

# Report to Cabinet

12 March 2025

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| <b>Subject:</b>         | City Region Sustainable Transport Settlement Update and Local Transport Capital Programme 2025/26  |
| <b>Cabinet Member:</b>  | Cllr Peter Hughes<br>Cabinet Member for Regeneration & Infrastructure<br>Cllr Keith Allcock<br>Cabinet Member for Environment & Highways   |
| <b>Director:</b>        | Executive Director – Place<br>Alan Lunt<br>Executive Director – Finance & Transformation<br>Alex Thompson  |
| <b>Key Decision:</b>    | Yes<br><b>Type (b)</b> - an executive decision which is likely to result in the Council incurring expenditure, the making of savings or the generation of income amounting to:<br>- £250,000 or more where the service area budget exceeds £10m;<br>- £100,000 or more where the service area budget is less than £10m;<br><b>Type (c)</b> - an executive decision which is likely to be significant in terms of its effect on communities living or working in an area comprising two or more wards of the Borough. |
| <b>Contact Officer:</b> | Strategic Planning & Transportation Manager<br>Andy Miller<br><a href="mailto:andy_miller@sandwell.gov.uk">andy_miller@sandwell.gov.uk</a><br>Interim Assistant Director – Highways Services<br>Mervyn Bartlett<br><a href="mailto:mervyn_bartlett@sandwell.gov.uk">mervyn_bartlett@sandwell.gov.uk</a>  |

# 1 Recommendations

For the reasons set out in the report, it is recommended that Cabinet:

- 1.1 notes the update in relation to the City Region Sustainable Transport Settlement (CRSTS) 2022/27 for the period April 2024 to March 2025.
- 1.2 approves the following programme of minor works, highways, bridges and street lighting maintenance for 2025/26 to be funded through the Local Network Improvement Plan and Maintenance Block allocations as ratified at WMCA Board on 10 January 2025:

| <b>Minor Works Programme</b> | <b>Funds 2025/26<br/>£</b> |
|------------------------------|----------------------------|
| Major Schemes Development    | 140,000                    |
| Road Safety                  | 620,000                    |
| Decarbonising Transport      | 300,000                    |
| Demand Management            | 120,000                    |
| Traffic Calming              | 200,000                    |
| Major Route Signing          | 70,000                     |
| Named Schemes Over £250k.    | 347,900                    |
| <b>Total</b>                 | <b>1,797,900</b>           |

| <b>Maintenance Programme</b> | <b>Funds 2025/26<br/>£</b> |
|------------------------------|----------------------------|
| Carriageway Maintenance      | £3,247,654                 |
| Footway Maintenance          | £1,590,859                 |
| Bridges                      | £708,168                   |
| Street Lighting              | £889,563                   |
| <b>Total</b>                 | <b>£6,436,544</b>          |

# 2 Reasons for Recommendations

- 2.1 This report updates Cabinet on the City Regional Sustainable Transport Settlement programme for the West Midlands as approved by WMCA Board on 14 January 2022 and in particular those projects that are either located in Sandwell or have significant implications for the borough.

2.2 The block allocations for Local Network Improvement and Maintenance included in the CRSTS programme comprise the majority of the Council's capital programme of minor works, highway and bridge maintenance for financial year 2025/26 and the following year of the settlement period. These allocations were confirmed at WMCA Board on 10<sup>th</sup> January 2025.

2.3 Approval is sought to the programme of works outlined in the recommendations. Details of individual schemes will be reported back to the appropriate Cabinet Member(s) for approval in due course.

### 3 How does this deliver objectives of the Council Plan?

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| Living in Sandwell           | <p>Successful communities need access to jobs, services, and facilities, both within and beyond the Borough's boundaries, to enable them to remain healthy and vibrant. The highway network is an important enabler of this.</p> <p>Both new and existing residential developments rely on good quality access and links to shops, services, and leisure facilities in order for them to be successful.</p> <p>Local Transport Settlement funding is the principal method by which the network is improved and maintained.</p> |
| Thriving Economy in Sandwell | The provision of a high-quality, well-maintained highway network will reduce journey times and improve journey reliability for Sandwell business who rely on it to connect to their suppliers and customers.   |
| Healthy in Sandwell          | The Local Transport Settlement contributes to safe and efficient roads for local people and visitors, and to the health benefits of sustainable active travel.   |
| One Council One Team         | The CRSTS allocations, including LNIP and Maintenance Block are the principal source of funding for transport improvements. The projects they fund constitute much of the core activities of the Transportation Planning and Highway Network   |

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|  | Development teams. However, the resultant infrastructure supports and enables the Council's wider regeneration programme around new homes, job creation/retention and the provision of services and facilities for the borough's residents. |
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## 4 Context and Key Issues

### City Region Sustainable Transport Settlement (CRSTS)

4.1 The City Region Sustainable Transport Settlement (CRSTS) is a five-year capital settlement to enable the city regions to achieve their ambitions in terms of transport investment. The fund is overseen by the Department for Transport (DfT) and in the West Midlands it aligns with emerging Local Transport Plan 5 (LTP5). CRSTS commenced in 2022-23 with £8.9m previously allocated to the West Midlands in 2021-22 to assist with preparation and delivery of the settlement.

4.2 CRSTS is the main source of transport capital funding for local transport schemes with a scheme cost of £50m or less. CRSTS draws together under one heading, a number of transport funding streams including:

- the final year of the (already allocated) Transforming Cities Fund (TCF);
- the Integrated Transport Block (ITB) and;
- Highways Maintenance Block (HMB).

For the time being, the Active Travel Fund (ATF), which covers walking and cycling investment, remains separate.

4.3 The projects included in the programme bid were developed and set out in line with the priority outcomes set out by the previous Government.

These were:

- Growth and Productivity
- Levelling up
- Decarbonisation

In addition, at that time the Government required that projects should, wherever feasible, deliver clear benefits for cycling, walking and public transport, prioritising these modes over the private car.

Following the 2024 General Election, the Secretary of State for Transport set out the new government's transport priorities. They include:

- improving performance on the railways and driving forward rail reform.
- improving bus services and growing usage across the country.
- transforming infrastructure to work for the whole country, promoting social mobility and tackling regional inequality.
- delivering greener transport.
- better integrating transport networks.

The projects included in the CRSTS programme match with these priorities, and therefore no anticipated shift in emphasis is expected during the current CRSTS round.

4.4 Government announced allocations to Local Authorities and Mayoral Combined Authorities in April 2022. This confirmed the previously announced provisional allocation of £1.05bn. Decision making on the projects included in the submitted programmes is devolved to WMCA, with the exception of a small number of projects (none in Sandwell) in which DfT retains a role.

4.5 The approved CRSTS programme includes the following projects which are, either wholly or partially, located in Sandwell:

| <b>Project</b>  | <b>Allocation</b> |
|---|-------------------|
| A34/A45 SPRINT Corridor (Phase 2)   | £56.60m           |
| A4123 Walk, Cycle and Bus Corridor  | £29.00m           |
| A461 Walk, Cycle and Bus Corridor, Sandwell                               | £12.00m           |
| Black Country ULEV Charging Scheme  | £ 7.00m           |
| Dudley Port Integrated Transport Hub (Phase 1 & 2)                        | £ 2.40m           |
| Local Cycling & Walking Infrastructure Plan (Black Country Package)       | £ 8.00m           |
| Smethwick to Birmingham Inclusive Growth Corridor Transport Package       | £19.00m           |
| Wednesbury to Brierley Hill Metro Extension (Sustainable Access Measures) | £16.00m           |
| West Midlands Metro Line 1 Upgrades                                       | £30.00m           |

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| West Midlands Metro Wednesbury Depot Expansion | £37.90m        |
| West Midlands Metro Traction Power (Phase 2)   | £12.60m        |
| <b>Total</b>                                   | <b>£230.5m</b> |

The projects support not only the WMCA objectives, but also the regeneration priorities of the recently submitted Sandwell Local Plan and Sandwell's Economic Recovery & Regeneration Strategy. Over the five years of the CRSTS programme, these projects represent over £230m of investment with impacts on the transport network Sandwell. Where schemes cross local authority boundaries, it is difficult to quantify the level of investment directly on the network within Sandwell, but it is estimated that this will be in the region of £130m.

4.6 Appendix 1 contains details of these projects, the current stage of each project, and their provisional programmes. TfWM is progressing the Metro, Rail, Cross City Bus, and Sprint projects with support from Sandwell officers, where appropriate. Since the CRSTS programme was confirmed in April 2022, Sandwell officers along with Black Country Transport (BCT) have progressed the following:

| Project   | Current Stage  | Next steps  |
|---|--|---|
| A461 Walk, Cycle & Bus Corridor                                   | Outline Business Case (OBC) was approved by WMCA in August 2024. 1 <sup>st</sup> Phase (funded through the Active travel Fund) was completed in Autumn 2024. | FBC commissioned with a submission target of May 2025. Subject to FBC approval by WMCA, the main phase of construction anticipated to begin in late Summer 2025.  |
| A4123 Walk, Cycle & Bus Corridor                                  | Outline Business Case submitted January 2025. Awaiting WMCA sign-off.  | The FBC is scheduled for Autumn 2025. Detailed design will take place between now and FBC submission.   |
| Smethwick to Birmingham Inclusive Growth Corridor                 | SOBC approved by WMCA in December 2023. OBC submitted to WMCA in January 2025.   | FBC in preparation with target submission date of October 2025. Detailed design underway, due for completion in Summer 2025. CPO drawings being prepared. Cabinet approval required for land acquisition. |
| Wednesbury to Brierley Hill Extension Sustainable Access Measures | Initial OBC approved by WMCA in July 2022, but update requested. This was submitted Autumn 2024 and approved by WMCA.  | CRSTS funding has been released enabling the early delivery of some elements of the project during 2024. The remaining elements require Full Business Case (FBC)  |

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|                             |  | approval, which is scheduled for May 2025.         |
| LCWIP Black Country Package | Following discussions with WMCA SAF Team, it has been agreed that this can now be dealt with through a 'Programme Business Case' | Programme Business Case scheduled for Autumn 2025. |

- 4.7 Following initial approval, some projects have had to be re-scoped due to higher than foreseen construction inflation. In addition, projects have generally taken longer than expected to navigate through the approvals and WMCA Single Assurance Framework resulting in delays in both the submission and approval of business cases. However, all of the projects listed are currently forecast to be delivered during the current CRSTS settlement period which ends on 31 March 2027.
- 4.8 As part of the 2023 Spring Budget, the then Chancellor of the Exchequer announced that a further £8.8bn would be available nationally for a second round of funding (CRSTS2) covering five years from April 2027. The allocation for the WMCA is yet to be confirmed by the new Government. In recognition of the impact of inflation on scheme costs, and difficulties experienced with delivery on some projects nationally, DfT also gave those authorities in receipt of CRSTS funding a 'one off' opportunity to re-base their programmes in September 2023. WMCA took advantage of this opportunity by introducing an element of over-programming that anticipates a CRSTS2 allocation of a similar order to that received for the period 2022-27.
- 4.9 In October 2023, following the Government's decision to abandon the northern leg of HS2, a further £250m was allocated to the WMCA area for projects to ensure 'network stability' over the next five years. The majority of this funding will be allocated to existing major projects to cover identified funding gaps. However, maintenance of the network is also a key area identified for this funding. Sandwell received £509,000 in 2024-25 for local highways maintenance, particularly for the resurfacing of carriageways, cycleways, and footways to prevent potholes and other road defects from occurring, as well as tackling other asset management priorities, such as keeping local bridges and other highway structures open and safe. In the Autumn budget the Government announced an additional £500m funding

for Highway Maintenance. The anticipated allocation that Sandwell will receive from this funding in 2025-26 is £1,695,244.

4.10 As part of the 'trailblazer' deeper devolution deal, announced in March 2023, between the Government and the WMCA, future CRSTS funding will form part of a single settlement agreement.

### **Assurance, Governance and Monitoring**

4.11 The CRSTS fund is operated through, and is fully compliant with, the WMCA Single Assurance Framework (SAF). A business case will be required for each scheme within the programme (see Appendix 1 for progress on these).

4.12 The WMCA SAF is augmented by requirements for additional transport information. This is to ensure compliance with the CRSTS funding objectives, and to provide additional assurance regarding the ability to make the right interventions, at the delivery pace required, over the five-year programme. Each scheme needs to demonstrate as appropriate:

- Alignment with Local Transport Plan and national CRSTS funding objectives.
- Direct benefits to cycling and active travel and compliance with DfT's formal LTN1/20 guidance.
- Direct benefit to public transport and in particular bus travel.
- Support measures for behaviour change, road safety and network resilience.

4.13 All the above requirements form part of the production of individual scheme business cases and will be considered as schemes progress through the WMCA SAF Governance.

4.14 Two key elements of the CRSTS programme have already been taken through a simplified, 'en-bloc' approval process by WMCA. These are the Local Network Improvement Plans and Highway Maintenance Block, which are discussed below.

4.15 The CRSTS approach and guidance from Government places considerable emphasis on public transparency over delivery; on regional



accountability for the delivery; and on project and programme outcomes. There is clear direction that any lack of delivery pace and programme content could adversely impact funding during the latter part of the programme and in subsequent delivery periods. To help manage this, WMCA has established a number of monitoring and governance mechanisms:

- **Monthly Officer review** by the existing Strategic Transport Officers Group (comprising the senior Transport Directors from TfWM and the LHAs) to consider updates on delivery, risks, and exceptions from each delivery body.
- **Quarterly Formal reporting** by each delivery body covering spend, delivery, risk, and programme updates for each scheme which it is the promoter for. This will be compiled in a summary report for formal consideration through the WMCA governance. This reporting will also be shared with the Mayoral Office.
- **Annual Formal WMCA Board reporting:** An annual CRSTS progress and programme monitoring report will be prepared and submitted for consideration.

### **Funding Allocations to Sandwell for Local Transport and Highways Maintenance**

4.16 As set out in paragraph 4.2 above, since April 2022, the funding that was previously allocated to Integrated Transport Block has been absorbed into the CRSTS. As part of the overall programme, an allowance of £107.5m has been made for Local Network Improvement Plans (LNIPs), which are a direct replacement for ITB, providing £21.5m per annum. This funding is allocated to TfWM and the seven LAs on the same basis as had previously been used for ITB. It represents a 21% uplift on the allocations received in the period 2015/16 to 2021/22 but in reality, when inflation is allowed for, does not restore funding to 2015 levels. As the figure is fixed until 2026/27, there will continue to be a year-on-year reduction in spending power.

4.17 Sandwell's per-capita allocation amounts to £1.798m per annum (subject to annual WMCA Board ratification) and this is proposed to be allocated to individual programme categories as set out in the recommendations. These are mostly self-explanatory. However, it should be noted that the

'Decarbonising Transport' category includes funding for small scale measures to assist walking, cycling and transport innovation such as micro-mobility. Many projects covered by the other categories will include provision for cyclists and pedestrians and those with impaired mobility. The allocation to the 'Decarbonising Transport' category is used to fund projects specifically aimed at these areas of work.

- 4.18 Since LNIP replaced IT Block a larger proportion of the increased available funding has been allocated to the road safety and traffic calming categories. This is in recognition of the statutory duty under Section 39 of the Road Traffic Act 1988 to investigate the causes of accidents and to take such measures as appear to be appropriate to prevent those accidents. This is also in line with member priorities.
- 4.19 Where necessary, details of individual schemes will be reported for approval to the Cabinet Member for Environment & Highways. The 'Named Schemes Over £250,000' category is intended to fund larger local projects such as junction improvements. Details of such schemes will be reported individually, as appropriate.
- 4.20 With regards to assurance processes, a light-touch approach is required for this to reflect the typically low complexity/low risk projects, and often reactive nature of the works undertaken under this funding. A single WMCA SAF application has been processed by TfWM for the full £107.5m five-year allocation, allowing it to be released in annual grants to each constituent LHA. A signed declaration is required by each LA's s151 Officer, alongside a simple funding agreement setting out delivery reporting requirements. These include basic quarterly financial returns, and a short annual monitoring report using a standardised format. This sets out what has been delivered, supported by a small number of case studies showing how delivery aligns to Local Transport Plan and CRSTS funding objectives, as well as proposed delivery for the next period. These are then compiled to form a regional view as part of the overall CRSTS monitoring and reporting.
- 4.21 As with ITB, Highways Maintenance Block funding now forms part of CRSTS, having previously been allocated to LHA's on a combination of needs-based formula and challenge/incentive bases. £120.4m of funding

is allocated for delivery through the local highway authorities which annually represents an 18% uplift on the 2021/22 figure.

- 4.22 Each LHA leads on procurement in line with Public Sector Procurement Guidelines. As per DfT guidance, a quarterly monitoring report is required from each LHA setting out how the funding has been spent, and how the condition of the network has improved. These will also be compiled to form a regional view as part of the overall CRSTS monitoring and reporting.
- 4.23 From 2022/23, and for the subsequent years of the spending period, Sandwell receives a CRSTS allocation for maintenance of £4.741m, subject to annual WMCA Board ratification. The 2025/26 allocations were ratified at WMCA Board on 10 January 2025.
- 4.24 The allocation for highway maintenance constitutes the Councils primary funding to maintain carriageways, footways, bridges and streetlighting across the Borough. Prior to March 2022, highways maintenance funding was made up from highway maintenance block, incentive elements and pothole funding as detailed in the table below. The Government does periodically allocate additional funding over and above the CRSTS allocation and in 2024/25 Sandwell received an additional £0.509m for pothole repairs from 'Network North' funding.
- 4.25 The overall figure for 2024/25 is around 12% lower than was available in 2023/24. This is a result of there not being an additional pothole allocation in 2024/25. The anticipated figure for 2025/26, following the announcement of an additional £500M for highway Maintenance with the Autumn Statement, represents an increase of 22%.
- 4.26 Sandwell's overall local transport allocations for 2022/23 through to 2025/26, including any additional allocations for maintenance, are shown in the table below along with the previous two years' allocations under the old Integrated Transport Block funding regime for comparison purposes.

| Sandwell Allocation                | 2020/21   | 2021/22   | 2022/23   | 2023/24   | 2024/25   | 2025/26   |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| ITB/Local Network Improvement Plan | 1,476,000 | 1,486,000 | 1,797,900 | 1,797,900 | 1,797,900 | 1,797,900 |

|   |                  |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| Maintenance Block - Needs-based         | 2,582,000        | 1,781,000        | N/A              | N/A              | N/A              | N/A              |
| Maintenance - Incentive Fund Allocation | 538,000          | 445,000          | N/A              | N/A              | N/A              | N/A              |
| Maintenance - Challenge Fund Allocation | 2,134,000        | 0                | N/A              | N/A              | N/A              | N/A              |
| Maintenance – Pothole Action Fund       | 159,000          | 1,780,000        | N/A              | 712,000          |                  | N/A              |
| Maintenance – Network North             | N/A              | N/A              | N/A              | 509,000          | 509,000          | 1,695,244        |
| CRSTS Maintenance Block Funding         | N/A              | N/A              | 4,741,300        | 4,741,300        | 4,741,300        | 4,741,300        |
| <b>Maintenance Total</b>                | <b>5,413,000</b> | <b>4,006,000</b> | <b>4,741,300</b> | <b>5,962,300</b> | <b>5,250,300</b> | <b>6,436,544</b> |

## 5

### Alternative Options

- 5.1 With regards to the Local Network Improvement Plan, the proportion allocated to each of the individual block headings is the same as for 2024/25. It is also broadly in line with ITB allocations in the preceding years, but with a larger proportion of the increased funding being allocated to the road safety and traffic calming categories, to reflect member priorities. The option exists to allocate more funding to some headings and less to others. It also remains possible to alter the allocations 'in year', should circumstances require it. However, the use of this funding is reported to, and monitored by, WMCA and therefore should reflect the priorities outlined by Government through the CRSTS guidance, and by WMCA through the Local Transport Plan.

## 6 Implications

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| <b>Resources:</b> | <p>These are principally contained within the body of the report. Both the LNIP and Maintenance Block allocations are exclusively spent on works within Highways maintainable at public expense. Local Transport Settlement allocations will help deliver the aims and objectives as set out in the Highway Asset Management Policy, Strategy and Plan.</p> <p>The spend set out at para 1.2 is included in the Capital Programme for 2025/26.</p> |
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| <p><b>Legal and Governance:</b></p> | <p>The proposed scope of works covered under this report are in furtherance of the City Region Sustainable Transport Settlement (CRSTS) and had figured in reports presented before and approved by the West Midlands Combined Authority on 14<sup>th</sup> January 2022. Since the CRSTS programme was confirmed in April 2022, Sandwell officers along with the joint Black Country Transport Team (BCT) have progressed the relevant projects to achieve the desired outcomes.</p> <p>The fund is overseen by the Department for Transport (DfT) and in the West Midlands it aligns with emerging Local Transport Plan 5 (LTP5). CRSTS commenced in the 2022-23 financial year. The projects are aligned with the identified local priorities, but they also align with the new Government's transport priorities as outlined by the Secretary of state for transport in July 2024.</p> <p>Cabinet has appropriate legal capacity to approve the programme of minor works, highways, bridges and street lighting maintenance for 2025/26 included in the report to be funded through the Local Network Improvement Plan and Maintenance Block allocations that were ratified at WMCA Board on 10<sup>th</sup> January 2025.</p> |
| <p><b>Risk:</b></p>                 | <p>There are no direct risk implications resulting from the course of action recommended in this report.</p> <p>Individual projects within the programme will be assessed for risk in line with the Council policies as part of their approval process.</p>  |
| <p><b>Equality:</b></p>             | <p>The financial allocations outlined above form part of the overall West Midlands allocation that supports the West Midlands Strategic Transport Plan known as Movement for Growth and the emerging LTP5. This has been subject of a full Equality Impact Assessment carried out by the Transport for West Midlands as part of the plan's formulation.</p>  |

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|                              | The individual projects/work packages that make up the 2022-27 CRSTS programme and Sandwell's 2025/26 programme of minor works and maintenance will be subject of individual Equality Impact Assessments as they are bought forward for approval either at WMCA Board or SMBC Cabinet.   |
| <b>Health and Wellbeing:</b> | It is increasingly recognised that an appropriately managed, maintained, and up-to-date road network is needed to support significant economic growth, and the associated social and well-being benefits. To maximise the benefits of economic investment programmes requires investment not only in new road infrastructure but also in maintaining and managing our existing infrastructure. The Local Transport Settlement will also contribute to sustaining the legacy of investment programmes that will deliver 2030 ambitions. |
| <b>Social Value:</b>         | There are no implications for social value directly arising from this report. Any implications arising from individual projects will be reported as part of their approval process.  |
| <b>Climate Change:</b>       | Decarbonisation of the transport system is central to the government's aims and objectives for CRSTS. It is also a principal theme within the West Midlands Local Transport Plan. All projects will need to demonstrate how they address climate change and contribute to decarbonisation through their business cases as a prerequisite of securing funding.  |
| <b>Corporate Parenting:</b>  | There are no implications for corporate parenting resulting from the course of action recommended in this report.  |

## 7. Appendices

Appendix 1 – CRSTS Programme 2022-27 Project Details

## **8. Background Papers**

West Midlands Strategic Transport Plan: Movement for Growth (2016)

West Midlands LTP5 - Reimagining transport in the West Midlands (in preparation)

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Report to WMCA Board 13:01:23

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