

Meeting date: July 12th 2022
Report to: CPH – Environment & Infrastructure
Decision Session



Subject/report title: City Region Sustainable Transport Settlement
Report from: Perry Wardle – Assistant Director, Growth and Development
Report author/lead contact officer: David Balme – Senior Transport Planner david.balme@solihull.gov.uk
Walter Bailey – Group Manager: Transport & Infrastructure
Commissioning wbailey@solihull.gov.uk

Wards affected:

- All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood |
 Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle |
 Lyndon | Meriden | Olton | Shirley East | Shirley South |
 Shirley West | Silhill | Smith's Wood | Saint Alphege

Public/private report: Public

Exempt by virtue of paragraph: N/A

1. Purpose of Report

- 1.1 To brief the Cabinet Member on the Solihull element of the final programme for the West Midlands City Region Sustainable Transport Settlement (CRSTS), as approved by Government, and to note the progress towards agreeing the terms and conditions for accepting the funding from Central Government.

2. Decision(s) recommended

- 2.1 The Cabinet Member is asked to:
- a) Note the content of the West Midlands City Region Sustainable Transport Settlement, particularly elements that are to be delivered within Solihull;
 - b) Delegate authority to the Director of Economy & Infrastructure, in consultation with the Cabinet Portfolio Holder – Environment & Infrastructure, to finalise arrangements and accept funding relating to the Capacity Fund element of the settlement; and
 - c) Agree to receive a further report that sets out the approach to developing and delivering Solihull elements of the City Region Sustainable Settlement programme.

3. Matters for Consideration

Background

- 3.1 The City Region Sustainable Transport Settlement (CRSTS) was announced by the Government in August 2021 as a response to the National Infrastructure Assessment, which had identified that the quality of the local transport networks across English metropolitan areas was affecting their productivity when compared to London and other city areas across the globe.
- 3.2 The Government sees CRSTS as an unprecedented level of investment in local transport networks, the aim of which is to create a more consolidated and devolved model of transport funding that delivers significant improvements for users. The Government intends that, subject to future spending reviews and the success of this programme, CRSTS settlements would be provided on a 5-yearly basis to metropolitan / city areas, the first of which will cover the period from April 2022 to March 2027.
- 3.3 The remit of CRSTS funding, as outlined by the Department for Transport (DfT), is clear and specific. Schemes should promote the use of active travel and public transport; not lead to overall increases in car use or car modal share; tackle traffic congestion; and improve air quality. To do so, schemes must:
- Drive growth through infrastructure investment,
 - Level up services towards the standards of the best, and
 - Promote modal shift from cars to public transport, walking and cycling.
- Whilst also:
- Reducing carbon and particulate emissions from transport, aligned with the UK's legal commitments, and.
 - Furthering the objectives of the national bus and cycling strategies, including ambitious bus and cycling priority measures.
- 3.4 At the request of the Department for Transport, the West Midlands Combined Authority (WMCA) submitted an ambitious, over-programmed bid to Government for consideration which totalled £1.73billion. This included £262million of funding which had previously been awarded to the region or could have been expected anyway.
- 3.5 Subsequently, Government advised in November 2021 that a sum of £1.05 billion of capital funding would be made available to the West Midlands and, at the January 2022 meeting of the West Midlands Combined Authority Board, a full Programme Business Case, including a schedule of schemes that matched the £1.05 billion allocation, was approved.
- 3.6 On 1st April 2022 the Government wrote to the West Midlands Combined Authority confirming the full funding allocation of £1.05 billion for the period from April 2022 to March 2027, albeit with a number of conditions predominantly relating to larger or more complex and innovative schemes within the programme (e.g. proposals for 'Very Light Rail').

- 3.7 The CRSTS programme includes funding for a number of schemes within Solihull, both those that are being led and will be delivered by the Council, as well as those being progressed by others. A total of £98.63m of funding is allocated for investment in Solihull, of which £79.16m relates to schemes being led by the Council (as summarised in paragraph 3.9 of this report).
- 3.8 In addition to the CRSTS capital fund, a revenue-based 'Capacity Fund' will also be made available to WMCA, the primary purpose of which is to support the development of the CRSTS capital investment programme and build longer-term local transport planning and delivery capacity within the region. In total, £16.6m of revenue funding will be provided to the region between 2022/23 and 2024/25. Officers are working closely with representatives of Transport for West Midlands, and the other six West Midlands Local Authorities, to consider and propose an appropriate apportionment of the Capacity Fund to relevant parties for future consideration and approval by WMCA Board.

Solihull Elements of CRSTS

- 3.9 The West Midlands CRSTS funding bid and subsequent work has been led by the West Midlands Combined Authority. Within the overall programme, funding allocations are provided for a number of schemes and programmes within Solihull, the majority of which will be promoted by Solihull MBC, with Transport for West Midlands responsible for promoting the remainder; as highlighted by the table below:

Scheme	Funding (£m)	Scheme Promoter
A45 / Damson Parkway Multi-modal Junction Improvements (as part of a Wider East-Birmingham / North Solihull package)	8.9	Solihull MBC
Chester Road Corridor – Segregated Cycleway and Capacity Enhancement at Chelmunds Cross.	6.8	Solihull MBC
Solihull Town Centre to Dickens Heath permanent cycle scheme	10.3	Solihull MBC
Solihull Town Centre to Knowle permanent cycle scheme	8	Solihull MBC
UKC Hub - Solihull - Dorridge bus priority route	5	Solihull MBC
Multi-modal Access to HS2 Enhancement (development work)	5	Solihull MBC
Solihull Railway Station (development work)	5	Solihull MBC
West Coast Mainline and M42 Public Transport and Active Travel bridge links to HS2 Interchange (development work)	5	Solihull MBC
Highways Maintenance & Structures Programme	19.26	Solihull MBC
'Community Liveability Programme'	5.9	Solihull MBC
Whitlock's End Rail Station - masterplanning	0.5	Transport for West Midlands
A45 Sprint Phase 2 Delivery	13.97	Transport for West Midlands
Bus Priority Cross-city Routes	5	Transport for West Midlands
Total	98.63	

- 3.10 Furthermore, the CRSTS programme includes allocations for additional workstreams that may provide further opportunities for investment in Solihull, subject to further technical work and application. Examples include the extension of the 'West Midlands On-Demand' demand responsive transport already active in the east of the borough, electric vehicle charging points and behaviour change support.

Reserve List / 'Over-programme' Schemes

- 3.11 The CRSTS programme also sets out a list of reserve schemes that have been included to cater for 'over-programming' requirements. These schemes do not have a specific funding allocation attributed to them, but they will continue to be progressed by relevant parties in the event that there is underspend within the main CRSTS programme, and unspent monies can be diverted to accommodate their delivery. Reserve / 'over-programme' schemes within Solihull include:

- Birmingham Airport to Castle Bromwich LCWIP permanent cycle scheme.

- 3.12 Furthermore, CRSTS funding is provided to support development of a number of Solihull MBC schemes within this 5-year CRSTS period, to enable delivery during the following 5-year period (as highlighted in the table at paragraph 3.9). Underspend in the current CRSTS programme may therefore give rise to opportunities to accelerate their delivery.

Match Funding

- 3.13 A condition of the Government's provision of CRSTS funding to the West Midlands is the commitment of 'local' funding as match contribution to the programme, with a minimum match contribution of 15% of the overall value of the CRSTS programme required. The overall match contribution will be monitored by Government across the CRSTS programme as a whole meaning that match can be drawn from sources across the region that sit outside the programme, as well as being attributed to individual schemes within the programme.
- 3.14 Discussions are therefore on-going with representatives of TfWM and other West Midlands Local Authorities to refine thinking regarding suitable match funding opportunities. Funding generated through schemes such as the Birmingham Clean Air Zone will cater for a significant proportion of the region's match funding, but it is likely that Section 106 (S106) and Community Infrastructure Levy (CIL) funding will also be required.
- 3.15 Opportunities for Solihull MBC to provide match funding, through S106 and CIL, will be considered and agreed as part of the scheme and business case development process.

Accessing Funding Allocations

- 3.16 Although the approved West Midlands CRSTS Programme includes funding allocations for schemes in Solihull for which the Council is the promoter, funding will be administered by the West Midlands Combined Authority through its Single Assurance Framework (SAF).

- 3.17 The SAF process requires submission to, and approval of, business cases by WMCA at relevant stages of scheme development in order to access and draw down funding to progress scheme development and, ultimately, delivery. The requirements of the SAF process are well-understood by the Council, with many Officers well practiced in securing funding from WMCA through its Devolution Deal Infrastructure Programme.

CRSTS 'Capacity Fund'

- 3.18 In addition to the capital funding referred to above, the Government has also committed to the provision of £16.6m of revenue funding to the West Midlands to support development and delivery of the CRSTS capital programme.
- 3.19 At the time of writing, apportionment of the Capacity Fund to West Midlands Authorities is yet to be agreed. The Capacity Fund will be needed not only to support the revenue requirements of Local Authorities and TfWM in developing their schemes, but also to WMCA to support the SAF process and to carry out monitoring and evaluation activities.
- 3.20 Officers are working to establish the Council's revenue requirements to support delivery of the CRSTS capital programme and are engaged with representatives of Transport for West Midlands, and the other six West Midlands Local Authorities, to consider and propose an appropriate apportionment of the Capacity Fund to relevant parties for future consideration and approval by WMCA Board.
- 3.21 The Cabinet Portfolio Holder for Environment & Infrastructure will be briefed as discussions develop and, through this report, approval is sought to delegate authority to the Director of Economy & Infrastructure and Assistant Director – Growth & Development, in consultation with the Cabinet Portfolio Holder – Environment & Infrastructure, to finalise arrangements and accept Capacity Fund funding.

Next steps

- 3.22 Officers are currently considering the workstream and resource requirements associated with developing and delivering the CRSTS schemes set out in this report. A further report, which will set out an indicative programme and approach to developing and delivering the CRSTS programme, will therefore be presented to the Cabinet Member for consideration later this year. It is intended that that report will also provide an indication of how and when transport schemes that sit outside the CRSTS programme will continue to be developed.

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

- 4.1 This report highlights that the West Midlands CRSTS Programme, as agreed by the West Midlands Combined Authority, has received funding approval from Government. Schemes included in the final CRSTS programme were identified and agreed through a collaborative regionwide approach to sifting and prioritisation, based on CRSTS requirements established by Government and the Department for Transport.
- 4.2 Although CRSTS funding is provided for the various schemes set out in this report, it should be noted that Authorities in the West Midlands can continue to apply to

additional funding sources, both for schemes that are and aren't included within the CRSTS programme, as and when these become available.

5. Reasons for recommending preferred option

- 5.1 The CRSTS funding settlement, as set out briefly in this paper, has now been agreed in principle with the Department for Transport and West Midlands Combined Authority. In developing the CRSTS bid, Officers worked closely with partners across the region to propose a preferred programme, which was closely scrutinised and approved via various WMCA governance processes.
- 5.2 The projects that have received funding cover a number of key Government transport strategy / policy areas and are those for which there is a high degree of confidence regarding potential to deliver prior to April 2027.
- 5.3 Residents and businesses will also benefit from schemes delivered in adjacent areas of the West Midlands as they travel across the conurbation.

6. Implications and Considerations

- 6.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

Priority:	Contribution:
<p>Economy:</p> <ol style="list-style-type: none"> 1. Revitalising our towns and local centres. 2. UK Central (UKC) and maximising the opportunities of HS2. 3. Increase the supply of housing, especially affordable and social housing. 	<p>Directly relating to supporting our towns and local centres by improving access to health, education, leisure, employment, retail and tourism sites within the borough.</p> <p>Bringing improved access will support steps to revive the economy from the pandemic.</p> <p>Supporting the benefits of HS2 and UK Central development plans through ensuring that people are able to travel reliably and efficiently to the new services and the new employment sites within UK Central.</p>
<p>Environment:</p> <ol style="list-style-type: none"> 4. Enhance Solihull's natural environment. 5. Improve Solihull's air quality. 6. Reduce Solihull's net carbon emissions. 	<p>The programme will mean greater travel choice for people and businesses in our borough when making travel decisions. Additional use of public transport or active travel modes will ease pollution generated by road based travel.</p> <p>Improving air quality and reducing carbon emissions through encouraging residents and visitors to travel by public transport or active travel modes rather than private car.</p>

	An improved network delivers greater choice to people and businesses in our borough.
<p>People and Communities:</p> <p>7. Take action to improve life chances in our most disadvantaged communities.</p> <p>8. Enable communities to thrive.</p> <p>9. Sustainable, quality, affordable provision for adults & children with complex needs.</p>	The aim is to invest in transport infrastructure and services provision to meet people's needs and to better serve our residents strengthening connectivity and accessibility in the Solihull Borough area and to surrounding areas. This will enable communities to thrive and allow people without cars or who are unable to drive to better access services and opportunities.

6.2 Consultation and Scrutiny:

6.2.1 Schemes included within the CRSTS programme will be subject to public consultation and consideration via relevant Council Scrutiny Boards at relevant points in their development. Indeed, in some cases these processes have already commenced (e.g. A45 / Damson Parkway Junction Improvements). Furthermore, it is understood that Government will be publishing high-level information (e.g. budget, start date and end date) on CRSTS schemes on their website for transparency and to allow public scrutiny on delivery.

6.3 Financial implications:

6.3.1 There are no direct financial implications as a result of this report. The full financial implications of the funding will be considered on a project by project basis as part of the business case development process.

6.3.2 The Council will need to draw down funding from WMCA in order to develop and deliver schemes within the CRSTS programme, but that process will be initiated through the submission of Business Cases to WMCA. As is standard practice, Business Cases will be subject to established approvals processes prior to submission, and approval will be required through the Council's democratic processes to receive funding associated with successful business case submissions.

6.3.3 Apportionment of the CRSTS Capacity Fund is yet to be determined. This report therefore seeks to delegate authority to the Director of Economy & Infrastructure and Assistant Director – Growth & Development, in consultation with the Cabinet Portfolio Holder – Environment & Infrastructure, to finalise arrangements and accept Capacity Fund funding accordingly.

6.4 Legal implications:

6.4.1 There are no legal implications as a direct result of this report.

6.5 Risk implications, including Risk Appetite:

6.5.1 The Corporate Risk Management approach has been complied with, to identify and assess the significant risks associated with this decision. For example, legislation, political and reputational risks.

6.5.2 There is a risk that costs of delivery change as a result of inflationary pressures. Furthermore, there is a risk that delivery takes longer than programmed and schemes cannot be delivered within the five-year programme covered by CRSTS (April 2022 to March 2027). In that case it is unlikely that Solihull MBC would have sole say over how any unspent funds would be used and delivery of the affected scheme(s) would be at risk. It is not clear if funds from the current five-year CRSTS can be retained for the 2027/2028 fiscal year for example.

6.5.3 Risks such as the above will be considered in detail and mitigated through the scheme development and business case process.

6.6 Equality implications:

None as a consequence of this report. Equality will be considered throughout the development and implementation of the schemes that make up the CRSTS.

6.7 Linkages to our work with the West Midlands Combined Authority (WMCA), Local Enterprise Partnership or the Birmingham & Solihull Integrated Care System (ICS):

6.7.1 As highlighted above, the CRSTS programme is a regional West Midlands transport investment programme, with funding provided by Government administered by WMCA. Funding within the CRSTS programme attributed to Solihull MBC schemes will need to be secured by the Council through the submission of relevant business cases to WMCA, that will be subject to consideration by WMCA via its Single Assurance Framework and Governance processes.

7. List of appendices referred to

7.1 Not applicable.

8. Background papers used to compile this report

8.1 None.

9. List of other relevant documents

9.1 None.