissioned by the Authority Monitoring Officer to inform the recommendations from the above work.
- 7.7 Additionally, TfWM are working with the DfT's acceleration unit where we are seeing specific challenges in decision making, scope changes and approvals with national partners such as Network Rail. This is aiming to remove some of the risks of working on rail assets, including those illustrated by the interfaces in the metro extension and the various rail packages. The aim is to smooth out the process and get timely and consistent responses from all parts of organisations such as Network Rail that need to be involved in signing off designs and delivery in order to mitigate these risks further.

## **8. Financial Implications**

- 8.1 The issues regarding cost escalation and the strategies to be deployed to ensure delivery of the projects (which includes thorough commercial and technical challenge, assessing options around scope and delivery, with potential utilisation of devolved Transport grants for any unavoidable cost increases) are documented within the report.
- 8.2 Whilst WMCA intend to thoroughly exhaust all practical alternatives before budget cover for further cost increases are considered, the Section 151 Officer is obliged to highlight to the Board the full extent of the risk which could crystallise if the delivery environment continues to present unmanageable issues. In a scenario where, the cost exposures arise, WMCA could not identify grant funding to absorb those costs, and the schemes needed to be completed; additional WMCA debt would need to be taken out and met from Transport resources (i.e. additional Levy or savings), as follows:

| LEVY IMPACT FROM BUDGET PRESSURES                  | Un-mitigated Exposure | Mitigated Exposure |
|--|-----------------------|--------------------|
| Cost Pressure / Exposure As Detailed Within Report | £171.1m               | £85.9m             |
| <b>If Funded by New Levy or Transport Savings:</b> |                       |                    |
| Minimum Likely Annual Cost & Levy Impact*          | £11.1m<br>9%          | £5.6m<br>5%        |
| Maximum Likely Annual Cost & Levy Impact*          | £19.7m<br>16%         | £9.9m<br>8%        |

\*Subject to the prevailing rate of interest at the time of confirming loans.

- 8.3 Assuming costs of borrowing remain stable, it is currently anticipated that there would be a requirement for a marginal levy increase of £2m commencing from the 2024/25 financial year, increasing to £11m by 2026/27 (to fund the pre-mitigated impact). Members are reminded that the Transport Levy is funded by population split and that any increase over the annual increase in council tax would impact individual Authority core spending power. The priority is however to seek a solution via the use of the £1bn CRSTS funds. This is not strictly an affordability challenge therefore but one of regional approach to transport investment priority.

| Estimated Levy Impact (Value & Timing)      |                               | Estimate of Additional Levy Required |             |             |
|---|-------------------------------|--------------------------------------|-------------|-------------|
|   |                               | 2024 / 2025                          | 2025 / 2026 | 2026 / 2027 |
| Total Cost of Finance to the Transport Levy | Pre-mitigated (4% Interest)   | £2m                                  | £8m         | £11m        |
|   | Post Mitigation (4% Interest) | £1m                                  | £5m         | £6m         |

*Note : Values above assume TCF is used to address the imminent impact of the three urgent schemes*

- 8.4 A further update on the overall cost exposure to the complete set of schemes indicating cost overruns will be reported to WMCA Board in early 2023 to ensure full consideration of the implications for the CRSTS programme and aligned to the Boards consideration of the Wednesbury to Brierley Hill Scheme post Dudley.

WMCA Financial Regulations state that; any proposal to increase an approved capital budget by a variance of more than 10% of the existing budget shall require a report to be submitted to the WMCA Board. Variances within these parameters are delegated to the appropriate Chief Officer within the agreed scheme of delegations and will be reported to the WMCA Board in Financial Monitoring Reports. With respect to the three projects where additional funding requirements have been identified, a summary by project is included within the Private Appendix to this report.

- 8.5 With respect to how the crystallisation of early warning pressures will be reported and approved, decisions regarding adjustments to budgets over 10% will not be made without full approval from the Board, and funding decisions within this tolerance will be reported to Board for noting, ensuring full transparency of all funding decisions and in line with WMCA Financial Regulations.

## Financial Breach

- 8.6 With respect to the Wolverhampton Interchange scheme, the accrued value of works instructed and undertaken has recently exceeded the approved budget. Not only does this indicate a weakness in cost control practices, it also represents a breach of financial regulations.
- 8.7 The value of the breach as of 16 December 2022 has been calculated as £9.680m and represents actual sums paid in excess of the approved budget, plus estimates for the full extent of WMCA's expected contractual liability under a range of scenarios, including potential abortive costs if the scheme was placed on hold to avoid further exposure to cost. The approved budget for the scheme totals £39.7m and the calculated breach value represents 24.3% of that figure.
- 8.8 The Mayor of the West Midlands, and The Finance Portfolio Holder and the Chair of Audit Risk and Assurance Committee (ARAC) have been alerted and briefed. The breach was also brought to the attention of the Leaders at the meeting on 21 November 2022. An urgent independent investigation will be undertaken into this specific matter to identify and correct any control failures. The specific findings and points of action will be reported back to ARAC once the investigation has concluded.

## **9. Legal Implications**

- 9.1 As detailed in Section 8, a project exceeding the approved capital budget by a variance of more than 10% is a breach of the Authority's Financial Regulations, paragraph 3.2. As such, this should have been subject to a Report to Board before such expenditure was incurred. To remedy such a breach, this Report is now bringing the matter to Board's attention with the funding for this additional expenditure having been identified at paragraph 5.3. In addition, it is suggested that there be an investigation commissioned through ARAC as referred to in paragraph 8.8. The findings and points of action will ultimately be reported to ARAC once the investigation has concluded.
- 9.2 In terms of the overall budget issues identified in this Report, this is being kept under review in accordance with the planned actions as provided for in Section 7, taking into account the lessons learned. A further update will be reported to Board in the new year on the overall cost exposure to the complete set of schemes indicating cost overruns. Any further legal implications will need to be considered at that time.

## **10. Impact on Delivery of Strategic Transport Plan**

- 10.1 The TCF and CRSTS programmes both make a significant contribution to delivering critical infrastructure required to further the LTP policies. This report only concerns the financing and delivery management of schemes and as all key outcomes and impacts as originally planned are expected to be delivered no implications arise from this report.

## **11. Equalities Implications**

- 11.1 This report only concerns the financing and delivery management of schemes and as all key outcomes and impacts as originally planned are expected to be delivered no implications arise from this report.

## **12. Inclusive Growth Implications**

- 12.1 This report only concerns the financing and delivery management of schemes and as all key outcomes and impacts as originally planned are expected to be delivered no implications arise from this report.

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

- 13.1 This report only concerns the financing and delivery management of schemes and as all key outcomes and impacts as originally planned are expected to be delivered no implications arise from this report.

## **14. Other Implications**

- 14.1 No other implications identified.

## **15. Schedule of Background Papers**

None

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

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