

Report title	Black Country Transport Team	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Steve Evans City Environment	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Ross Cook, City Environment	
Originating service	City Environment	
Accountable employee	Stuart Everton Tel Email	Black Country Director of Transport 01902 554097 Stuart.Everton@wolverhampton.gov.uk
Report to be/has been considered by	City Environment Leadership Team	2 March 2021

Recommendations for decision:

That Cabinet is recommended to:

1. Approve the establishment of the Black Country Transport Team.
2. Approve the Black Country Transport Collaboration Agreement and delegate authority to the Cabinet Member for Resources and Director of Governance to sign on behalf of City of Wolverhampton Council.
3. Delegate authority to Cabinet Member for Resources and the Director of Finance to enter into grant agreements and to create appropriate supplementary budgets for transport funds awarded to the Black Country Transport Team.
4. Approve that the City of Wolverhampton Council will host the Black Country Transport Team on behalf of the Four Black Country Local Authorities and provide Ancillary Services as defined in the Collaboration Agreement.

- 5 Approve that the City of Wolverhampton Council will hold and manage the Joint Commissioning Budget and act as the Lead Authority (in each case as defined in the Collaboration Agreement).
- 6 Approve that the Cabinet Member for Resources and the Director of Governance and the Cabinet Member for City Environment and the Director of City Environment have delegated authority to enter in all necessary legal agreements to give full effect to the Business Case and the Collaboration Agreement.

1.0 Purpose

- 1.1 The purpose of this report is to seek approval for the Black Country Transport Collaboration Agreement and that City of Wolverhampton Council sign the agreement alongside the three other Black Country Authorities.
- 1.2 The report sets out the background to the Black Country Transport team, the rationale behind its development and the financial and legal aspects for Cabinet to consider.

2.0 Background

- 2.1 The Black Country has a proud past and a strong future. Much private and public sector activity is currently underway to grow its economy, equip people with skills for jobs of the future, transform its centres and local environments, build new homes, achieve cleaner air, improve public health and make the Black Country a thriving, decent place for all its people.
- 2.2 The Black Country has a clear overall development strategy: The Black Country Core Strategy. This is based on steering growth to four strategic centres (Wolverhampton, Walsall, Brierley Hill and West Bromwich) and sixteen regeneration corridors, where transport improvements underpin the new growth. Overall, the Black Country's approach will create:
 - 132,000 New Jobs from 2023
 - 630,000 New Homes by 2026
 - Increased incomes to the National Average by 2033
 - An extra £17bn GVA by 2033
- 2.3 The Black Country Transport Priorities are: Motorways, Rail, Metro, Key Road Corridors and Interchanges, totalling £2.1bn. The Black Country will advocate and promote these transport priorities at all available opportunities, with all relevant stakeholders and partners to ensure that the Black Country achieves a transport system in line with the scale of its bold plans. The Black Country Joint Core Strategy is currently under review. This document will set out the plans for land use across the sub region for the next 15 years.
- 2.4 Over recent years the four Black Country Local Authorities have been identifying priority schemes to be delivered over the next ten years which will help connect the area to key opportunities emerging across the West Midlands. In doing so this will help the Black Country become an attractive place to work and live, whilst delivering transport improvements that will help bolster the local economy by enabling new homes and jobs to be created.
- 2.5 To ensure the Black Country is strongly positioned within the West Midlands Combined Authority (WMCA), capital funding is required for both the development and delivery of major transport schemes. The Black Country Local Enterprise Partnership (BCLEP) has previously provided capital funding for the development of the schemes, but this needs to

be used effectively in order to secure capital funding from the WMCA and nationally to fund the delivery of the schemes.

- 2.6 However, the BCLEP will not be able to fund the development and delivery of all schemes currently planned, therefore new funding streams (both capital and revenue) across the West Midlands and at a national level will also need to be identified.
- 2.7 Major transport schemes historically require significant development (revenue) funding allocated to them prior to securing implementation funding from the Department for Transport (DfT) for delivery. In addition, due to requirements for planning, land acquisition and stakeholder engagement, each scheme can take 3-5 years to develop and work through the necessary statutory processes before commencing on site.
- 2.8 High Speed Two (HS2) and the two train stations at Curzon Street and Interchange (Solihull) will dramatically reshape the economic landscape of the Metropolitan area including the current travel to work patterns. The Black Country stands to benefit from the economic uplift these schemes will deliver, but only by ensuring Black Country residents have fast and reliable transport solutions to make the Black Country an attractive place to live whilst working in growth hubs such as Birmingham City Centre or Solihull/UK Central.
- 2.9 Historically the Black Country Local Authorities have developed major projects and made representation at West Midlands and DfT discussions individually across various transport agendas. As resources are stretched and budgets are under pressure, there are opportunities for greater effectiveness by looking at ways in which the existing teams can work more efficiently, whilst finding new ways to provide additional capacity.
- 2.10 The Black Country Councils have sought to identify ways in which they can work more effectively, considering areas of responsibility with TfWM and Midlands Connect, by prioritising key schemes of work. Thus, ensuring that the Black Country Councils deliver on key priorities whilst also making representations at a regional and national level, whilst simultaneously seeking to utilise the existing resources in other organisations effectively to free up capacity.

3.0 Progress and Priorities

- 3.1 In 2018 The Black Country Director of Transport commissioned Arcadis to undertake a review of the Strategic Transport capabilities across the Black Country. Through this work, and detailed discussions between Regeneration Directors and Chief Executives and clear rationale and Business Case were developed demonstrating the need and benefit in establishing a new Black Country Transport Team to provide additional capacity to the four Black Country Local Authorities.
- 3.2 The new Black Country Transport Team working on behalf of the four Black Country Local Authorities and the BCLEP would deliver benefits of at least £4.3 billion from current schemes. Research generated from Arcadis in May 2018, signified that all

strategic transport teams are at full capacity and over 50% of the total pipelines remains unfunded and not resourced.

- 3.3 A new Black Country Transport Team would work dynamically developing strategies and major schemes which unlock growth and help support key agendas. Working collaboratively with key regional and national partners such as Highways England, Network Rail, Midlands Connect and DfT among others.
- 3.4 Recognising the new political landscape that has emerged over recent years with the formation of the West Midlands Combined Authority, the team will work seamlessly with TfWM to drive forward investment in key Black Country priorities. Combined, the Black Country Transport priorities amount to £2.1 billion of investment.
- 3.5 There is currently an emerging perfect storm of transport funding opportunities in the West Midlands. Through ongoing dialogue with Executive Directors and Heads of Service, all have agreed there is a need to explore new ways in which the Black Country can work more effectively on transport to maximise the opportunities.
- 3.6 The new team would be hosted by the City of Wolverhampton Council. In order for this to work financially a Collaboration Agreement is required to set out the legal and financial framework within which the team will operate.
- 3.7 The Collaboration Agreement sets out how the team will operate, governance arrangements, how the team will be financed and how risks and liabilities are dealt with. The document also sets out how disputes between parties to the agreement may be resolved.
- 3.8 The principles and Business Case for the Black Country Transport Team were approved by the Association of Black Country Authorities (ABCA) in September 2019.
- 3.9 The conclusion of the Business Case was to demonstrate that the Black Country Team would provide value for money across project development, efficiencies, resilience and create a strong pipeline of projects. The joint collaborative approach to communicating the ambitions of the Black Country would be a more powerful voice across regional discussions.

4.0 Evaluation of alternative options

- 4.1 Through the development of the Business Case and the original work undertaken by Arcadis, two alternative options were considered as follows:
- 4.2 **Do Nothing** – the Do Nothing option was to leave the existing teams operating exactly as there were prior to the review in how the transport teams operate. This option was discounted on the basis there was a clear rationale to improve the current working situation and seek to lever in a greater level of investment. Failure to improve and evolve would have resulted in a decreased level of investment.

4.3 **Merge Existing Teams together** – through the Arcadis work an option identified was to merge the four local authority Transport Teams together. Although in principle this may seek to utilise the existing personnel available, it was discounted for a number of reasons.

4.4 The merging of teams would not have added value to the existing setup, because there would be no additional personnel to assist with the increasing workload. Each of the four teams are also funded and structured in different ways, with some funded via revenue and others containing additional planning functions.

4.5 In order to meet the funding opportunities on offer, undertaking a complicated merger of teams, with The Transfer of Undertakings (Protected Employment) Regulations (TUPE) and restructure implications would have had a negative impact on the level of funding available to the Black Country. The option was discounted on time, financial and legal grounds as being too expensive and complicated.

5.0 Reasons for decision

5.1 Cabinet approval is required to the Collaboration Agreement and to it being signed on behalf of the Council alongside the three other Black Country Local Authorities.

5.2 As the City of Wolverhampton Council will be hosting the Black Country Transport Team on behalf of the other Local Authorities, the Council needs to ensure it is protected against all financial and legal risks related to hosting the team and any work undertaken.

5.3 The Collaboration Agreement binds the four local authorities together and sets out a clear framework for obtaining approval to transport projects and for working together once such approval has been obtained.

6.0 Financial implications

6.1 The new Black Country Transport Team will be funded from external funding sources. At this stage for the first four years this funding is expected to come from TfWM. However, as the team develops and wider political agendas change then it is likely that funding for the team will come from multiple sources. Indicative structure plan for the team is appended within the Collaboration Agreement.

6.2 In order for the team to be based within one local authority (City of Wolverhampton), a collaboration agreement is required as per this report to set out ways in which the four local authorities will cover the risks and costs of employing staff and commissioning work.

6.3 The new team would need to be underwritten by the four Black Country authorities to ensure any costs that cannot be recovered through funding and redundancy costs are covered equally.

- 6.4 It is intended that the team will be funded through capital grants and the costs would be allocated to the respective development budgets that are secured for key development work. At this stage it is not possible to project funding availability for the Black Country Transport Team beyond 2023. Transforming Cities Funding has only been allocated until this date. The funding has been devolved to the WMCA and profiled for spend between 2020 and 2023, although there are no specific restrictions associated with this fund.
- 6.5 Although the majority of the team's costs will be recharged to the major schemes respective capital budget, the capitalisation rate will only be around 80-85%. There will inevitably be some revenue costs associated with this team. Within the business case a worst case scenario of 70% has been assumed, to ensure all authorities can budget appropriately.
- 6.6 Approval is therefore requested for the following financial asks for each authority as follows:
- **Underwriting** - Confirmation that each authority will underwrite their share of any redundancy costs of the team should funding fall away.
 - **Joint Commissioning Budget** - Commitment to a £40,000 per annum capital contribution towards a joint commissioning budget funded from each authorities Integrated Transport Block. Required from 2021 -2022.
 - **Revenue** – provide up to £25,000 per year to cover costs that cannot be capitalised, this will be reviewed annually. For Wolverhampton this will be met from existing Transportation revenue budgets.
- 6.7 The financial implications of individual projects will be approved in line with the delegated authorities set out in the recommendations of this report, this will include funding strategies and implications of any grants awarded, along with appropriate risk share between the four local authorities. All of the above is set out within the Black Country Transport Collaboration Agreement contained within Appendix A.
[HM/05032021/P]

7.0 Legal implications

- 7.1 As contained in more detail within the Collaboration Agreement the key legal considerations are as follows:
- 7.2 That the City of Wolverhampton Council will host the Black Country Transport Team on behalf of the four Black Country Local Authorities. The four authorities will be jointly accountable for any legal implications relating to the team unless the liability arose as a result of the negligent or wilful act of one or more authorities in which case a fault based assessment may be necessary to determine proportion of liability.

7.3 That delegated authority be granted to appropriate officers to enter into all necessary legal transactions to give full effect to the Business Case and the Collaboration Agreement.

7.4 The team will follow the Governance process set out in the Collaboration Agreement.
[LMC/02032021/F]

8.0 Equalities implications

8.1 An Equality Analysis has been undertaken as part of the business case development for creation of the Black Country Transport Team.

9.0 All other Implications

9.1 There are no other implications arising as a result of the proposals.

10.0 Schedule of background papers

10.1 Contained within Appendix 1 is the Black Country Transport Collaboration Agreement

11.0 Appendices

11.1 Appendix 1 – Black Country Transport Collaboration Agreement