

Cabinet – 16 March 2016

West Midlands Strategic Transport Plan Settlement and Transport Capital Programme 2016/17

Portfolio: Councillor Adrian Andrew, Deputy Leader and Economy, Infrastructure & Development

Related portfolios: None

Service: Regeneration & Development – Strategic Transportation

Wards: All

Key decision: Yes

Forward plan: Yes

1. Summary

- 1.1. The West Midlands Strategic Transport Plan (STP) sets out the transport strategy for the metropolitan area, together with an implementation plan. This Plan was approved by the West Midlands Integrated Transport Authority (ITA) in December 2015 and will subsequently be adopted by the proposed West Midlands Combined Authority.
- 1.2. Work is ongoing to deliver the transport priorities for the Black Country Local Enterprise Partnership which are stated within the Strategic Economic Plan; this report is consistent with how the Strategic Economic Plan will be delivered and includes the two major scheme priorities in Walsall accepted by the Local Enterprise Partnership: Darlaston Strategic Development Area Access Project; and the development of a major scheme to improve traffic flow at M6 Junction 10.
- 1.3. To support the delivery of the STP in the West Midlands, the Department for Transport awards 'Integrated Transport Block' (ITB) grant funding and 'Highways Capital Maintenance Block' (HMB) funding to the ITA. The ITA then distributes this grant funding to the component metropolitan districts to be used to implement the STP in their area.
- 1.4. Since 2015/16 some ITB funding is being pooled in the Local Growth Fund (administered through the Black Country Local Enterprise Partnership) and the remainder will be channeled through the ITA. If the Council is to secure the necessary resources to deliver the agreed transport priorities for the Borough, funds allocated to Walsall Council will need to be secured through effective negotiations/bidding and delivery planning with both these bodies.

- 1.5. Walsall Council utilises the ITB funding it receives to deliver three headline work programmes: Major Scheme Development and Delivery; Strategic Transportation; and Road Safety and Active Travel. The ITA (Combined Authority from summer 2016) and Black Country Local Enterprise Partnership will hold Walsall Council to account for how this funding is utilised.
- 1.6. The report sets out the proposed ITB transport capital programme for 2016/17 based on the output of a Cabinet-approved prioritisation process. The three-year highways maintenance programme 2015-18 was approved separately at Cabinet on 18 March 2015.
- 1.7. The report also sets out key achievements delivered through the 2015/16 capital programme.

2. Recommendations

- 2.1. That Cabinet notes the West Midlands 2016/17 Block Allocations as set out at Table 1 in Section 6 of this report.
- 2.2. That Cabinet approves the Walsall Transport Capital Programme 2016/17 as set out at Table 2 in Section 6 of this report.
- 2.3. That Cabinet approves the utilisation of the Integrated Transport Block element of the grant funding for 2016/17 as described in paragraphs 6.3 to 6.8 of this report and appendices A to G, including the allocation of any slippage from 2015/16 to the 2016/17 programme.
- 2.4. That Cabinet delegate authority to the Executive Director for Economy & Environment, in consultation with the Cabinet Member for Economy, Infrastructure & Development, to manage any changes to the 2016/17 Integrated Transport Block programme allocations in order to manage the overall budget within approved limits.
- 2.5. That Cabinet delegate authority to the Executive Director for Economy & Environment, in consultation with the Cabinet Member for Economy, Infrastructure & Development, to negotiate on its behalf with the Black Country Local Enterprise Partnership, West Midlands ITA and government departments to maximise the values of future financial resources allocated to Walsall Council in pursuit of its transport priorities, including signing relevant agreements and contracts for schemes which are approved within the Walsall Transport Capital Programme 2016/17.
- 2.6. That Cabinet approve the use of the Homes and Communities Agency Technical Framework Panels 2014 – 2018 and the West Midlands Transportation Professional Services Framework to procure essential specialist services such as structural engineering or traffic modelling as necessary to ensure that delivery programmes are met. This would be utilised when the resource is not available in-house or via existing shared services

with other local authorities in line with the Council's Contract Rules and in consultation with the Council's Procurement Team.

3. Report detail

- 3.1. The Strategic Transport Plan (STP) sets out the transport strategy for the metropolitan area, together with an implementation plan, and was approved by the West Midlands Integrated Transport Authority (ITA) in December 2015. The expectation is that the STP will subsequently be adopted by the proposed West Midlands Combined Authority.
- 3.2. ITAs are designated as the 'accountable bodies' for strategic transport plans and the government funding allocated to deliver them. Integrated Transport Block (ITB) funding and Highways Capital Maintenance Block (HMB) funding is allocated to Walsall Council via the West Midlands ITA. However, from April 2015, an element of ITB has been top-sliced nationally and pooled in the Local Growth Fund. In the Black Country, this funding is administered by the Black Country Local Enterprise Partnership (LEP).
- 3.3. The ITA and the LEP monitors each District's transport capital programme to ensure that they are using funds to deliver the aims and objectives of the West Midlands STP and the Black Country Growth Deal, and that funding is used in line with government grant conditions. In response to this, the Council has prioritised its proposed 2016/17 ITB programme against STP objectives. The current year's programme was appraised and prioritised using a process previously endorsed at Cabinet in December 2012.
- 3.4. Key achievements delivered through the 2015/16 ITB and HMB capital programme, include: -
 - Improvement of the Darlaston Bus Interchange at St Lawrence Way;
 - Development of a comprehensive improvement for the Caldmore Road, with project implementation extending into 2016/17;
 - Development of a calibrated and validated micro-simulation model of the town centre ring road to help inform future development proposals;
 - Road safety schemes at Coalpool Lane/Goscote Lane; and A4124 (Sandringham Road to Bealeys Lane);
 - Ongoing development of a major scheme business case for a congestion-busting scheme at M6 Junction 10;
 - Implementation of the Darlaston Strategic Development Area Access Project, with completion achieved at two of the four project sites (Bescot/Wallows and the Brown Lion Junction);
 - Highways Maintenance Block was used for major reconstruction of 1.04 miles (1,678m) of footway and 2.3 miles (3,738m) of carriageway to the classified network (including A454 Wolverhampton Rd, A461 Lichfield Rd, A4148 Bescot Rd, A454 The Keyway).

- An additional 4.8 miles (7,641m) of carriageway has been reconstructed through DfT Challenge Funding (including A4124 Lichfield Rd, A462 St Lawrence Way, B4484 Fibbersley).
- The use of Council revenue and capital budgets facilitated some of the above schemes and specifically funded major reconstruction of 2.5 miles (4,008m) of footways and 3.9 miles (6,213m) of carriageway to the unclassified network (including Stoney Lane, Whetstone Lane, Bescot Crescent, Blay Ave, Sneyd Lane, Raven Road).
- Self assessment returns have been completed on time which will be used to assess the Council's progress with asset management. The results of this will impact on the amount of maintenance block (incentive funding) the council gets in the forthcoming 5 years).

Delivering a 2016/17 Integrated Transport Block Programme

- 3.5. Table 1 in Section 6 of the report sets out the residual transport capital funding available to the West Midlands Metropolitan Districts and Centro in 2016/17.
- 3.6. Table 2 in Section 6 of the report sets out the residual transport capital funding programme available to the Council in 2016/17.
- 3.7. The proposed split of funding as per Table 3 in Section 6 of the report will allow the Council to meet the ongoing development and implementation costs of the Darlaston Strategic Development Area Access Project (i.e. fund the necessary local contribution); support the development of future major scheme business cases to give the Council the best opportunity to attract implementation resources; and allow the Council to continue to deliver a robust road safety and active travel programme that addresses local transport needs and concerns.
- 3.8. The Strategic Transportation Team utilise their proportion of the ITB to develop and deliver 'major' and 'strategic'¹ schemes which meet the aims and objectives of the STP and bring benefit to the Walsall transportation system.
- 3.9. Determining which strategic schemes are selected for development and delivery in Walsall is based on the output of a spreadsheet-based tool which scores potential schemes against the LTP aims and objectives, therefore making the selection non-subjective. This method of prioritisation was approved at Cabinet in December 2012.
- 3.10. Appendix A sets out the proposed residual ITB programme for 2016/17, together with any confirmed complementary transport capital funding. Appendix B sets out the appraisal results for the major and strategic schemes proposed for inclusion in this programme.
- 3.11. The Road Safety and Active Travel Team use a long-standing ranking methodology to determine which schemes are delivered from their allocation

¹ 'Major schemes' have traditionally been defined as those schemes over £5m in value (although post-2015 this threshold will be removed). In this context, 'strategic schemes' are significant schemes, but below the £5m threshold e.g. large junction improvement schemes.

of the ITB. Funding for Local Safety Schemes and Active Travel Schemes will be awarded on a priority basis as set out in Appendices C to G. It will not be possible to fund all of the schemes detailed. Schemes have been prioritised and the identified reserve schemes will have first call on any resource which becomes available throughout the year. The final programme will be agreed and approved by the Executive Director for Economy & Environment in conjunction with the Cabinet Member for Economy, Infrastructure & Development.

- 3.12. The appraisal methodologies referred to above provide the Council with a strong basis to rationalise their decision-making and provide confidence to the ITA, Black Country LEP and the Department for Transport that the ITB and Growth Deal resources are being used appropriately.

Essential Specialist Services

- 3.13. As part of the development of both existing and future major transport schemes, it has been identified that essential specialist services such as structural engineering or traffic modelling are required that are not currently available in-house or via existing shared services with other local authorities. The Homes and Communities Agency has set up a wide range of technical framework panels that are available for use by its partners, including local authorities such as Walsall Council.
- 3.14. These panels have been procured through fully compliant OJEU processes, and offer a quick and efficient means to procure transport- and development-related technical services. On appointment of a Panel member, a framework contract would put in place between the Panel member and Walsall Council.
- 3.15. Any use of the panels (e.g. Multidisciplinary Panel and/or Property Panel) will be in line with the Council's Contract Rules 2010. It is proposed that use of these panels is an efficient way of procuring the necessary specialist support services to help the delivery of the Darlaston Strategic Development Area Access Project (existing major transport scheme) and future major transport schemes e.g. M6 J10.

4. Council priorities

- 4.1. The ITB funding is allocated to the Council to deliver the West Midlands STP, which supports the Council's vision to *'Improve lives and life chances for everyone who lives and works in the borough of Walsall and in so doing minimise the help that residents need from the state'*. Further, it underpins delivery against the Council's corporate priorities (September 2015), including:
- - Supporting business to thrive and supporting local people into work;
 - Improving health and well being, including independence for older people and the protection of vulnerable people;
 - Creating safe, sustainable and inclusive communities;

- Improving safeguarding, learning and the life chances for children and young people, raising aspirations;
 - Create a modern, dynamic and efficient workforce designed around what residents need.
- 4.2. Improving the safety of the transport network and the security of people using the network are important considerations in the development and delivery of transport schemes and the overall composition of the capital programme. To date Walsall Council has performed well, when compared to others nationally, in reducing the numbers and severity of accidents on the Borough's roads.
- 4.3. Environmental and safety factors are considered in the development and delivery of transport schemes. Care will be taken in the detailed design of schemes to minimise direct impacts on the local environment; where appropriate schemes will be subject to an Environmental Impact Assessment. The West Midlands STP has been subject to a Strategic Environmental Assessment.
- 4.4. As future schemes are progressed, the Council will be identifying good practice for adapting to, and mitigating the effects of, climate change and promoting environmental and economic sustainability.

5. Risk management

- 5.1. The principal risk to Walsall Council is that if the ITB funding allocated from ITA is not spent or committed within the financial year there is a risk that any under spend may be 'clawed back' or future year allocations reduced. Utilising the Cabinet-approved prioritisation process allows better management of the programme and provides accountability at a regional level for those schemes selected for development and delivery.
- 5.2. Since April 2015 approximately half of the national ITB allocation has been pooled in the Local Growth Fund by the government to enable Local Enterprise Partnerships to deliver their Strategic Economic Plans. The Black Country Growth Deal announced in July 2014 includes an allocation to implement its transport projects and programme priorities.
- 5.3. This means that the residual ITB has been reduced by approximately 50%. Paragraph 6.12 sets out the risk on staffing if grant is significantly reduced or removed in 2017/18 or beyond.
- 5.4. A further risk is that of the continued failure to increase revenue funding to support the maintenance and operating costs of capital investment. This has been a concern raised by the Department for Transport in previous years and has not been addressed due to the severe financial pressures on Council revenue budgets. It is possible that Department for Transport may reduce future capital settlements if it cannot be demonstrated that the Council has appropriate procedures and resources for future maintenance of transport assets.

- 5.5. The change in the way funding has been allocated by government and the Local Enterprise Partnerships since April 2015 is affecting our ability to deliver the priorities set by Cabinet. The Council risks losing out on resource allocations if it is not active in the role of lobbying and successfully negotiating our position. Officers of the Council will seek to secure the position of our agreed transport priorities within both the government's and the Black Country LEP's programmes, together with the appropriate funding.

6. Financial implications

- 6.1. The Department for Transport's Spending Round 2015 – Transport Implications letter dated 27 November 2015, the settlement letter of 24 July 2014, and the announcements regarding highways maintenance following the Autumn Statement 2014, set out the resources to the West Midlands authorities for 2016/17. The settlement is split into blocks and the figures are indicative, pending final settlement letters.

Table 1 – West Midlands Block Allocations 2015/16 to 2020/21

Block – Indicative Allocations	Current 2015/16 (£000s)	2016/17 (£000s)	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	2020/21 (£000s)
Integrated Transport	17,618	17,618	17,618	17,618	17,618	17,618
Highways Capital Maintenance*	16,296	14,938	14,486	13,112	13,112	13,112

*Note the indicative reduction in 2016/17 and 2017/18. The Department for Transport has introduced an incentive element from 2016/17 where local authorities will have to demonstrate sound efficiencies and asset management practices to release the difference.

- 6.2. Further to this, the ITA confirmed at its meeting on 27th January, 2016 the allocation per metropolitan district after 'top-slicing' of the ITB for West Midlands joint initiatives in 2016/17 only. Walsall Council's 2016/17 transport capital programme is set out at Table 2.

Table 2 – Walsall Transport Capital Programme 2015/16 and 2016/17

Project/Programme	Current 2015/16 (£000s)	2016/17 (£000s)
Integrated Transport Block	1,290	1,283
Highways Capital Maintenance Block	2,415	2,214
Slippage from previous year's Integrated Transport Block**	293	1,018
Slippage from previous year's Maintenance Block***	0	300
Resources available to be programmed/committed to schemes	3,998	4,815

** At the time of writing, £1.018m of ITB is expected to be carried forward. This is primarily £750k allocated to DSDA Access Project and an additional amount because of unavoidable delays impacting on scheme implementation. The final figure will not be confirmed until early in 2016/17.

*** At the time of writing, Highways Capital Maintenance Block is forecast to carry forward £300k, but the final figure will not be confirmed until early in 2016/17.

Allocation of Integrated Transport Block Funding

6.3. Walsall's ITB is split between three headline programmes: -

- Major Scheme Development and Delivery Programme (managed by Strategic Transportation Team, Economy & Environment Directorate)
- Strategic Transportation Programme (managed by Strategic Transportation Team, Economy & Environment Directorate)
- Road Safety and Active Travel Programme (managed by Transportation Forward Planning, Economy & Environment Directorate)

6.4. Cabinet agreed in December 2012 that the split between the three headline programmes will be based on the average allocation over a 5-year period (2008/9 to 2012/13), which reflects 'transport need' within the Borough.

6.5. Within the Major Scheme Programme, local delivery costs for the approved Darlaston Strategic Development Area Access Project will be guaranteed in line with the Department for Transport-endorsed business case². This type of arrangement would also be necessary if any further major transport scheme is approved in full in Walsall by the Department for Transport or Local Enterprise Partnership.

Table 3 – Current and 2016/17 ITB Allocations by Programme (excluding slippage)

	Current 2015/16 (£000s)	2016/17 (£000s)
Major Scheme Development & Delivery Programme	0	95
<i>of which reserved for Darlaston Strategic Development Area Access Project*</i>	0	0
<i>of which reserved for M6 Junction 10 Project**</i>	0	0
Strategic Transportation Programme	724	593
Road Safety & Active Travel Programme	548	565
Public Rights of Way	18	30
Total	1,290	1,283

*The Darlaston Strategic Development Area Access Project is due to complete in summer 2016 and no further ITB contribution is required.

**M6 Junction 10 is being developed using Local Growth Fund development funding, and is therefore not a call on the ITB programme in 2016/17.

² The development of major transport schemes is generally funded using ITB resources prior to any scheme approval. The majority of delivery costs come from the government's major scheme programme (which will be devolved to Local Transport Bodies from April 2015), but a proportion of delivery costs have to be contributed locally. In the case of the DSDA Access Project, this is approximately 40% of the total scheme costs, of which approximately half are resourced from ITB funding over several years.

- 6.6. It should be noted that anticipated contributions to finance the implementation of the Darlaston Strategic Development Area Access Project are no longer from 2016/17, as the project has been delivered under budget. In 2014 full and final approval was granted by the Department for Transport; and the main highways construction works commenced (advance works started in 2013/14). Construction completion is expected in spring 2016; financial completion in summer 2016.
- 6.7. Other major schemes to be developed by the Council were approved at Cabinet in September 2012, and these priorities are reflected in the 2016/17 programme.
- 6.8. Appendix A sets out the proposed overall ITB programme for 2016/17, together with any confirmed complementary transport capital funding. Appendix B sets out the appraisal results for the major and strategic schemes proposed for inclusion in this programme. Appendices C to G provide detail of how the component local safety schemes and active travel schemes have been appraised and prioritised for development and delivery within this programme.

Black Country Growth Deal Transport Programme

- 6.9. Since April 2015, government funding for major transport schemes; a proportion of ITB funding; and an element of the Local Sustainable Transport Fund has been pooled in the Local Growth Fund, which will be controlled by Local Enterprise Partnerships.
- 6.10. The introduction of the Local Growth Fund means that the residual Walsall ITB allocation for the 2016/17 financial year is considerably less than in 2014/15.
- 6.11. However, within the Black Country, the Local Growth Fund includes an allocation of £29.65m (over a 4-year period) towards the £64.5m cost of scheme implementation at M6 J10; and an additional allocation of £3.0m per annum for an 'Accessing Growth' rolling infrastructure fund to deliver smaller schemes which improve access to employment sites and strategic centres including highway efficiency improvements, sustainable transport, urban realm, transport information and interchange improvements. It is anticipated that this fund will complement the ITB budget/programme in 2016/17 by funding £1.25m regeneration site access improvements.
- 6.12. Whilst it is anticipated that ITB resources and additional Local Growth Fund resources will be available to develop and implement capital transport schemes in Walsall in 2016/17 and beyond (the former has confirmed allocations for five years for instance), there is always a small risk that this resource will not be available e.g. should a government emergency budget rescind these commitments. This would impact on staff in the Strategic Transportation Team; Road Safety Team; and Major Projects & Minor Improvements (all (Economy & Environment Directorate). If sufficient grant

funding was not made available to the Council by the Department for Transport and the Black Country Local Enterprise Partnership, relevant Council services would need to be reorganised with the risk that a small number of redundancies may ultimately be necessary.

- 6.13. If government and/or ITA increases or reduces future Integrated Transport Block allocations for Walsall Council, the allocation of resources to programmes and projects will be reviewed accordingly. Financing major scheme implementation costs in line with agreed funding profiles will have priority.

7. Legal implications

- 7.1. There are no direct legal implications as a result of this report.
- 7.2. The Council may utilise a civil engineering framework contract and the highways maintenance term contract to engage contractors to carry out work required in the implementation of the capital programme.
- 7.3. Any contractual arrangements, including entering into any framework agreements, must be procured in compliance with the Public Contracts Regulations 2006 (as amended), if applicable; and with the Council's Contract Rules. The Council's Procurement and Legal Services Teams will work with Regeneration and Development – Strategic Transportation officers to ensure that mini-tenders and call offs from any such frameworks are conducted in compliant ways and that any contracts will be validly entered into before any services are provided to the Council.
- 7.4. In its role as Highway Authority, the Council has a statutory duty to identify and implement measures to address congestion and road safety concerns on the local highway network and also to maintain it in a reasonably safe condition. LTP funding is used to address these obligations.

8. Property implications

- 8.1. There are no proposals within the report that impact on the Council's property portfolio.

9. Health and wellbeing implications

- 9.1. The Transport Capital Programme 2016/17 has been tested against the 'Marmot Objectives'. These are:-
- Giving every child the best start in life – *the programme includes measures to support travel to school by sustainable modes, which is part of a rolling programme across the Borough;*

- Enabling all children, young people and adults to maximize their capabilities and have control over their lives – *measures to promote sustainable modes help promote healthy and independent travel choices;*
- Creating fair employment and good work for all – *improved transport networks help people access employment and training opportunities;*
- Ensuring a healthy standard of living for all – *access to paid employment is facilitated by improved transport networks;*
- Creating and developing sustainable places and communities – *the programme includes active travel, public transport and road safety measures, which all support sustainable places and communities;*
- Strengthening the role and impact of ill-health prevention – *healthy travel choices, such as walking or cycling, can help prevent ill health.*

9.2. Whilst there are no proposals within the report that impact directly on health and wellbeing, the programme impacts indirectly by making sustainable travel – cycling, walking and public transport – available to all residents and stakeholders.

10. Staffing implications

- 10.1. There are no intended implications on staffing by prioritising projects in the manner described in this report. However, it should be noted that ITB funding helps support existing posts in Economy & Environment Directorate because work programmes are managed by the Strategic Transportation Team and Transportation Forward Planning Team. A significant proportion of legitimate scheme development (e.g. design and business case work) and supervision costs (i.e. managing contractors delivering improvements on behalf of the Council) are also incurred by transport planners and engineers via the Timesheet Management System.
- 10.2. As set out in Section 6 (paragraph 6.12) and Section 5 (paragraph 5.3), if future grant funding is significantly reduced or removed altogether, it will be necessary to undertake a review of the service. This could result in a small number of staff being placed at “risk” of redundancy.

11. Equality implications

- 11.1. As part of the delivery of the West Midlands STP consideration has been given to ensuring that the needs of all sections of the community are considered in transport projects. Further the West Midlands STP has been subject to an Equalities Impact Assessment.
- 11.2. The ITB capital programme will assist in improving facilities for all modes of transport; this will be led through the development of Sustainable Urban Mobility Plans, which will focus on improving access to key services and facilities such as education, job opportunities and health care facilities.

12. Consultation

- 12.1. The West Midlands STP has been the subject of wide consultation with partners and stakeholders. Major public consultation was undertaken in summer 2015 on the strategies themselves, while partners and stakeholders are consulted with respect to individual transport projects.
- 12.2. The West Midlands authorities have been commended for the comprehensive nature of involvement in developing previous STP strategies and when consulting on transport schemes.
- 12.3. Local consultation always takes place as part of individual scheme development.

Appendices

Appendix A – Walsall Council STP ITB Capital Programme 2016/17
Appendix B – Major and Strategic Scheme Appraisal Results 2016/17
Appendix C – Local Safety Scheme Ranking 2016/17
Appendix D – Promotion of Community Health and Safety 2016/17
Appendix E – Safer Routes to School Scheme Ranking 2016/17
Appendix F – Measures to Encourage Walking 2016/17
Appendix G – Measures to Encourage Cycling 2016/17

Background papers

West Midlands Strategic Transport Plan 'Movement for Growth' 2015

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