

## Cabinet – 12 September 2012

### Major Transport Scheme Priorities 2015 – 2019

**Portfolio:** Councillor Tom Ansell, Transport and Environment  
Councillor Adrian Andrew, Deputy Leader, Regeneration

**Service:** Regeneration – Strategic Transportation

**Wards:** All

**Key decision:** Yes

**Forward plan:** Yes

#### 1. Summary

- 1.1. The Government has recently consulted on devolving major transport scheme funding to Local Enterprise Partnerships (LEPs) from 2015. In anticipation of this, and in line with Government requirements, the Black Country LEP is drawing up plans to establish a 'Local Transport Body' and is compiling a draft major transport scheme programme for the 2015 – 2019 period.
- 1.2. Walsall Council already has several major transport scheme aspirations defined in the West Midlands Local Transport Plan (LTP); Black Country Core Strategy; and Walsall Transport Strategy. Re-confirmation of the Council's major transport scheme priorities is now required in order to inform the emerging Black Country programme.

#### 2. Recommendations

- 2.1. That Cabinet approve the major transport scheme priorities for the 2015 – 2019 period as set out at paragraph 3.18 and in more detail at **Appendix A**;
- 2.2. That Cabinet note the major transport scheme aspirations for the 2020 – 2026 period as set out at paragraph 3.21 and in more detail at **Appendix B**;
- 2.3. That Cabinet note the ongoing work and timetable for agreeing a Black Country programme of major transport schemes;
- 2.4. That Cabinet approve the use of the Homes and Communities Agency (HCA) Technical Framework Panels 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 2010 and in consultation with the Council's Procurement Team.

### **3. Report Detail**

- 3.1. Major transport schemes are currently defined by the Department for Transport (DfT) as schemes costing over £5 million. This report specifically deals with this type of large transport scheme and which of these are the Council's priorities. A subsequent report will be considered later in the year by Cabinet that will address how smaller schemes are prioritised and appraised for delivery from the Council's Integrated Transport Block (ITB) capital programme.
- 3.2. Securing funding for a +£5 million transport scheme involves scheme sponsors bidding directly to the DfT by preparing a business case document. DfT operate a 2-stage approval process (stage 1 – 'programme entry'; stage 2 – 'full approval') and all project risk (for time and cost over-runs) sits solely with the scheme sponsor post-full approval.
- 3.3. The way in which major scheme funding is administered is changing. The DfT conducted a consultation earlier in the year on devolving major scheme funding to Local Enterprise Partnerships (LEPs), which concluded in April 2012. In its response to the consultation, the Black Country LEP indicated its enthusiasm to receive this funding and make decisions about major transport investments locally.
- 3.4. It is fully expected that major scheme funding will be devolved to the Black Country LEP and indicative allocations are due to be published by the DfT in September 2012 (after the Parliamentary summer recess). In anticipation of this announcement, the BCLEP is currently identifying transport investment priorities for the next funding round (2015 – 2019) and beyond.
- 3.5. The Black Country LEP's existing transport priorities are: -
  - M5/M6 Junction Improvements
  - Access to Birmingham Airport
  - Walsall – Stourbridge Rail Freight Route
  - Highway Network Improvements
- 3.6. These are essentially a mix of projects and programmes; many individual scheme ideas can sit below these 'priorities'.
- 3.7. In order to receive devolved major scheme funding, the DfT have set out the need to establish Local Transport Bodies (LTBs) that will make project- and programme-management decisions. LTBs must submit proposals for sign-off of governance, financial management, accountability, and meeting/testing value-for-money by December 2012; and the LTB's transport scheme priorities must be identified and a robust appraisal methodology devised (and applied) by April 2013.

- 3.8. The Black Country LEP Transport Board agreed at its meeting on 20<sup>th</sup> June 2012 to develop the Board into a shadow Local Transport Body. A report detailing further how this will be achieved will be considered at its October 2012 meeting.

### **Existing Major Transport Scheme Priorities**

- 3.9. The existing Walsall Council major transport scheme priorities are set out in the following documents: -

- West Midlands Local Transport Plan 2011 – 2026 (approved at Cabinet on 13<sup>th</sup> April 2011 and Full Council on 23<sup>rd</sup> May 2011)
- Black Country Core Strategy (adopted 3<sup>rd</sup> February 2011)
- Walsall Transport Strategy 2010 – 2014 (approved at Cabinet on 13<sup>th</sup> April 2012)

- 3.10. A summary of the schemes/priorities in each document is given below.

- 3.11. The West Midlands Local Transport Plan 2011 – 2026 (LTP) sets out the transport strategy for the metropolitan area, together with a funded implementation plan for the first 10 years (2011 – 2016). The following major transport schemes are included for Walsall: -

- Darlaston Strategic Development Area Access Project (Walsall Council promoted; this project had programme entry approval confirmed in December 2011; full approval expected spring 2013)
- Black Country Rapid Transport Spine Phase 2: 5Ws (Centro promoted)
- Walsall Town Centre Interchange (Walsall Council promoted)
- M6 Junction 10 (Highways Agency promoted)
- Walsall – Stourbridge Rail Freight Route (Centro promoted)
- Walsall – Rugeley (Chase Line) Electrification (Centro promoted)
- Aldridge Rail Station (Centro promoted)

- 3.12. All of these major transport schemes are included in the Black Country Core Strategy, plus the following schemes: -

- M6 Junction 9
- Walsall – Lichfield Freight Railway
- Walsall – Wolverhampton Passenger Rail, including a new station at Willenhall

- 3.13. The Walsall Transport Strategy 2010 – 2014 has a vision to *‘provide a transport system that focuses on delivering safer roads, with improved journey times, and*

*encourages the use of sustainable travel, in order to improve the borough's air quality and the health and well-being of our people'.*

3.14. This is backed-up by five strategic objectives for the transport programme for the period 2010 – 2014. It is intended that the Walsall transport programme will: -

- Create the conditions where **public transport and general traffic can flow safely and effectively**.
- Work with our **regional/sub-regional partners** and the Black Country LEP to create the effective flow of traffic across our borders.
- Link Walsall with the national rail, road and waterways networks, with the aim of further developing **connectivity with the rest of the country**.
- Be **in step with the national transport policy** requirements, encouraging walking and cycling for shorter journeys and greater use of public transport.
- **Improve quality of life** for transport users and non-transport users, and to promote a healthy natural environment and contribute to carbon emission reduction.

3.15. The metropolitan, sub-regional (Black Country) and local strategies/priorities outlined above are clearly the starting point for any future programme of major transport priorities.

### **Emerging Black Country Programme 2015 – 2019**

3.16. The Black Country LEP Transport Board has to submit proposals for sign-off of governance, financial management, accountability, and meeting/testing value-for-money by December 2012. It must also agree a set of transport priorities by April 2013. As a result of this pressing timetable, the Board has asked officers to start drawing up an initial list of scheme ideas and a methodology for appraising and prioritising these projects.

3.17. At the same time, the 3 LEPs in the West Midlands (Black Country; Greater Birmingham & Solihull; and Coventry & Warwickshire) are exploring possible cross-LEP collaboration within the Metropolitan Area and with the neighbouring shire counties (Staffordshire; Shropshire; Herefordshire; and Warwickshire). This work is at an early stage and Centro has worked up a 'strategic package' of schemes that it sees as being critical to the future vitality of the regional economy.

3.18. The scheme ideas that these processes have generated for Walsall are very closely aligned to the West Midlands LTP; the Black Country Core Strategy; the Walsall Transport Strategy; and the Black Country LEP transport priorities. They are: -

## Highway

- M6 Junction 10 (Walsall Council/Highways Agency promoted)
- A461 (Lichfield Road) Corridor Improvements (Walsall Council promoted) – new scheme idea

## Bus

- Walsall Town Centre Interchange (Walsall Council/Centro promoted)

## Rail & Rapid Transit

- Walsall – Stourbridge Rail Freight Route (Centro/Walsall/Sandwell/Dudley promoted)
- Walsall – Rugeley (Chase Line) Electrification (Centro/Walsall/Staffordshire promoted)<sup>1</sup>
- Aldridge Electrification and Rail Station (Centro/Walsall promoted)<sup>2</sup>

3.19. These are the schemes that, based on current technical advice, are capable of being implemented in the 2015 – 2019 period (subject to the availability of scheme development resources). Further details of these schemes are included at **Appendix A**.

3.20. Re-confirmation of these Walsall major transport scheme priorities for appraisal as part of the Black Country draft programme 2015 – 2019 is now required by Cabinet.

3.21. Other schemes have been identified that, whilst important to the long-term economic success of Walsall and the Black Country, will not be capable of being implemented until the period 2020 – 2026. These include: -

- Walsall – Lichfield Freight Railway (Centro/Walsall promoted)
- Walsall – Wolverhampton Passenger Rail, including a new station at Willenhall (Centro/Walsall promoted)

3.22. Further details of these schemes are included at **Appendix B**.

3.23. It should be noted that 2 schemes previously included in priority lists have been deliberately excluded at this stage. These are: -

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<sup>1</sup> Chase Line electrification was supported in the DfT High Level Output Specification (HLOS) 2014- 2019 for the UK railway published on 16/07/12. There is a strong likelihood that this scheme will be implemented, funded by the rail industry, in this period.

<sup>2</sup> Chase Line electrification significantly improves the business case for Aldridge electrification/new station, and there would appear to be logic in implementing both electrification schemes at the same time (with Aldridge funded locally as this was not supported in HLOS).

- Black Country Rapid Transport Spine Phase 2: 5Ws – this has been excluded on the basis that its outline cost (circa £440 million at 2011 prices) makes it unaffordable;
- M6 Junction 9 – a scheme to improve the traffic signals and circulatory capacity at M6 J9 has recently been submitted to the Highways Agency 'Pinch Point Programme' for sub-£10 million schemes. A decision is expected later in the year. Hence there is no M6 J9 in the draft major scheme programme.

3.24. In addition to these +£5 million major transport schemes, the Council will still address the need for sub-£5 million transport schemes via the Integrated Transport Block capital programme – currently £1.49 million per annum. This programme is used to fund: -

- Road safety schemes
- Active travel schemes
- Lower-cost improvement schemes
- Contributions to major scheme implementation costs e.g. DSDA Access Project
- Future major scheme development work

3.25. This programme can potentially be matched with Centro resources to develop and implement public transport schemes e.g. Walsall – Birmingham Bus Rapid Transit.

3.26. It is also complemented by one-off funding streams from government, such as the Local Sustainable Transport Fund that will include traffic signal upgrades in Caldmore in 2012/13 and 2013/14. A bid has also been made to the Highways Agency Pinch Point Programme for a £0.5 million upgrade to the traffic signals at M6 Junction 9 and a response is expected later this year.

### **Next Steps/Timetable**

3.27. The Black Country LEP Transport Technical Advisory Group (essentially the LEP officer support group) is currently developing a scheme appraisal and prioritisation process in order to present a draft programme of major transport schemes to the shadow Local Transport Body in January 2013. This programme needs to be signed-off by April 2013.

3.28. In the interim, an announcement on devolved major scheme funding is expected from the DfT in September 2012, and the shadow Local Transport Body will receive a report outlining proposals for governance, financial management, accountability, and meeting/testing value-for-money in October 2012.

### **Support Services**

3.29. 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 (HCA) has set up a wide range of technical framework panels that are available for use by its Partners. These panels have been

procured through fully compliant OJEU processes, and offer a quick and efficient means to procure development-related technical services.

- 3.30. These panels are offered to HCA's Partners as part of its enabling role. Use of the panels is entirely optional and funding is not dependent on their use. It is up to the Partner to decide whether use of the HCA panels is appropriate and beneficial to them.
- 3.31. Over recent years, HCA's panels have been used by over 180 of HCA's Partners, to deliver well in excess of £100m of development related services. Users have reported significant savings in procurement time, and rates provided are extremely competitive, in many cases 10% - 20 % lower than for comparable panels or for open procurement.
- 3.32. The individual OJEU Notices, which commenced the procurement of each panel, define who can use them. The organisations named included local authorities.
- 3.33. Partners wishing to procure through HCA's panels will need to sign up to a letter of agreement with HCA. On signature of this agreement letter, they will be given access to a password accessible website that contains full information enabling them to use the panels.
- 3.34. On appointment of a Panel member, the Partner is responsible for putting in place a framework contract between the Panel member and themselves. This framework contract should be as similar as possible to the one HCA has in place between itself and the Panel member. This arrangement of parallel contracts mitigates procurement risk for Partners as far as possible. To enable this arrangement, HCA makes available their draft framework contract to Partners.
- 3.35. Any use of the panels 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 support services to help develop the DSDA Access Project (existing major transport scheme) and future major transport schemes.

#### **4. Council priorities**

- 4.1. The delivery of the West Midlands Local Transport Plan and the Walsall Transport Strategy supports the Council's vision that *'Walsall will be a great place to live, work and invest, where people can get around easily and safely'*. Further, it underpins delivery against the corporate priorities, including: -
  - Communities and Neighbourhoods – roads, public transport, walking and cycling impact upon all of Walsall's communities and neighbourhoods. Improving transport provision and providing people attractive transport choices helps support our efforts to make the Borough a better place in which to live, work and visit.
  - Economy – high-quality transport infrastructure is essential to supporting existing businesses and attracting new businesses/investment to the Borough. In turn, this sustains and improves employment opportunities for local people.

- Health and Well-Being – reducing the need to travel and the promotion of sustainable transport modes (walking and cycling) can help improve the health and well-being of our residents.

## **5. Risk management**

- 5.1. The principal risk issue that should be of concern to Walsall Council at this stage is that any risk for time overruns and/or cost escalation on major transport projects sits solely with the scheme promoter. Consequently, if the Council bids and wins major scheme funding for one or more of its transport priorities through the Black Country LEP programme, the Council will have to agree to underwrite all risk. This will only become relevant if scheme funding is secured and subsequent Cabinet reports would need to be considered if this were the case.

## **6. Financial implications**

- 6.1. To support the delivery of the West Midlands Local Transport Plan, the Department for Transport (DfT) awards 'Integrated Transport Block' (ITB) grant funding to the relevant transport authority in each locality. In the case of the West Midlands Metropolitan Area, this is the West Midlands Integrated Transport Authority, corporately known as Centro. Centro then distributes this grant funding to the component metropolitan districts (on a per capita basis) to be used to implement the LTP in their area.
- 6.2. ITB grant funding will be the principal resource available to develop major scheme business cases and contribute to any local contribution to the scheme – Government has always required at least 10% of scheme implementation costs to be funded locally. However, the Black Country LEP may seek larger local contributions – the most recent round of major scheme announcements, including 'programme entry' approval for the Darlaston SDA Access Project, demonstrated that local authorities were willing to contribute more than 10% locally in order to secure implementation resources. In the case of DSDA Access Project, the Council contribution is 20% and this has been matched by a 20% contribution from Centro.
- 6.3. By confirming the Council's major transport scheme priorities, and allowing them to be appraised as part of a Black Country programme, Cabinet is not committing any financial resources at this stage. However, Cabinet should be mindful of the need to fund development work and ultimately a local contribution should any scheme be approved for the 2015 – 2019 programme.

## **7. Legal implications**

- 7.1. There are no direct legal implications as a result of this report. Any contract used to implement a future major transport scheme, including the proposed use of the Homes and Communities Agency Technical Framework Panels, will be procured and managed in accordance with Council's Contract Rules 2010.

## **8. Property implications**

8.1. There are no proposals within the report that impact on property.

## **9. Staffing implications**

9.1. Due to the cuts introduced by Government in 2010 as part of the Comprehensive Spending Review there is a need to undertake a review of how the ITB capital programme is delivered and managed by the Regeneration and Neighbourhoods Directorates. This impacts on major scheme development and delivery because the ITB capital programme part funds scheme development work and local scheme contributions. The review will be completed in the current financial year.

## **10. Equality implications**

10.1. As part of the development of the West Midlands LTP and Walsall Transport Strategy, consideration has been given to ensuring that the needs of all sections of the community are considered in transport projects. Further, the West Midlands LTP has been subject to an Equalities Impact Assessment.

10.2. 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.

## **11. Consultation**

11.1. The West Midlands LTP and Walsall Transport Strategy have been the subject of wide consultation with partners and stakeholders. Major public consultation was undertaken in 2010/11 on the strategies themselves, while partners and stakeholders are consulted with respect to individual transport projects.

11.2. The West Midlands authorities have been commended for the comprehensive nature of involvement in developing previous LTP strategies and when consulting on transport schemes.

## **Background papers**

West Midlands Local Transport Plan 2011 – 2026

West Midlands Local Transport Plan, Implementation Plan 2011 – 2016

Black Country Core Strategy

Walsall Transport Strategy 2010 - 2014

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12 September 2012

## Proposed Major Transport Scheme Priorities 2015 – 2019

### Part A: Council-Promoted (Highway and Bus) Schemes

#### 1. M6 J10

**Project Description** – There are current and future capacity concerns at M6 Junction 10 and these will inevitably become more apparent with the anticipated developments in the Darlaston Enterprise Zone. The ‘strategic highway’ (motorway) is prioritised over local roads by the traffic signal control centre, which will exacerbate queues on the Black Country Route, Wolverhampton Road and other local roads in the future. Extra capacity is required to accommodate for traffic growth.

**Cost:** Circa £25m (at concept stage; funded by devolved DfT resources)  
**Project partners:** Walsall Council; Highways Agency  
**Earliest start date:** 2015 (if technical/development work is funded and starts in 2012)

#### 2. Walsall Town Centre Interchange

**Project Description** – Walsall Town Centre Interchange will be the main public transport hub in Walsall. It will be located on the south or west of the town centre and will replace the heavily congested Bradford Place interchange, whilst complementing St Paul’s Bus Station on the other side of town. It will be a fully integrated transport facility including a bus station plus inter-urban coach services, taxi rank and private car drop-off/pick-up facilities. The interchange will be within easy walking distance of the town’s shops, offices and leisure facilities. The scheme will provide direct impact and investment to the continuing regeneration of Walsall.

**Cost:** Circa £14m (at concept stage; funded by devolved DfT resources)  
**Project partners:** Walsall Council; Centro  
**Earliest start date:** 2015 (if technical/development work is funded and starts in 2012)

#### 3. A461 (Lichfield Road) Corridor Improvements

**Project Description** – Junction improvements along this strategic corridor, including at the Mellish Road roundabout; Rushall traffic signalised junction; Salters Road traffic signalised junction; and Shire Oak traffic signalised junction. Car parking; pedestrian crossing points; and bus stops/shelters will also be improved.

**Cost:** Circa £10m (at concept stage; funded by devolved DfT resources)  
**Project partners:** Walsall Council; Centro  
**Earliest start date:** 2015 (if technical/development work is funded and starts in 2012)

#### 4. Chase Line (Walsall – Rugeley) Electrification

**Project Description** – The passenger rail service that currently runs on the Chase Line is being reduced as London Midland scales back this mixed-use route of electric and diesel trains. This scheme would see an improved and faster service offered with cleaner rolling stock and lower operating costs, and could encourage London Midland to invest in a more frequent service, and help facilitate NW England – Walsall – London direct services.

**Cost:** £30m (funded by the rail industry)

**Project partners:** Centro; Network Rail

**Earliest start date:** 2014

#### 5. Aldridge Station, Electrification and Passenger Service

**Project Description** – A new station at Aldridge; electrification of the line from Walsall; and a new passenger service to Birmingham via Walsall Station. This would provide an attractive, alternative means of travel to Birmingham city centre for Aldridge residents.

**Cost:** £20m (funded by the rail industry)

**Project partners:** Centro; Network Rail

**Earliest start date:** 2014

#### 6. Walsall – Stourbridge Rail Freight Line

**Project Description** – The scheme is to reinstate the (currently mothballed) line for freight services to offer an alternative route through the West Midlands and into the Black Country to going via the Lickey Incline and through the heavily congested central Birmingham network. Following reinstatement for freight, passenger services could potentially be reinstated along parts of the line which would act as a spine link through the Black Country.

**Cost:** £98m (funded by the rail industry)

**Project partners:** Centro; Network Rail

**Earliest start date:** 2015

**Proposed Major Transport Scheme Priorities 2020 – 2026****1. Walsall to Wolverhampton Line Enhancements and New Stations**

**Project Description** – Reinstated and improved 2 trains per hour service on the Walsall to Wolverhampton line, including new stations at Willenhall and Darlaston (James Bridge).

**Cost:** £30m (funded by the rail industry)

**Project partners:** Centro; Network Rail

**Earliest start date:** 2020

**2. Walsall – Lichfield Freight Railway (Centro/Walsall promoted)**

**Project Description** – The scheme is to reinstate the line for freight services. Combined with the reopening of the Stourbridge to Walsall section (see 2014 – 2019 schemes), this line would offer an attractive cross-country freight route avoiding the central Birmingham area. Following reinstatement for freight, passenger services could potentially be reinstated on the Walsall – Brownhills section of this line.

**Cost:** £85m (funded by the rail industry)

**Project partners:** Centro; Network Rail

**Earliest start date:** 2020