



West Midlands
Combined Authority

Transport Delivery Overview & Scrutiny Committee

Date	4 th September 2023
Report title	CRSTS re-base proposal
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Report has been considered by	Strategic Transport Board – 27 th July 2023

1. Purpose*

- 1.1 This note provides an update to Transport Delivery Overview & Scrutiny Committee (TDOS) on the City Region Sustainable Transport Settlement (CRSTS), specifically regarding a re-baselining exercise that is currently being undertaken across the programme.

2. Background*

- 2.1 The CRSTS is a £1.05bn programme of transport improvements across the West Midlands. The programme is spread over a 5-year funding period covering financial years 2022/23 – 2026/27 with a requirement that all funding is spent and all delivery complete by the end of March 2027.
- 2.2 In the Spring Budget it was announced that £8.8bn would be available nationally for the second round of CRSTS (CRSTS 2). The WMCA allocation for this has not yet been determined.

Re-base context

- 2.3 A number of CRSTS eligible MCA's have raised that, given the high rate of inflation since the creation of the original programme, delivery of all the outputs outlined in initial programmes developed over 2021 and submitted in January 2022 will be unaffordable. In acknowledgment of this, the Department for Transport and HM Treasury have agreed to permit a one time only re-base of the CRSTS programme.
- 2.4 This re-base must be agreed locally before being submitted to DfT by 29th September 2022 for approval. The following conditions must be met as part of this exercise:
- Projects can be removed from the programme or added but DfT have emphasised this should not be seen as an opportunity to introduce brand new initiatives.
 - All projects must align with the objectives of the national CRSTS programme.
 - The total funding envelope must remain the same.
 - Overall, the target 15-20% local contribution must be met.
 - The outputs can be reduced.
 - The funding time horizons must remain the same (spend and delivery by March 2027).
 - The re-based programme submitted to DfT will need to demonstrate that it still delivers good value for money.

WMCA re-baselining process

- 2.5 In June 2023, TfWM issued a template to representatives from the 7 constituent authorities to provide them with an opportunity to re-base their CRSTS schemes. Sponsors were requested to consider their allocation under two scenarios:
- 1. 5 year re-base within CRSTS 1 – promoters could redistribute their funding allocation within the current 5 year programme (2022/23 – 2026/27) for example by removing projects or reducing project scope. The total funding over 5 years for each authority cannot exceed the allocation from the CRSTS baseline.

- 2. 10 year re-base over CRSTS 1 & 2 – promoters could redistribute the profile of funding over a 10-year scenario by moving some spend into the CRSTS 2 period (2027/28 – 2031 / 32). The total funding in the CRSTS 1 period (2022/23 – 2026/27) cannot exceed the CRSTS baseline allocation for the authority.
- 2.6 The completed templates have now been submitted to WMCA to allow a West Midlands wide view to be developed, prior to local political ratification by promoting authorities and the Mayor. Once a local political consensus has been agreed, the revised programme will submit to WMCA Board for approval on 15th September, in advance of submission to DfT.
- 2.7 An initial, high-level, review of returns has highlighted the following points to note:
- The programme remains heavily back-ended with 24% of project spend forecast in the last year of the programme and 66% of projects forecasting delivery completion in the final year of the programme. This may attract scrutiny from DfT regarding the deliverability of the programme.
 - Where possible funding has been moved from schemes forecasting development activity only to those where construction can take place and costs have increased due to inflationary pressures.
 - Whilst there is some reduction in forecast outputs for KMs of cycle lanes and bus lanes (key DfT metrics), as would be expected given the increase in scheme costs, the proposed deliverables still represent a significant step change in provision over the current situation.
- 2.8 The proposed approval timeline to enable submission to WMCA Board in September is set out below:
- Send out data forms to scheme promoters 28th June. [COMPLETE]
 - Returns from promoter's 12th July [COMPLETE]
 - STOG session 17th July [COMPLETE]
 - Papers for STB 20th July [COMPLETE]
 - STB 27th July [COMPLETE]
 - STOG session W/C 31st July [COMPLETE]
 - WMCA Exec August
 - Brief the Mayor 18th August.
 - Political briefings as required – July/August
 - Active Travel England briefing – August
 - WMCA Board paper send out 7th September.
 - WMCA Board 15th September.
 - Submission back to DfT 29th September
- 2.9 It should be noted that the approach set out in this paper is contingent on the financial strategy agreed by WMCA Board in June 2023, where emerging costs pressures on key CRSTS and Investment Programme Transport projects currently in delivery are accommodated by overprogramming against future grant income e.g. CRSTS2, is accepted by DfT/HMT. This will be a key element of our Devolution Deal with Government related to the way the Single Funding Pot is expected to operate (a matter which remains under development and will be considered by the WMCA Board in October 2023).

3. Strategic Aims and Objectives

- 3.1 The report aligns to WMCA aims to: -

1. Promote inclusive economic growth in every corner of the region
2. Ensure everyone has the opportunity to benefit.
3. Connect our communities by delivering transport and unlocking housing and regeneration schemes.

4. Financial Implications*

- 4.1 The CRSTS re-base process has the full engagement of WMCA Finance Officers and will also be considered by the Finance Officers group.

5. Legal Implications*

- 5.1 No legal comments have been sought to inform this report at this stage but will be sought to inform the CA Board reports.

6. Equalities Implications

- 6.1 At this stage no significant programme changes are being identified in LA returns and therefore the previous assessment of the CRSTS equalities implications would remain unchanged.

7. Inclusive Growth Implications

- 7.1 At this stage no significant programme changes are being identified in LA returns and therefore the previous assessment of the CRSTS inclusive growth implications would remain unchanged.

8. Geographical Area of Report's Implications

- 8.1 The report applies to the constituent WMCA area.

9. Schedule of Background Papers

WMCA Report – 16th June 2023