



Name of meeting: Transport Delivery Overview & Scrutiny Committee

Meeting date: 9th September 2024

Report title: Deeper Devolution: Transport implementation and emerging devolution opportunities

Portfolio Lead: Mayor of the West Midlands

Responsible Director: Anne Shaw, Executive Director, Transport for West Midlands

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Key Decision? Yes

Is the ability for the Combined Authority to make a decision internally reliant on Constituent or Non-Constituent Councils making a formal decision first?

Yes No

Public/private report: Public

Exempt by virtue of paragraph: N/A

1. Decision/s Recommended

- 1.1 Review progress on delivering against the Deeper Devolution Deal (DDD) - Transport Implementation Plan.
- 1.2 Agree to work with relevant Member Engagement Groups (MEG) in order to scrutinise the emerging opportunities from the Government's new approach to English Devolution, the forthcoming transport bills and the emerging local transport pillar priorities from the single settlement between WMCA and Government.

2. Voting Requirements

- 2.1 A majority of voting members, in attendance in the meeting room and indicating their preference, are required to vote in favour of any recommendation/proposition for it to become a decision of the committee.

3. Executive Summary

- 3.1 To update members on the Deeper Devolution Deal (DDD) - Transport Implementation Plan and opportunities arising from the Government's approach to English Devolution.

4. Matters for Consideration

- 4.1 TfWM has committed resources to develop and deliver the transport elements of the DDD and this is supported by an implementation plan. An overview of the plan was reported to this Committee on 26th February 2024.
- 4.2 TfWM continue to coordinate delivery across the combined authority, local authority partners and with Government. Oversight has been undertaken by TfWM Planning Group and Strategic Transport Officers Group (STOG). Progress is set out below:

Single Settlement

- 4.3 TfWM officers continue to work with WMCA and local authority officials to support the development of a single settlement with Government. A Single Settlement Understanding (MoU) was published at the Autumn Statement 2023¹ and ratified by WMCA Board in March 2024. Further technical annex were published at the Spring Budget 2024.²
- 4.4 As reported to WMCA Board in March 2024, the single settlement will replace many of the different funding streams through which Government devolves funds to the WMCA. The single settlement will encompass funding corresponding to the 'functional responsibilities' of Local Growth and Place, Local Transport, Adult Skills, Housing and Regeneration and Retrofit (Net Zero). The single settlement will provide greater flexibility over how these funds can be spent locally, aligned to our priorities.
- 4.5 The new Government have reconfirmed its commitment to a single settlement funding approach and indicated this will eventually be available to all Mayoral Combined Authorities. Furthermore, the Chancellor has confirmed a Budget will take place on October 30 to set departmental budgets for financial year 2025-2026. A multi-year Spending Review has been launched and will conclude in Spring 2025. This is expected to set departmental budgets for three years.

Infrastructure

- 4.6 A final revised business case to assist the delivery of Wednesbury to Brierley Hill metro was approved for submission by WMCA Board on 19th July 2024. The revised case will now be considered by DfT and Ministry of Housing, Communities and Local Government (MHCLG) to unlock the £60m funding committed through the DDD.

Transport Planning

- 4.7 A new Local Transport Plan (LTP5) is in development by WMCA; a Core Strategy was approved in February 2023, a consultation on draft Big Moves took place in Spring 2023 and work on developing the four LTP5 Area Strategies and the Implementation Plan

¹
https://assets.publishing.service.gov.uk/media/655d0945d03a8d001207fe19/Memorandum_of_Understanding_for_the_Single_Settlements_with_Greater_Manchester_and_West_Midlands_Combined_Authorities_FINAL.pdf

²
https://assets.publishing.service.gov.uk/media/65e71b503f69457ff10360e2/Annex_to_the_Memorandum_of_Understanding_for_the_Trail_blazer_Single_Settlements_with_Greater_Manchester_and_West_Midlands_Combined_Authorities.pdf

has been progressed. TDOSC received an update on progress in February 2024.

- 4.8 In parallel to the LTP5, work on progressing the Deeper Devolution Deal and the Single Settlement has seen the development of the initial Transport Functional Strategy setting out how that funding will be used to deliver the outcomes agreed with Government over the next spending period. The Functional Strategy is shaped by the LTP5.
- 4.9 At the time of the update to TDOSC in February 2024, it was anticipated that WMCA Board would be asked to approve a consultation on the draft Area Strategies and Implementation Plan in Summer 2024 with a view to full adoption of the LTP5 towards the end of the year.
- 4.10 Following the Mayoral and General Elections, there have been a number of additional decisions which have had an impact on the finalisation of the LTP5. It is now anticipated, but to be formally confirmed, that the first Single Settlement next financial year will provide a 1-year funding profile, to be followed by a multi-year profile in due course. The results of the spending review cannot be anticipated, however the significant pressures on central government budgets are likely to result in less funding available through departmental budgets and any previous indicative allocations such as CRSTS2 could be subject to change.
- 4.11 At the same time, requirement for the region to develop a Local Growth Plan, the new Mayor's independent review of the WMCA's transport capital delivery programme and the region's decision to potentially move towards bus franchising have an impact on what will be set out in the LTP5 Area Strategies and Implementation Plan.
- 4.12 Before the previous Government's 'Plan for Drivers', it was anticipated that updated Local Transport Plan (LTP) guidance was to be published. The new Government have indicated that they expect LTPs to play a key role in setting local priorities for investment and updated guidance will soon be published. The Local Growth Plans will also be expected to demonstrate a clear link to LTPs.
- 4.13 Whilst the work to be ready to consult on the final elements of the LTP is now largely complete, progressing this has been paused pending further development of the single settlement discussions and any relevant considerations which may arise from HMG's October 30th Budget. Both of these may plausibly have a material impact on pace and scale of change to the transport system that it is possible to pursue. Consequently, it is now hoped that the consultation will happen in early 2025 with final adoption of the LTP5 later in 2025.
- 4.14 Informal engagement on the draft LTP5 Area Strategies with TfWM's Keep the West Midlands Moving online community took place in June 2024. This showed that there was broad agreement that the region needed to take more difficult decisions to deliver better outcomes and that there was a need to focus on localised measures to support behaviour change rather than spending significant sums on a limited number of projects.

Bus Services

- 4.15 The previous Bus Service Operators Grant (BSOG) Governance Review and Scheme was not progressed by the previous Government during the last Parliamentary session. However, as set out in paragraphs 5.1-5.4, it is hoped that the new devolution and legislative framework will offer an opportunity to recommence this priority, especially as

the WMCA progresses the next steps of the bus franchising assessment.

Transport Innovation

- 4.16 Birmingham (NEC) was awarded ITS (Intelligent Transport System) World Congress hosting status on 16th October 2023. The contractual paperwork is expected to be signed in September 2024 and formally launched at the October 2024 ITS World Congress, hosted in Dubai.
- 4.17 TfWM are also working through the West Midlands Innovation Programme, to take forward a small-scale autonomous freight vehicles trial on the campus at Warwick University - later in 2024. The project is supporting the formation of WMCA's Logistics Cluster as identified in Plan for Growth.

Rail

- 4.18 The previous Government had reaffirmed commitment to establish Great British Railways (GBR) but legislation was not passed during the past Parliamentary session. However, the partnership between GBR and West Midlands Rail Executive (WMRE) is now well established. The two Rail bills within the King's Speech offer future opportunities for WMRE, as set out in paragraphs 5.1-5.4.

Roads

- 4.19 TfWM are awaiting a final technical options study to set out the viability of a Local Roads and Transport Network Service for the West Midlands Key Route Network (KRN). This would be something similar to the Traffic Officer Service run by National Highways. If initial viability is demonstrated, this will be subject to further detailed business case development – working with the constituent authorities, regional stakeholder and DfT.
- 4.20 TfWM and the constituent highway authorities are working together to digitise Traffic Regulation Orders (TRO's) across the West Midlands, as part of the Rules of the Road project. Digitising TRO's are now required by the Automated Vehicles Act (2024).

5. What options have been considered and what is the evidence telling us about them?

- 5.1 The new Government has set out an ambitious devolution agenda, which is central to the government's mission to boost economic growth. This will be set out in the English Devolution Bill and aims to further devolve powers and resources to strategic authorities such as the WMCA. The new Secretary of State for Transport, Louise Haigh, has also set out 5 strategic priorities, putting transport at the heart of mission-driven government.
- 5.2 The King's Speech, published on 17th July 2024, sets out the legislative priorities to support the above priorities. Bills of interest to WMCA/TfWM/WMRE include: -
- English Devolution Bill: to establish a new framework for English devolution, moving power out of Westminster and to give local leaders the tools to drive growth.
 - Better Buses Bill: to improve and grow bus services and allow local leaders to take control of local bus services.

- Passenger Railway Services (Public Ownership) Bill: to improve the railways by reforming rail franchising and bringing train operators into public ownership.
- Railways Bill: to improve the performance of the railways and establish GBR.

5.3 These Bills alongside the new Government’s key priorities will provide a revised opportunity for the WMCA to refocus the DDD Transport Implementation Plan delivery as well and where appropriate to evolve it to secure new ways to deliver a better integrated transport system for residents of the West Midlands.

5.4 WMCA are working closely with national bodies to help the Government develop the details of the further English Devolution and wider legislative programme. This includes TfWM working through Urban Transport Group (UTG).

6. Reasons for recommending preferred option

6.1 A further report will be brought back to this committee in Winter 2024/25. It is also proposed to work with relevant Member Engagement Groups (MEG) to enable detailed oversight and scrutiny and cover the WMCA’s transport priorities within a new English devolution and legislative framework, and the emerging local transport pillar priorities within the single settlement.

7. Implications and Considerations

Priority:	Contribution:
Delivery of Strategic Transport Plan	The report supports the delivery of the LTP outcomes to improve accessibility, electrify transport and reduce traffic.
Promote inclusive economic growth in every corner of the region	The report helps to enable the region to create a safer, efficient, reliable and sustainable transport system which supports our inclusive growth ambitions.
Ensure everyone has the opportunity to benefit	The report supports the delivery of the LTP outcomes to improve accessibility.
Connect our communities by delivering transport and unlocking housing and regeneration schemes	The report helps to enable the region to create a safer, efficient, reliable and sustainable transport system.
Reduce carbon emissions to net zero and enhance the environment	The report supports the delivery of the LTP outcomes to electrify the transport system, encourage more sustainable travel behaviours and reduce traffic.
Secure new powers and resources from central government	This report attempts to secure new duties and functions for WMCA and local authorities to deliver a safer, efficient, reliable and sustainable transport system which supports our ambitions around inclusive growth.
Develop our organisation and our role as a good regional partner	The report helps to support Plan for Growth - building on strengths in transport innovation

Priority:	Contribution:
	and close working with government and industry partners.

8. Internal Consultation and Scrutiny:

8.1 TfWM Planning Group – 2nd September 2024.

9. External Consultation and Scrutiny:

9.1 LA Transport Support Group - 8th August 2024.

10. Financial implications:

10.1 There are no direct financial implications or asks from this report. Any impact on WMCA funding and finances is assessed and built into medium term financial planning where appropriate. Regular updates on WMCA finances are reported to WMCA Board throughout the year, including the medium-term financial plan.

10.2 The 2025/26 financial budget process will commence in September with TDOS members having the opportunity to provide scrutiny at the Mayoral Budget Q&A session on 14th December 2024. This will form part of the draft budget report that will progress to WMCA Board in January 2025 before final budget approval in February. This will include our assessment of the Autumn budget statement and its impact on WMCA.

10.3 The financial implications of specific programmes of work such as bus reform and bus delivery options have been assessed individually and reported as part of reports to WMCA Board. This will continue to be the case as any new programmes develop.

11. Legal implications:

11.1 Responsibility for developing and reviewing the Local Transport Plan was transferred to WMCA by the West Midlands Combined Authority Order 2016 which conferred on WMCA all the functions of the former West Midlands Integrated Transport Authority.

11.2 The devolution of the statutory function of administering Bus Service Operators Grant under section 154 (1) of the Transport Act 2000 requires a statutory Order. The WMCA carried out a governance review and developed a scheme to demonstrate that the devolution of this function would improve the efficiency and effectiveness of the delivery of this service.

11.3 This scheme was approved by WMCA Board in 2023 and submitted to the Secretary of State for consideration. We are still awaiting determination and next steps. However, it is possible that these provisions may be included in the Better Buses Bill.

11.4 The other proposals set out within the report may require further legal consideration as they are progressed particularly in relation to procurement.

12. Single Assurance Framework implications:

12.1 There are no Single Assurance Framework implications arising from this report.

13. Risk implications, including Risk Appetite:

13.1 Risks are outlined in the main body of the report. Work will continue to address any risks outlined in this report.

14. Procurement Implications:

14.1 There are no procurement implications arising from this report.

15. Equality implications:

15.1 The WMCA is committed to improving diversity, equality and inclusion. As individual schemes and programmes are developed, they will be subjected to detailed Equality Impact Assessments to demonstrate and quantify the implications on our diverse communities across the West Midlands.

16. Inclusive Growth Implications:

16.1 The implementation of the Deeper Devolution Deal Transport Implementation Plan will have implications for all eight fundamentals of the West Midlands Inclusive Growth Framework. We will use the greater control over investments and powers to the region to generate inclusive and sustainable economic growth for all our residents and communities.

16.2 The continued development of the LTP and the LTP motives for change, have been heavily informed by the WMCA Inclusive Growth Framework. The LTP is of most positive relevance to the Connected Communities fundamental of this framework.

16.3 As detailed schemes and programmes are developed, full consideration of the inclusive growth implications will be made in line with the LTP and the Inclusive Growth Framework.

17. Local Authority Impact:

17.1 The report applies to the constituent WMCA area. However, devolution of commercial BSOG may have an impact of some cross-boundary bus services.

18. List of appendices referred to:

18.1 N/A.

19. Background papers used to compile this report:

19.1 WMCA Board 15/03/2024 [Devolution Update](#)

19.2 TDOSC 26/02/2024 [Deeper Devolution Deal - Transport Implementation Plan](#)

19.3 WMCA Board 13/10/2023 [Deeper Devolution Deal Ratification](#)

20. List of Other Relevant Documents