

## WMCA Board

<b>Date</b>	18 March 2022
<b>Report title</b>	Sprint - A34 Walsall to Birmingham and A45 Birmingham to Airport and Solihull Phase 2 Funding Confirmation
<b>Portfolio Lead</b>	Transport - Councillor Ian Ward
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<b>Report has been considered by</b>	Sprint Programme Board Investment Board

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

#### The WMCA Board is recommended to:

- (1) Endorse the addendums to the Sprint A34 and Sprint A45 Full Business Cases which detail the second stage of delivery for 2024, including bus priority interventions, cycling and walking infrastructure, signal upgrades, shelter enhancements, ticket machines, and utility diversions.
- (2) Approve the £30.6m City Region Sustainable Transport Settlement allocation for the delivery of Phase 2 of the A34 Walsall to Birmingham Sprint scheme. Subject to Department for Transport confirmation of the City Region Sustainable Transport Settlement programme and the WMCA Section 151 Officer accepting the City Region Sustainable Transport Settlement.
- (3) Approve the £25.4m City Region Sustainable Transport Settlement allocation for the delivery of Phase 2 of the A45 Birmingham to Airport and Solihull Sprint scheme. Subject to Department for Transport confirmation of the City Region Sustainable Transport Settlement programme and the WMCA Section 151 Officer accepting the City Region Sustainable Transport Settlement.

- (4) Note that as construction and utility costs for the scheme are not yet finalised, the project team may need to flexibly manage the scope of the scheme in order to maintain the overall budget. This will be managed to ensure that the benefits are not materially affected, and appropriate change control processes are implemented.
- (5) Note the inclusion of Cycling and Walking measures within Phase 2 delivery.
- (6) Note that realising the full benefits in the business case and on-going affordability of WMCA revenue liabilities arising from the scheme are predicated on all areas pursuing the principles recently agreed in the Local Transport Plan core strategy.
- (7) Approve Delegation of Authority to Officers as set out in Section 7 of this report.
- (8) Jointly delegate to the WMCA Monitoring Officer and WMCA S151 Director of Finance the authorisation of the award of contracts to the successful tenderer for the design and build stage are entered into, subject to:
  - (a) The total cost for both A34 and A45 Phase 2 projects being within the £56m recommended budget.
  - (b) Any future revenue costs falling to the Authority can be accommodated.
  - (c) All funding agreements being signed and sealed to the satisfaction of the WMCA S151 Finance Director and WMCA Monitoring Officer.

## **1. Background**

- 1.1 The A34 Walsall to Birmingham Sprint scheme is a Bus Rapid Transit proposal enhancing the link between Walsall Town Centre, Perry Barr and Birmingham City Centre, ultimately connecting to the HS2 station at Curzon Street.
- 1.2 The A45 Birmingham to Airport and Solihull Sprint scheme is a Bus Rapid Transit proposal enhancing the link between Birmingham Airport, Solihull, and Birmingham City Centre, serving residents and businesses in Digbeth, Sheldon, and Yardley.
- 1.3 The WMCA Board approved the Full Business Cases for the Sprint A34 Walsall to Birmingham and Sprint A45 Birmingham to Airport and Solihull in February 2020. The Full Business Cases covered phase one and phase two of delivery.
- 1.4 The WMCA Board approved the budget for the phase one delivery of £87.8m in February 2020. Phase one is currently in delivery. It is on budget and on schedule to deliver prior to the Birmingham 2022 Commonwealth Games. Early benefits are already being experienced by buses in key locations.
- 1.5 In February 2020, the WMCA Board also agreed that subject to £50.3m funding for phase two being identified and allocated:
  - (a) WMCA Board approve, in principle, the delivery of phase two as contained within the Final Business Cases subject to this report.

- (b) WMCA Board will receive a further report seeking approval to the budget documenting the costs, scope, benefits and confirmed delivery profile for the schemes.
- (c) A Full Business Case to cover solely the phase two delivery aspects will not be required, subject to the total phase one and two cost, scope and benefits falling within the parameters of the Final Business Cases.

1.6 A total of £56m has been identified and allocated to phase two as part of the City Region Sustainable Transport Settlement with £30.6m for the A34 and £25.4m for the A45. The WMCA Board agreed this allocation in January 2022.

1.7 The original Full Business Cases have been revisited to ensure they reflect the latest proposals and delivery approach. Two addendums have been produced that highlight any differences from the original submission, including the justification for the cost increase from £50.3m to £56m.

## **2. Scheme benefits**

2.1 The A34 and A45 Sprint schemes will offer improved connectivity from the Black Country, through Birmingham City Centre, to Solihull and the Airport. The investment provides predictable journey times and high frequency, dependable timetables that will further stimulate growth and encourage the use of sustainable public transport. All other bus services on the Sprint corridor will be able to use the new bus lanes and the infrastructure will make all bus services operating on the A34/A45 corridor more reliable, which in turn will provide benefits to millions of public transport users in the region.

2.2 The delivery of the full Sprint route from Walsall to Solihull is important to the achievement of the regeneration of local centres on the route, and also promotes the masterplan visions for Walsall town centre and Solihull town centre. Sprint investment improves connectivity to jobs, education, healthcare, shopping and leisure along the route; with direct links to new opportunities.

2.3 The standard of the service will align with the Sprint performance and service standards.

2.4 The Phase two scheme designs have been refined with Local Highway Authority Officers to ensure the updated design incorporates feedback received during the public consultation and subsequent engagement.

2.5 Further public engagement will take place on Phase 2 proposals in summer and autumn 2022. Final design approvals will be required from each Local Cabinet in Walsall, Sandwell, Birmingham and Solihull. Work is expected to start in late 2022.

2.6 Following engagement, additional cycling and walking measures have been incorporated within the Phase 2 programme. This includes contributions to other local schemes that enhance cycling and walking on the corridor, including new segregated cycling facilities.

2.7 The schemes will deliver:

- An increase in public transport patronage. The patronage forecast and modal shift for Sprint will help reduce highway congestion.

- Improved journey times and reliability through bus priority interventions, leading to an increase in regional productivity.
- Other bus services using parts of the route will benefit from additional bus priority (such as 51, 52, 77, 424, 907, 937, X51, X12, 17, 58, 60, 72, 73, etc). In addition, several school services will also benefit
- Environmental benefits from the use of zero emission vehicles.
- Phase two also includes new toucan crossings, sections of segregated cycling, at stop cycle parking facilities, and other cycling and walking measures.

- 2.8 The overall impact of the scheme will improve access to sustainable modes, providing enhanced connectivity from residential and industrial development within the corridor.
- 2.9 The main benefit of the schemes is the improved journey times and reliability provided from 2022. The annualised patronage of the full A34 service is 4.4m. The PVB is around £101.58m following the subtraction of highway disbenefits. The Benefit Cost Ratio (BCR) of the scheme is now 2.74 with the inclusion of Wider Economic Benefits (WEBs).
- 2.10 The annualised patronage of the full A45 service is 4.6m, and over a 60-year appraisal period the PVB is £103.2m following the subtraction of highway disbenefits. The BCR of the scheme is now 2.79 with the inclusion of WEBs.
- 2.11 It was noted by the WMCA Board in February 2020 that the whole scheme benefits, in particular the WEBs, can only be achieved if both phases of Sprint are delivered.
- 2.12 The full benefits in the business case and on-going affordability of WMCA revenue liabilities arising from the scheme are predicated on all areas pursuing the principles recently agreed in the Local Transport Plan core strategy. The Local Transport Plan core strategy includes introducing demand management measures and the progressive implementation of measures which not only make public transport and cycle use more attractive, but which also make car use relatively less attractive where good alternatives such as Sprint exist.
- 2.13 The planning of Phase 2 delivery has incorporated lessons from Phase 1 delivery and benefits from the retention of the majority of the Sprint Delivery Team.
- 2.14 As noted in the previous WMCA Board Approval, the Sprint service will be operated by zero emission vehicles and the operator(s) will purchase the vehicles. The operator(s) will introduce the articulated tram-like zero emission vehicles from 2024, following completion of Phase 2 delivery. Further detail is included within the Zero Emission Bus Regional Area funding bid.
- 2.15 In addition, as part of the Enhanced Partnership Scheme that has been made for the A34/A45 corridor, new buses registered from May 2025 must be non-diesel. From May 2030, all buses on the corridor must be non-diesel. This applies to circa 200 buses, and ensures all buses on the corridor are “cleaner” as part of the Sprint investment.

### **3. Financial Implications**

- 3.1 In February 2020, the WMCA Board approved the Full Business Cases for Phase One and Phase 2 for the Sprint A34 Walsall to Birmingham and Sprint A45 Birmingham to Airport & Solihull.

- 3.2 As per section 2.5 above, the February 2020 WMCA Board also approved in principle the business cases for Phase Two, estimated at £50.3m, subject to funding being identified.
- 3.3 The costs to deliver the Sprint Phase 2 routes have been revised following input from the principal designer, commercial consultants and benefit from the Sprint early contractor involvement process designed to build expertise and accuracy into the costing process.
- 3.4 The revised cost estimate for Sprint Phase 2 has increased from £50.3m (as at February 2020) to £56m. The increase is due to a number of factors including increased inflation within the construction sector as a result of market forces, further shelter installation requirements and inclusion of additional cycling and walking measures.
- 3.5 The increase in cost from the February 2020 FBC is shown in the table below:

<b>Phase 2 Scheme Cost (£)</b>	<b>A34</b>	<b>A45</b>	<b>Total</b>
February 2020	26.8m	23.5m	50.3m
February 2022	30.6m	25.4m	56m
Variance	+3.8m	+1.9m	+5.7m

- 3.6 It is recommended that no major works contracts are entered into until the full funding package is secured to the satisfaction of the WMCA S151 Officer and WMCA Monitoring Officer.
- 3.7 In addition, prior to letting of contracts to complete Sprint Phase 2, WMCA will need to ensure that any future revenue costs falling to the Authority can be accommodated. It is expected that the revenue costs, such as shelter maintenance and provision of passenger information, will be accommodated within the existing Transport Levy budget and will need to be captured as part of the annual business planning process.
- 3.8 The City Regional Sustainable Transport Settlement Programme (CRSTS) high level business case was approved by WMCA Board in January 2022 prior to submission to DfT for their review and evaluation. This scheme was contained within that provisional list at £56m.
- 3.9 WMCA and TfWM are now in dialogue with DfT and Her Majesty's Treasury with a view to confirming a final programme. At the time of finalising this report for submission to the WMCA Board, the Government has not yet confirmed any details or response regarding the submitted CRSTS programme. The WMCA Board has been recommended to approve the WMCA Section 151 Officer accepting the CRSTS settlement, subject to DfT agreeing the CRSTS funding and business case in line with expectations, and the terms and conditions of the grant being acceptable to the WMCA Section 151 Officer. Subject to the overall programme being approved and the progression of this case through the Assurance Framework, the funding will be available to draw down.

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

- 4.1 There are no direct legal implications arising in regards to the endorsement for approval set out in (1) (see above) of this report, nor indeed in regards to the contents of this report. Legal support is being provided by the WMCA in regard to the deliverables arising in regard to the FBC.

## **5. Equalities Implications**

- 5.1 The Equalities Implications have not changed since the original Full Business Case was approved by WMCA Board.
- 5.2 No equality implications arising from this report. An Equality Impact Assessment was undertaken in early 2019 that concluded the scheme is likely to have a mainly positive impact. It will increase travel options for residents in the affected wards and improve transport connectivity, journey time and journey reliability.
- 5.3 Public Consultation took place between 22 August and 5 October 2018. This was advertised via social media channels, letters drops on the route, local authority websites, bus stop posters, and in local media articles. Additional engagement activities took place in areas where concerns were raised and has continued throughout delivery.
- 5.4 Engagement will continue throughout the delivery of Phase 2 of the project to ensure there is awareness of the impact of the scheme.

## **6. Delegations to Officers**

- 6.1 In order to manage business effectively and efficiently WMCA is recommended to delegate its powers in respect of this Programme to the TfWM Managing Director, WMCA Monitoring Officer, and WMCA Section 151 Officer to:

- Approve contracting strategies in relation to Sprint Phase 2 deliverables;
- Accept target cost Project Proposals for the projects should they fall within the approved Phase 2 allocation, and subject to a satisfactory report by the Quantity Surveyor;
- Manage the scope of Phase 2 deliverables in order to maintain the overall budget and programme vision (any significant scope changes will require WMCA Board approval in accordance with the WMCA Single Assurance Framework);
- Manage the Phase 2 allocations for the A34 and A45 Sprint schemes at a programme level to allow for flexibility in the contracting and delivery approach.
- Subject to costs being contained within the approved funding envelope, and all third party funding being confirmed, enter into contract for the services of consultants, contractors, legal and financial advisors and others as necessary to undertake delivery work on A34 and A45 Sprint schemes;
- Enter into Section 8 and Section 278 agreements with Local Highway Authorities, and other legal agreements, in respect of the Sprint deliverables;
- The purchase of any land required to undertake delivery work on A34 and A45 Sprint schemes, and transfer ownership to Local Highway Authority as necessary;
- To proceed to deliver Phase 2 of the A34 and A45 Sprint routes by the end of 2024 in line with the approvals granted in respect of this paper.

## **7. Inclusive Growth Implications**

- 7.1 The Inclusive Growth implications have not changed since the original Full Business Case was approved by WMCA Board.
- Economic Growth - businesses will be more confident to invest, remain, locate or start up in vicinity of the Sprint route.

- Business Competitiveness - businesses will have improved access to labour to enable growth, particularly in central Birmingham. The improved connectivity will provide enhanced access to labour benefitting business.
- Increased employment rate in target growth sectors – the route serves areas where there are unemployed residents. The scheme will improve access to training and employment, particularly town and city centres where growth is targeted.
- Social Impact - the new infrastructure will improve bus connectivity and will encourage travel by bus to training and employment opportunities.
- Health & Wellbeing – removal of car traffic from the congested highway network through mode shift will improve air quality and reduce barriers to travel.
- Environmental Impact - supporting and promoting greener travel solutions is a key part of the Sprint programme.

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

- 8.1 The Geographical Area has not changed since the original Full Business Case was approved by WMCA Board.
- 8.2 This report considers the A34 Walsall to Birmingham Sprint and A45 Birmingham to Airport and Solihull Sprint schemes which are located within the Metropolitan Area, but will also improve connectivity across the wider WMCA through improved links.

## **9. Other Implications**

- 9.1 No other implications are noted.

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

- 10.1 16 March 2016, Sprint Standards Document, Integrated Transport Authority
- 10.2 17 February 2017, HS2 Connectivity Package Report, WMCA Board
- 10.3 7 September 2017, Strategic Outline Case, SEP Board
- 10.4 18 February 2019, Outline Business Case, WMCA Investment Board
- 10.5 14 February 2020, Full Business Case, WMCA Board

## **11. Appendices**

Appendices: Sprint – confidential information