



West Midlands
Combined Authority

WMCA Board

Date	9 November 2018
Report title	Transforming Cities Fund
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Report has been considered by	Strategic Transport Officers Group

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

1. Approve the allocation of Transforming Cities Fund to the schemes set out in section 7 in line with the guidance set out by the Department for Transport.
2. Endorse the approach for managing the Transforming Cities Fund allocations as set out in section 9.

1.0 Purpose

- 1.1 This report sets out the priority listing of transport investments proposed to utilise the balance of Transforming Cities Funding.

2.0 Background

- 2.1 The Transforming Cities Fund (TCF) was announced for Mayoral Combined Authorities at the 2017 Autumn Budget. As part of the TCF, the West Midlands Combined Authority will receive capital funding of £250 million from the national fund total of £1.7 billion.

- 2.2 In the Secretary of State's letter to the Mayor of West Midlands on 12 March 2018, he stated the following:

"In establishing this fund, the Government aims to transform intra-city connectivity, supporting access to jobs across England's largest city regions and driving productivity. Investment should be focused on improving public and sustainable transport, helping to reduce congestion and improve air quality, and I encourage WMCA to consider use of new mobility systems and technology."

- 2.3 Funding will be provided over four years to 2021/22, and will be a single grant to the West Midlands. The funding profile is set out below:

2018/19	2019/20	2020/21	2021/22	Total
£18m	£57m	£74m	£101m	£250m

- 2.4 A significant proportion of the TCF is allocated to the Wednesbury Brierley Hill Metro Extension (WBHE). There is an allocation of £207m to WBHE from the £250m overall West Midlands allocation which was agreed by WMCA Board on 8 December 2017. This leaves £43m to be allocated to transport projects which meet the overall objectives of the TCF.

3.0 Impact on the Delivery of the Strategic Transport Plan

- 3.1 The impact of the contents of this report on delivery of the 15 STP Policies and/or the development/operation of:

- The National & Regional Tier
- The Metropolitan Tier: Rail and Rapid Transit Network, Key Route Network, Strategic Cycle Network
- The Local Tier
- Smart Mobility Tier

- 3.2 The policies that are supported include:

- Policy 1 - Accommodate increased travel demand by existing transport capacity and new sustainable transport capacity;
- Policy 2 - Use existing transport capacity more effectively to provide greater reliability and average speed for the movement of people and goods;
- Policy 3 - Maintain existing transport capacity more effectively to provide greater resilience and greater reliability for the movement of people and goods.

- Policy 4 - Improve connections to new economic development locations to help them flourish, primarily through sustainable transport connections
- Policy 5 – To help make economic centres attractive places where people wish to be.
- Policy 6 – To improve connections to areas of deprivation.
- Policy 8 – To improve connections to new housing development locations to help them flourish, primarily through sustainable transport connections.

4.0 Transforming Cities Fund

4.1 The TCF will provide additional capital investment for productivity enhancing programmes. It also supports the Industrial Strategy, taking a place-centric approach to delivering investment in English city regions. With the challenges of urban areas recognised, the aim of the Fund is to invest in new local transport infrastructure to boost productivity by improving public and sustainable transport connectivity. As a result, investment proposals through the TCF should be focussed on:

- Improving productivity through changes in public transport connectivity
- Evidence of impact on:
 - Congestion
 - Air quality or journey times
- Sustainable transport
- Technology

4.2 Alongside the aim of driving up public transport connectivity, the Department for Transport aims to tackle a number of key policy priorities, including improving skills and use of apprenticeships, unlocking housing and responding to issues around air quality.

4.3 These objectives are aligned to the Department's Transport Investment Strategy and as part of the Industrial Strategy.

4.4 As a result of the above guidance, the profile of the draw down, and the ability to leverage additional investment, it was agreed that the remaining TCF would be focussed on those key transport priorities which are aligned to TCF objectives.

5.0 Establishing a Priority List of Schemes

5.1 In order to review and assess schemes to be considered for the TCF, an assessment framework was developed and agreed through engagement with the Strategic Transport Officers Group. The framework was established in line with the guidance and objectives of the TCF as well as a number of local objectives.

5.2 The framework developed builds on the approach that has been used to support a range of other DfT funded programmes. These include National Productivity Investment Fund, Local Sustainable Transport Fund and Integrated Transport Block). This framework provides an objective assessment of schemes to support decision making.

5.3 The framework developed for TCF utilised the following criteria:

- Strategic alignment with Transforming Cities Fund (as set out in section 5.1 above)
- Fit with the Mayor's transport priorities
- Supports/links with key WMCA Priorities
 - Emerging Spatial Investment and Delivery Plan

- Commonwealth Games 2022 & Coventry City of Culture 2021
- Deliverability in the funding period (including spend profile)
- Stakeholder support
- Match funding
- Inclusion within 2026 delivery plan

5.4 The approach used in applying the assessment framework is as follows:

- In outline
 - Collect consistent data by scheme with short (one-page) proforma
 - Objective ranking of this data by at least two TfWM transport planners
 - Non-weighted sums – simple multi-criteria analysis
- Data collected on objectives, benefits, costs, risks
 - Data on objectives under criteria from Fund guidance and local priorities
 - Benefits data under DfT Appraisal Summary Table criteria
 - Risks criteria based on previous exercises
- Assessment organised around DfT ‘five-case’ model
 - Strategic, Economic, Management, Commercial and Financial cases
 - Highlights scheme development issues against each case as well as overall
 - Preparing ground for any future/further/other funding using the same framework

5.5 The assessment of schemes against the framework was supplemented with a challenge session with key transport officers from Local Authorities and Transport for West Midlands.

6.0 Priority Schemes

6.1 Through the application of the assessment framework and the challenge session, the following schemes are recommended to utilise the balance of TCF available.

Scheme	Promoter	Funding Allocated
Highways Investment Programme	West Midlands Local Authorities	£ 2,000,000
Birchley Island	Sandwell MBC	£ 7,430,000
Dudley Interchange	TfWM	£ 10,000,000
B4106 Spon End	Coventry City Council	£ 5,800,000
Cycling Programme	TfWM	£ 6,000,000
University Station	TfWM	£ 3,000,000
New St/High St/Victoria Sq public realm	Birmingham City Council	£ 5,000,000
Regional Transport Coordination Centre	TfWM	£ 1,500,000
Real Time Information Upgrades	TfWM	£ 2,000,000
Low Emission Bus Scheme	Coventry City Council	£ 237,000
Total		£ 42,967,000

6.2 The allocation of TCF to the priority schemes is as a contribution towards the overall cost of the schemes. Through these allocations there is the ability to lever additional funding from other sources. These include Local Enterprise Partnership and Local Authority funding contributions. The contribution of £43m through TCF enables the development and delivery of an investment of circa £100m, with £54.6m earmarked through match funding contributions.

7.0 Schemes Considered

7.1 A number of other schemes were considered as part of the assessment process but were not taken forward as priority schemes for TCF allocations. A summary is provided below:

- Solihull Station – unlikely to be delivered during the TCF funding period. Development funding has been allocated through the Strategic Outline Case from Solihull MBC for Investment Programme funding.
- WiFi at Bus Stations – did not meet all the objectives set out in the assessment framework. This could be taken forward as part of asset renewals/upgrades at Bus Stations through the capital programme.
- Bus Emissions Programme – did not meet all the objectives set out in the assessment framework.
- Coventry Ring Road Junction 1 – did not meet all the objectives set out in the assessment framework.
- Park & Ride – this did not meet all the objectives set out in the assessment framework. Further Park & Ride is to be guided by the Park & Ride strategic framework that is currently being developed.
- Bus Travel Infrastructure – did not meet all the objectives set out in the assessment framework given the elements included i.e. shelter infrastructure. Considered a business as usual activity rather than a priority investment aligned to TCF.

7.2 The non-inclusion of the schemes listed above does not suggest that they are not considered important investments across the West Midlands and further work will be undertaken to explore funding options for these.

8.0 Next Steps

8.1 Due to the devolved nature of the TCF funding, it is proposed that the priority schemes identified for TCF allocations will utilise a proportionate application of the WMCA's Assurance Framework for drawing down funding.

8.2 It is also proposed that Strategic Transport Officers Group (STOG) are given delegated authority to oversee the TCF programme including regular monitoring and reporting.

9.0 Financial Implications

9.1 This report puts forward a proposal to allocate the remaining balance of the TCF Grant to the projects itemised in section 6. The grant will be administered by the DfT and in line with devolved grants, affords the WMCA with some flexibility to distribute this funding. The grant letter specifically states:

“This funding is being provided as part of the Single Pot for the WMCA. Consequently, there will not be detailed constraints as to what it can be spent on, but the WMCA should have regard to the national objectives of the Fund”.

- 9.2 The national objectives for the fund are detailed in Section 4. Upon reviewing the proposals against these objectives, is it not considered that there would be any restrictions in relation to the fund which would prohibit WMCA allocating the funding to the schemes detailed in Section 6.
- 9.3 The first call on the £250 million TCF Grant will be an allocation of £207 million towards the Wednesbury to Brierley Hill Metro scheme. The availability of the remaining £43 million will be influenced by the utilisation of the funding by this Metro Extension and the £43 million is expected to become available for use as follows:

	2019/20	2020/21	2021/22	TOTAL
TCF Available for Other Projects	£10.70m	£18.69m	£13.61m	£43.00m

- 9.4 Any schemes to be allocated funding from the £43 million will need to fit around this funding profile or include appropriate allowances in cost to accommodate the impact of cash flow timing. This has been taken into consideration when identifying and assessing schemes.

10.0 Legal Implications

- 10.1 There are no immediate legal implications flowing from the contents of this report relating to Transforming Cities Fund. However, further legal advice will be required to ensure that legal agreements are put in place to capture funding and specification requirements for each scheme supported by the TCF.

11.0 Equalities Implications

- 11.1 All individual TfWM projects will need to be equality impact assessed at a very early design stage – equality and accessibility input and engagement will be required throughout design and construction.

12.0 Inclusive Growth Implications

- 12.1 The WMCA Board has asked for the inclusive growth implications of each board paper to be outlined in this section. We are developing a set of materials that will allow officers and partners to do this robustly, which will be reflected in WMCA Board reports from January onwards.

13.0 Geographical Area of Report's Implications

- 13.1 The report deals with schemes to be funded through the Transforming Cities Fund which are located within the Metropolitan Area, but will serve to improve connectivity across the wider WMCA through improved links on key corridors.

14.0 Other Implications

- 14.1 No implications.