

Appendix 1: Business Case  
Summary - Black Country  
Transport Strategic Review

November 2025

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# Acronyms

BCJC – Black Country Joint Committee

BCDoT – Black Country Director of Transport

BCT – Black Country Transport

CRSTS – City Region Sustainable Transport Settlement

CWC – City of Wolverhampton Council

DMBC – Dudley Metropolitan Borough Council

LA – Local Authority

PMO – Programme Management Office

SMBC – Sandwell Metropolitan Borough Council

TCR – Transforming City Regions

TfWM – transport for the West Midlands

# Executive Summary

The role of Black Country Transport (BCT) has evolved since its creation six years ago, with the BCT team now providing most of the resource for all major transport projects across the four Black Country local authorities. By acting as a single team at Black Country geography, rather than as four individual local authorities, we have secured an unprecedented amount of funding, but the way we work has not changed since BCT was created. The transformational opportunities presented by the current and second round of City Regional Sustainable Transport Settlement (CRSTS), now called Transforming City Regions (TCR) and the Integrated Settlement highlight a need to change the way we currently work.

The BCT strategic review completed in September 2024 by Arup, which produced similar findings to a regional review of transport commissioned by the West Midlands Mayor in December 2024, highlighted that the team needs to evolve to be able to effectively harness the funding opportunities available, retain staff, streamline processes, and become more efficient.

The four local authority strategic transport teams suffer from internal competition for staff, inefficient governance processes and poor succession planning which threaten the current and future delivery of transport projects to benefit Black Country communities. A clear need for change in the way we work underpins this project and four options were identified to address these issues. These are summarised in Figure 1.

	<b>Option 1</b> Do Nothing	<b>Option 2</b> Enhance BCT & LA teams	<b>Option 3</b> Consolidate Transport Teams into BCT	<b>Option 4</b> Merge West Midlands Teams into TfWM
Additional benefits to the BC	✓✓✓	✓✓✓	✓✓✓	✓✓✓
Maximising funding to BC	🐷	🐷	🐷	🐷
Addressing pay parity	☆☆☆	☆☆☆	☆☆☆	☆☆☆
Improving efficiency	☆☆☆	☆☆☆	☆☆☆	☆☆☆
Risk of delivery	🚧	🚧	🚧	🚧🚧
Time to deliver	🕒	🕒	🕒	🕒
Cost	£££	££££	££	£££
Political will	☆☆☆	☆☆☆	☆☆☆	☆☆☆
No. of Staff Affected	👤👤👤	👤👤👤👤👤	👤👤👤👤👤	👤👤👤👤👤
No. of Staff Required	👤👤	👤👤👤👤	👤👤	👤👤

Figure 1 - Options Assessment Summary

The selected option for this project is to create a shared service for strategic transport in the Black Country by consolidating the existing strategic transport teams into BCT, hosted by the City of Wolverhampton Council. This option was selected based on its alignment with strategic priorities, deliverability, and affordability. It will provide a solution to existing competition between the four local authorities by offering the opportunity to achieve pay parity through eventual alignment to City of Wolverhampton pay scales, thereby reducing issues with staff retention.

The opportunities for more streamlined and effective governance processes as well as greater collaboration through the reduction of day-to-day barriers (like cross-organisation Information & Communications Technology incompatibility) under this option would significantly improve efficiency within the team.

The consolidated team will be best placed to harness the benefits of other outputs of the BCT Strategic Review implementation, such as more streamlined ways of working with contractors and consultants to ensure more smooth and efficient delivery processes and project planning, as well as a professional development programme which will strengthen what BCT has to offer to its existing and future staff.

BCT must evolve to become the best organisation it can be to deliver for our residents and communities. From the independent review It is clear that we must change the way that we work, and this solution will allow us to be best placed to deliver this change.

# 1. Strategic Case Summary

## 1.1 Overview

Since its formation in 2019, BCT has been allocated over £180 million in capital funding and £9.5 million in revenue funding, delivering significant transport improvements across the region. However, the current fragmented structure across four local authorities is no longer fit for purpose.

The strategic review, supported by a report developed by Arup in 2024 and aligned with the West Midlands Mayor's regional transport review, identifies the need for a consolidated team to maximise funding and improve delivery.

The strategic case outlines the urgent need to evolve BCT's operating model to meet the demands of unprecedented transport funding. The current structure risks under-delivery and missed opportunities. Consolidation will:

- Strengthen governance
- Improve workforce capability
- Maximise funding
- Standardise operations
- Enable delivery of a £2.4bn 10-year plan

## 1.2 Preferred Option: Consolidated Strategic Transport Team

Four options were considered:

- **Do Nothing** – Retain current arrangements
- **Do Minimum** – Increase staffing across all teams
- **Consolidate into BCT (Preferred)** – Merge strategic transport teams into BCT, hosted by Wolverhampton
- **Regional Merger** – Merge all West Midlands teams into TfWM

These options were assessed against various strategic objectives. The summary of this assessment is found in Figure 2.

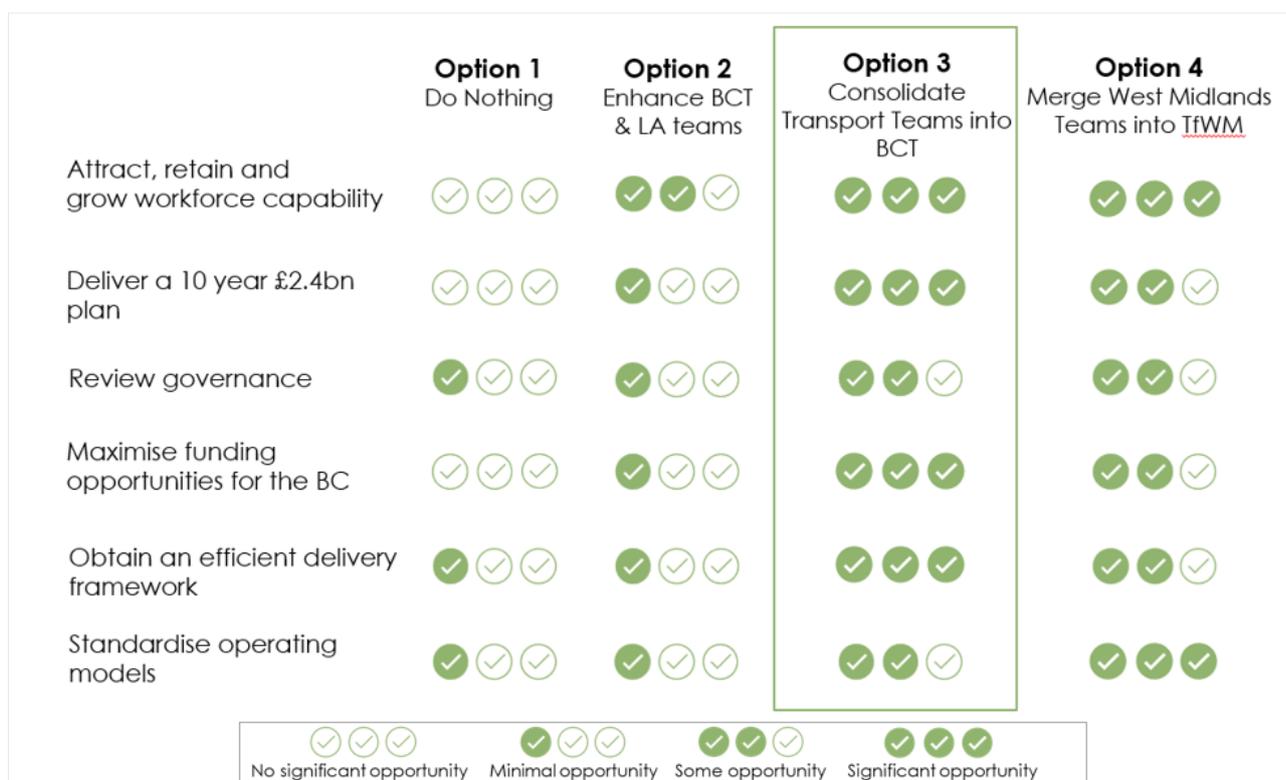


Figure 2 - Options Assessment against Strategic Objectives

**Option 3** was selected for its strategic alignment, affordability, and deliverability. It offers:

- Improved staff retention and recruitment
- Streamlined governance and delivery
- Enhanced collaboration and efficiency
- Pay parity through Wolverhampton pay scales

## 2. Economic Case Summary

### 2.1 Overview

The economic case highlights the risk of losing funding due to low spending rates. Consolidation will unlock the ability to deliver current and future funding, in particular the second round of CRSTS/TCR (£2.4bn regionally). It ensures the Black Country is equipped to scale up and deliver transformational transport projects. Figure 3 shows how the West Midlands capital spend, and the Black Country allocation of this, has increased and is set to continue to do so over the next 5-year funding period, presenting unprecedented funding opportunities.

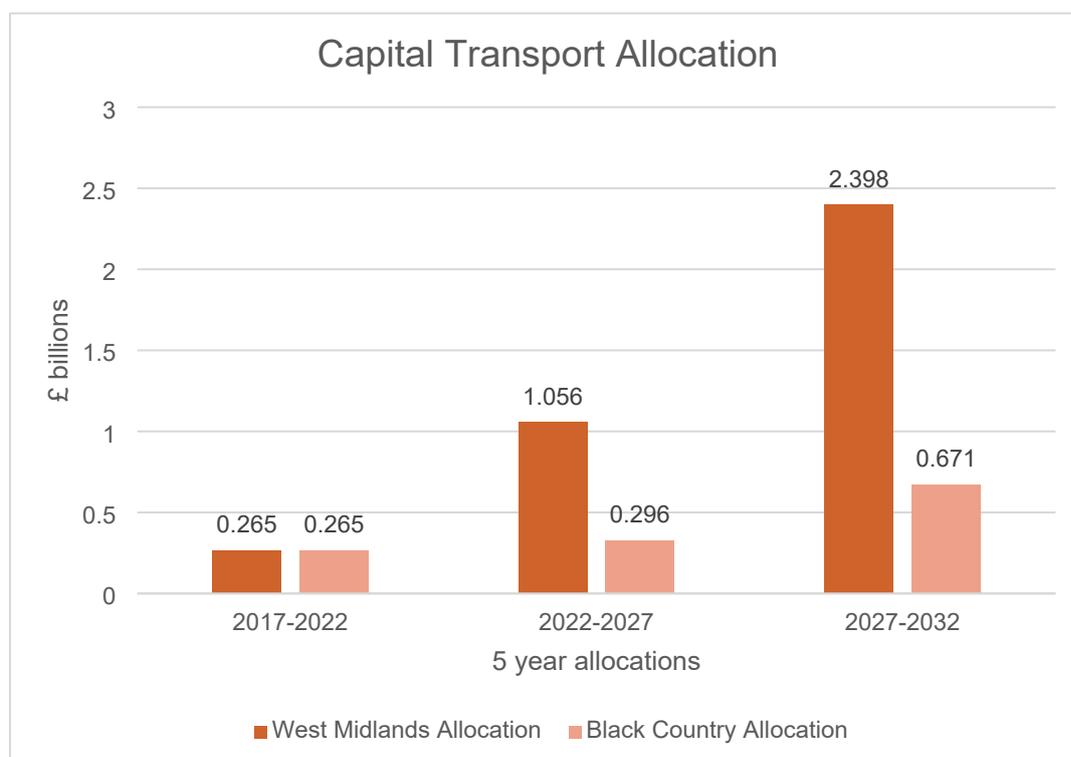


Figure 3 - Graph displaying the projected capital transport spend for the West Midlands and Black Country 2017-2032

### 2.2 Barriers to Benefits Realisation

Table 1 below outlines the priority risks associated with the transition to, and implementation of, a consolidated Black Country Transport team. These risks represent barriers to realising the benefits of the selected option 3. These will be reviewed by the project team at key stages of the transition and implementation to ensure that risk is managed effectively and appropriate mitigation is in place.

Table 1 – Risks to benefits realisation

Risk	Owner	Scenario	Mitigation
Failing to gain or maintain <b>support from the Senior Management</b>	BCDoT	That the 4 authorities cannot agree on a single way forward which results in <b>fractured solutions being developed.</b>	<b>Continuous dialogue and evolution of the business case</b> to ensure the best outcomes for all.
<b>Governance</b> and delivery assurance	All	Senior level governance is not established to ensure visibility and scrutiny of everything being delivered on behalf of the 4 authorities.	<b>Establish both BCJC and streamlined board meetings</b> with effective governance and appropriate agendas.
Lack of appropriate <b>resources</b>	BCDoT	<b>Lack of resources</b> to work through issues in the mobilisation of the team will <b>lead to delays</b> in the team being established and could result in the <b>loss of funding opportunities.</b>	<b>Details of the exact need</b> to establish a shared service both financially and resource wise will be set out within the Business Case, approval will be granted with authorities being clear what funding is required and resource commitment.
<b>Burden of financial risk</b> to host authority	CWC Finance	That in taking on additional staff, the host authority CWC will become <b>responsible for additional financial risk</b> beyond that which it currently carries.	<b>Agreement on funding principles</b> reached through the Finance working group; these will be <b>established in the new collaboration agreement</b>
Undermine <b>clarity of responsibilities</b> amongst LA partners	LA Partners	As BCT not a legal entity, de jure <b>responsibility remains with local authorities for tasks such as freedom of information requests.</b>	Revision of the <b>collaboration agreement</b> stipulating responsibilities and functions

## 3. Commercial Case Summary

### 3.1 Overview

The commercial case sets out the mechanisms for delivery, including:

- TUPE - Any external staff where over 50% of their role is affected by the transfer of functions will be subject to a Transfer of Undertakings (Protection of Employment) (TUPE). At the time of this report this is limited to Walsall staff in scope only.
- The development of a revised Collaboration Agreement to formalise responsibilities

This is being led by the host authority (City of Wolverhampton Council) and will stipulate governance structures, ensure that unrecoverable Black Country Transport team costs are split equally across the four Black Country authorities and that project liability is shared between the respective authorities involved in a project

- Improved procurement and delivery models through work to align with an in-house consultant and contractor (see Figure 3)

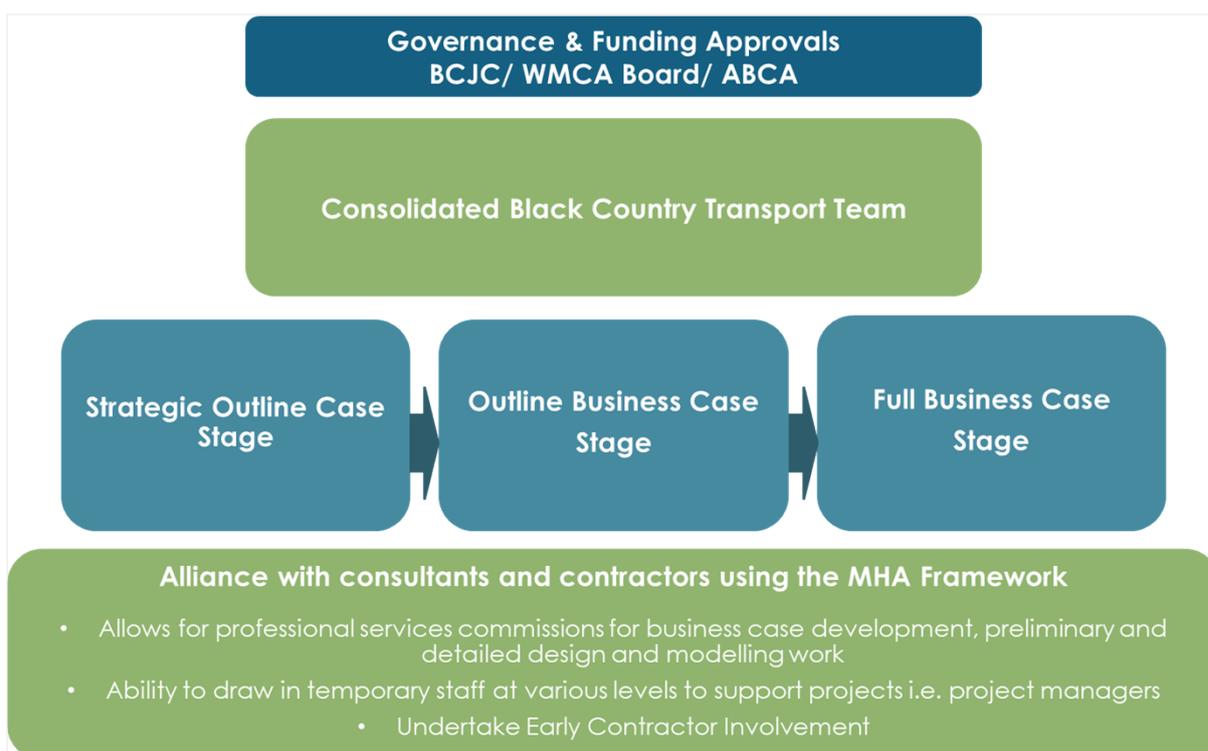


Figure 3 - BCT Scheme Development and Delivery Process

This will improve scheme consistency and allow BCT to deliver schemes more efficiently. In the context of the adoption of option 3, this would support the increased productivity within the team, standardise outputs, fill gaps in resourcing

which cannot be quickly resolved and could offer benefits to project managers for budgeting and project forecasting.

This approach is being trialled as part of the final development of the A4123 corridor project with a large piece of work currently underway to initiate early contractor involvement for this piece of work.

- In order to build the team for the future, BCT is working closely with the WMCA's Transport Skills Academy to attract new talent and build the core team over time to future proof its workforce reduce reliance on the private sector.
- Dedicated collaboration spaces across all four authorities and ICT systems to support cross-authority working

These arrangements will ensure a smooth transition and effective operation of the consolidated team.

## 4. Financial Case Summary

### 4.1 Overview

The financial case confirms the affordability of the proposal. It is anticipated that the consolidated team will cost in the region of £3.7million annually, dependent on the level of recruitment, funded primarily through CRSTS/TCR revenue and capital grants. A clear funding hierarchy ensures minimal risk to local authority budgets, with shared underwriting across the four councils.

The consolidated team will be funded primarily through external grants, including CRSTS revenue and capital allocations. The agreed funding principles (in priority order) are:

1. Capitalise and fund through transport capital grants available to BCT and LA partners
2. Fund through project transport revenue grants available to BCT and LA partners
3. Fund through other grants for specific pieces of work (Carbon, regeneration etc)
4. Fund through CRSTS revenue (or equivalent) up to 100%
5. Up to 15% top slice of LNIP allocated to each authority (or equivalent grant under the new TCR programme)
6. The BCT team would continue to be fully underwritten equally by the four Black Country authorities to ensure any unrecoverable costs are shared equally across the four partners.

Any unrecoverable costs will therefore be shared equally across the four authorities. This will be formalised in a revised Collaboration Agreement.

A condition to ensure that any direct host support costs, any substantial transactional costs or any substantial loss of interest on cashflow investments to the host or partner authorities is reimbursed through the funding principles outlined above will be included in the Collaboration Agreement.

Costs of the consolidated team are outlined in table 2 below.

<b>Area</b>	<b>Total 2026-2027 Salary Costs £000</b>
Current BCT Occupied Posts	1,098
Current BCT Vacant Posts	481
New Strategic Review posts	1,193

BCT Host Support costs	701
Additional existing costs (including IT licences)	201
<b>TOTAL</b>	<b>3,674</b>

*Table 2 - Costs of a consolidated team*

## 5. Management Case Summary

### 5.1 Scope

The focus of Black Country Transport is strategic transport; the team works to secure funding and develop Business Cases for schemes that have a value of circa £5.0 million and above, or those that require external funding to be delivered. The consolidation of the Local Authority transport teams into BCT would not change this scope, meaning that functions including major scheme delivery, minor works, highways maintenance and small capital programme schemes would remain the prerogative of individual Local Authorities.

The consolidated BCT team will still require oversight of these programmes to ensure that key problem areas can be addressed as part of the development of larger schemes. The interface between BCT and the remaining Local Authority highways and transport teams needs to be formalised to ensure the overall service functions effectively. This is considered as part of the communications approach and will be formalised in the new Collaboration Agreement.

The core functions which BCT will carry out on behalf of the Black Country authorities post-consolidation are outlined in orange in figure 4. These are largely functions which BCT already provides.



Figure 4 - Scope of the Consolidated BCT team

Scheme delivery will remain with the local authorities unless specifically agreed between the respective authorities for which the scheme relates to. The final decision to deliver a project sits with the local authority that is taking on the liability and risk. Similarly, operations and maintenance would remain the responsibility of the respective local authority partners. As each scheme develops, it is expected that LA resources required for delivery would feed into BCT project team as required, up to the point where there is a formal handover to the LA partner once full approval is granted from either WMCA or DfT. This transition process is below in figure 5.

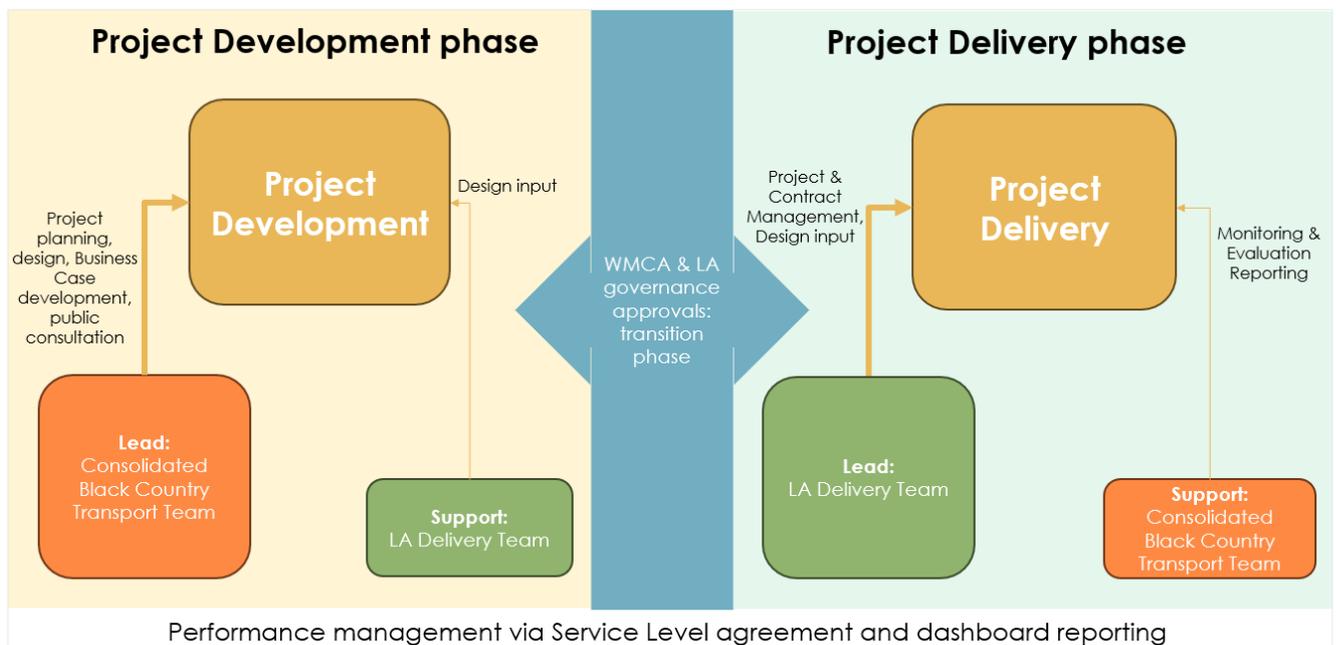


Figure 5 - Roles of BCT & LA teams in project development and delivery

## 5.2 Programme governance

The management case outlines a robust governance structure for the project (Figure 6) which includes working groups for finance, HR, ICT and legal as well as a steering group. As the Heads of Regeneration board is currently not fit for purpose, regular meetings have been held with its members through the process of ABCA and cabinet approvals.



Figure 6 - Project Governance

## 5.3 Scheme governance

As part of the BCT Strategic Review implementation, a workstream was set up to review our governance processes to ensure they are the most efficient for delivering schemes. The Governance workstream aims to evaluate the feasibility of leveraging the Black Country Joint Committee (BCJC) for cross-boundary approvals. This initiative seeks to streamline the approval process, minimising the need for multiple approvals and reducing duplication of effort. Additionally, it aims to reduce the time required to obtain such approvals, thereby accelerating project delivery.

The use of the BCJC is currently being scoped at Director level and would enable the delegation of authority for the approval of major transport CRSTS schemes from individual Black Country Local Authorities to the Black Country Joint Executive Committee (BCJC). Whilst this is still being developed, current ways of working outlined in figure 7 will be maintained.

A governance framework is currently in place to ensure the oversight of funding decisions and change requests by all four Black Country authorities. This framework ensures that key funding decisions are collectively and transparently. Where key decisions are required, cabinet reports are taken to each constituent authority’s cabinet meeting as illustrated in Figure 7.

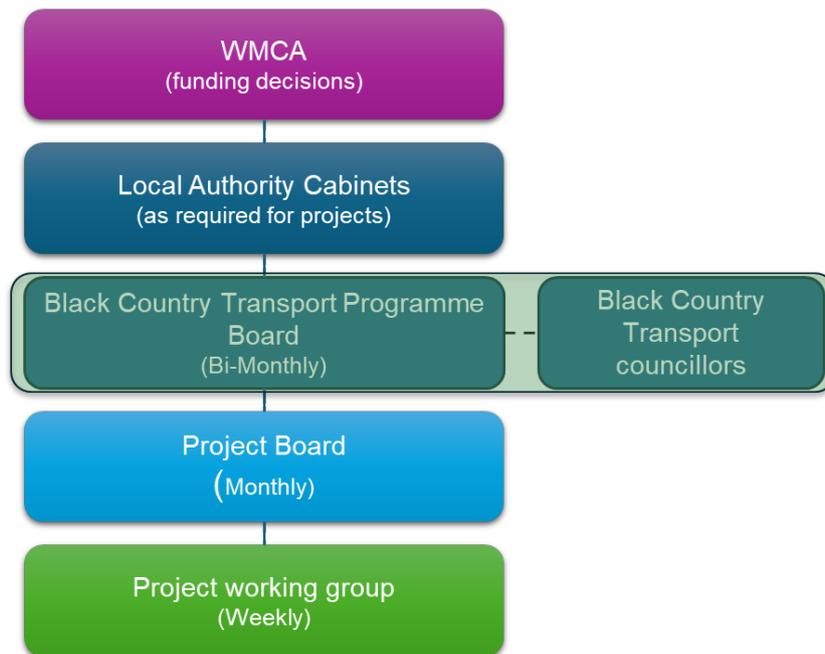


Figure 7 - Current BCT Project Governance

Alongside work on developing the BCJC and scheme governance, BCT is also developing its Project/Programme Management Office capability to standardise development of schemes. This would ensure best practice is implemented across the team and that there is standardisation of methodologies across all projects to ensure this is consistent. This would streamline processes, improve reporting and transparency to reduce administrative burdens on project managers and enhance the strategic alignment of projects with Black Country and wider regional goals.

#### 5.4 Supporting workstreams

As part of the BCT strategic review, a professional development workstream was launched to support staff growth and attract future talent. A survey showed strong interest in professional accreditation within the team, with cost being a key barrier. BCT is exploring corporate partnerships to subsidise memberships and enhance these opportunities. It has also joined Transport for the West Midlands’ (TfWM) work experience programme. This initiative aims to build internal capability, retain staff, and ensure the new shared service that is attractive and fit for purpose.

## **5.5 Implementation**

### **5.5.1 Working Group Meetings**

Following ABCA approval in May 2025 to proceed with the scoping of this project, four working groups for HR, ICT, Legal and Finance were set up to detail the implementation process and prepare for project go-live. These groups have been meeting weekly since July and have been successful in developing the details of this work.

The Human Resources (HR) working group has agreed and inputted into a communications plan and developed Employee Liability Information (ELI) information for the TUPE process.

The Finance working group have input the most recent costs for this piece of work including the most up-to-date salary information and identified the principles of how the future team will be funded. This work has informed the financial case.

The legal working group has been led by Wolverhampton which is developing a new Black Country collaboration agreement. It was found that the existing Collaboration Agreement is insufficient for the breadth of change that this project would create and so the rewritten agreement will provide greater legal and financial protection for the host and its partners.

The ICT working group has been split into strategic and technical groups, with progress made on resolving issues such as Wi-Fi connectivity and calendar sharing.

### **5.5.2 Staff Transfer**

The consolidated team will include:

- Existing BCT staff
- Restructured staff from Wolverhampton
- Transferring staff from Walsall
- Recruitment of new posts

An induction and communications plan will support staff transitions and ensure continuity of service. A Collaboration Handbook has been developed to support this transition and an ICT workstream is underway to ensure there is a smooth transfer of data for staff subject to TUPE and make necessary preparations for those being recruited.

The following tables outline the planning approaches for the movement of projects and funding from each partner authority as of November 2025. These planning assumptions will be reviewed ahead of programme implementation to account for changes in expected project progression. Grants for schemes already allocated to Dudley MBC, Walsall Council, City of Wolverhampton, and Sandwell MBC will remain in place and will not transfer to BCT. BCT will recharge time spent to the appropriate authority until the conclusion of the scheme. There will be no novation of grants or associated contracts to BCT. All new grants

for in scope projects from 1<sup>st</sup> April 2026 will be managed by City of Wolverhampton Council as accountable body on behalf of BCT. These include projects proposed and funded through TCR, Active Travel Settlement and Active Travel Capability Fund.

### 5.5.3 Dudley MBC

The following projects and workstreams are expected to be moved from Dudley MBC to BCT hosted by City of Wolverhampton Council along with any funding that is allocated from 1<sup>st</sup> April 2026.

<b>Project</b>	<b>Funding Allocated (CRSTS rebaseline figures)</b> <b>£M</b>	<b>Funding source</b>	<b>Funding Forecast Spend by 31<sup>st</sup> March 2026</b> <b>£M</b>	<b>Planning for April 2026</b>
BJC for Dudley Towns connectivity	3.97	CRSTS	0.114	£0.5 million development funding grant to be given to BCT
Stourbridge Town connectivity BJC	2.67	CRSTS	-	£0.5 million development funding grant to be given to BCT
CAF projects	0.79	CAF1,2,3	0.311	Funding already sits with BCT

*Table 3 - Dudley projects affected by the movement of functions*

#### 5.5.4 Sandwell MBC

The following projects and workstreams are expected to be moved from Sandwell MBC to BCT hosted by City of Wolverhampton Council along with any funding that is allocated from 1<sup>st</sup> April 2026.

<b>Project</b>	<b>Funding Allocated (CRSTS rebaseline figure)</b> <b>£M</b>	<b>Funding source</b>	<b>Funding Forecast Spend by 31<sup>st</sup> March 2026</b> <b>£M</b>	<b>Planning for April 2026</b>
Smethwick to Birmingham Inclusive growth Corridor	2.54	CRSTS	0.73m	Split grant agreements for acquisition and detailed design/FBC development, with the former sitting with Sandwell and the latter with CWC.

*Table 4 - Sandwell projects affected by the movement of functions*

### 5.5.5 Walsall Council

The following projects and workstreams are expected to be moved from Walsall Council to BCT hosted by City of Wolverhampton Council along with any funding that is allocated from 1<sup>st</sup> April 2026.

Project*	Funding Allocated (CRSTS rebase figures) £M	Funding source	Funding Forecast spend by April 2026 £M	Planning for April 2026
A41/A4038 Walk, Cycle and Bus Corridor	1.90	CRSTS	0.45	Assumption that grant agreement for development funding (£1.45m) would go directly to BCT. To be reviewed prior to transfer to ensure project timescales have not slipped.
A454 Walsall – Wolverhampton corridor	5.92	CRSTS	2.20 (delivery funding)	Business Justification Case development funding to be given directly to CWC, with some recharges back to Walsall for development work including optioneering for Bentley Active Travel.
<ul style="list-style-type: none"> <li>○ A454 – Willenhall Walking Zone (development funding only) (£1.24m)</li> <li>○ A454 – Bentley Active Travel (development funding only) (£1.24m)</li> <li>○ A454 – Birchills Active Travel (development funding only) (£1.24m) A454 Rose Hill - Pinson Road (£2.20m)(delivery)</li> </ul>				Delivery funding not transferring to BCT and will be spent by March 2026.

Walsall Town Centre Interchange (development funding only)	0.50	CRSTS	Pre-SOC (development costs internally funded at this stage)	Project to be moved to BCT with recharges necessary to Walsall.
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*Table 5 - Walsall projects affected by the movement of functions*

\*No WMCA Investment Programme (IP) schemes; CAF schemes excluded as these are already controlled by BCT

## 5.5.6 City of Wolverhampton Council

The following projects and workstreams currently carried out by City of Wolverhampton Council are expected to be carried out by BCT after March 2026. Any new funding allocated from 1<sup>st</sup> April 2026 will sit with BCT.

<b>Project</b>	<b>Funding Allocated (CRSTS rebaseline figures) £M</b>	<b>Funding source</b>	<b>Funding forecast spend by April 2026 £M</b>	<b>Planning for April 2026</b>
Wolverhampton Ring Road	2.6	ATF4	0.02	Project in development. To be reviewed prior to transfer based on up-to-date project information. Delivery part with CWC
A449 Walk Cycle Bus Corridor	2.0	CRSTS	0.19	Project in development. To be reviewed prior to transfer based on up-to-date project information. Delivery part with CWC
Wednesfield Road	3.6	ATF 3	0.16	Project in development. To be reviewed prior to transfer based on up-to-date project information. Delivery part with CWC
East Park Active Travel	3.1	CRSTS/C AF1	0.10	Project in development. To be reviewed prior to transfer based on up-to-date project information. Delivery part with CWC
A454 City East Gateway Phase 3 – Neachells Lane	2.7	CRSTS	0	Project in development. To be reviewed prior to transfer based on up-to-date project information. Delivery part with CWC

Table 6 – Existing Wolverhampton projects affected by the movement of functions

Schemes within the Wolverhampton Pipeline which will also be in scope to move to BCT from April 2026 include those outlined in table 7.

<b>Scheme</b>	<b>Linked Programme</b>	<b>Status</b>
Cannock Road / Cross Street North / Stafford Road	GIC	Development
The Rock Junction – A41	Road Safety	Development
Tettenhall Rail Station	WMRE	Development
Brinsford Parkway Station	WMRE / Central Edge	Development
Future Rapid Transit – New Cross Hospital / Wednesfield	TfWM Rapid Transit	Development
Future Rapid Transit – A449 / i54	A449 / Central Edge / GIC / Brinsford	Development
Bilston Town Centre – Placemaking and Active Travel		Development

*Table 7 – Wolverhampton pipeline projects to move to BCT*

## 5.6 Milestones

The project aims to create a fully operational Black Country shared service by April 2026 ready for the second phase of CRSTS (TCR) in March 2027. See figure 8 for a full breakdown of project timelines. This is subject to the length of time required for staff consultation, there may be a need to phase the transfer to BCT if staff consultation requires more time.

<b>Milestone</b>	<b>Date</b>
ABCA Approval	October 2025
Local Authority Cabinet Approvals	Jan 2026 – Feb 2026
TUPE Process Begins	February 2026
Staff Consolidation/ Project Transfers	From April 2026

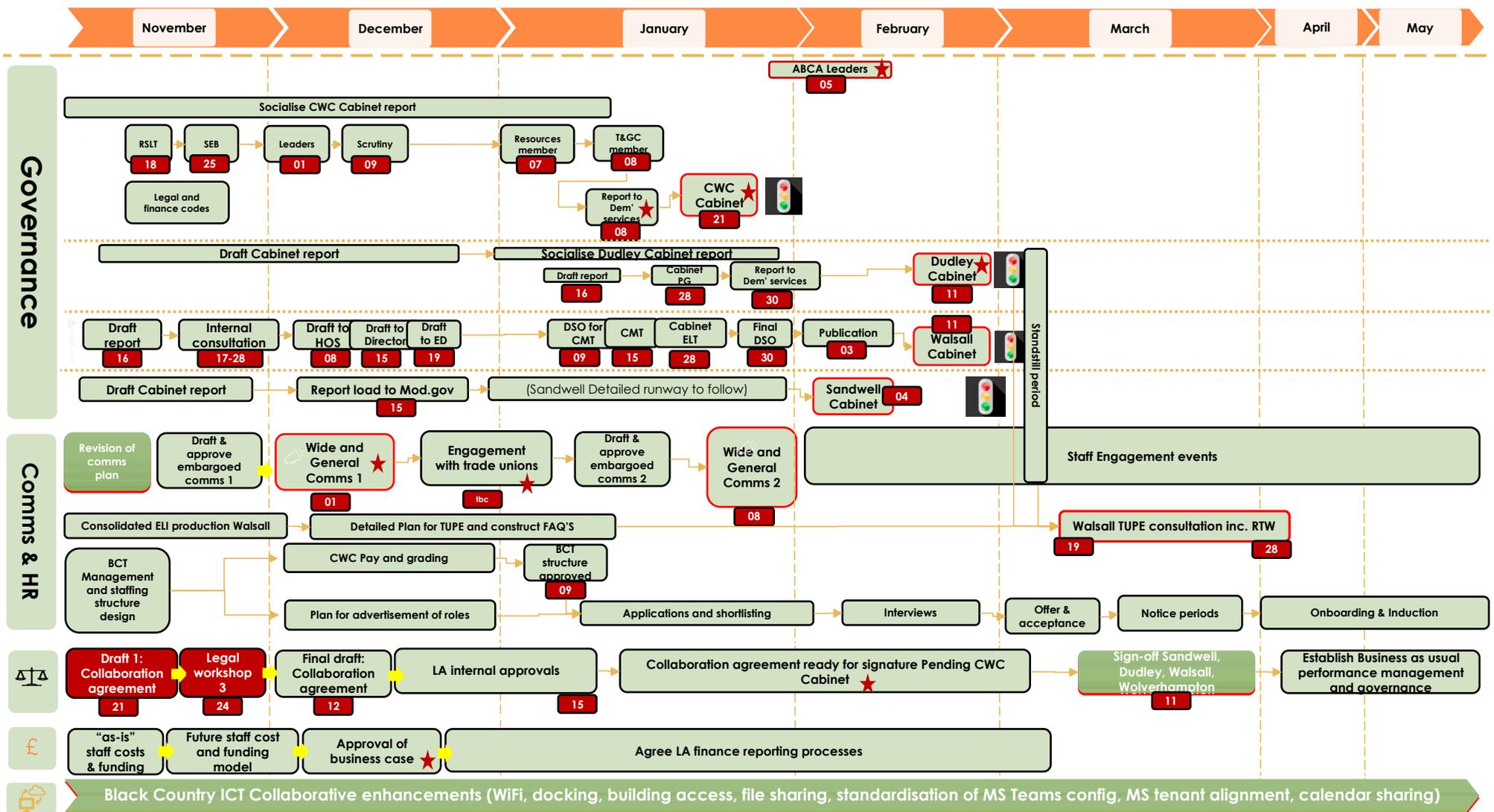


Figure 8 - Project Timelines

## Conclusion

The consolidation of strategic transport teams into BCT represents a bold but necessary step to ensure the Black Country can deliver on its ambitious transport agenda. It will:

- Improve efficiency
- Maximise funding
- Enhance workforce capability
- Strengthen governance

The selected option is backed by a strong economic case which highlights the risks of not delivering change. It is a more efficient and affordable alternative to business as usual which will allow BCT to maximise funding opportunities whilst also helping to attract and retain staff and optimise our ways of working to be most efficient and more standardised. Careful and thorough consideration of the implications for local authority staff makes this a viable option which offers a lot of potential.

It is necessary to do things differently to produce a sustainable model for transport in the Black Country and to deliver the best we can for our communities. The creation of a shared service for strategic transport is best placed to do this.