

DRAFT INCEPTION REPORT for

Advantage West Midland's

West Midlands Regional Economic Strategy

Sustainability Appraisal and Strategic

Environment Assessment

August 2006

Halcrow Group Limited

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Contents Amendment Record

This report has been issued and amended as follows:

Issue	Revision	Description	Date	Signed
1	1	Draft inception report	14-08-06	MRB

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1 Background

1.1 The current position

Advantage West Midlands (AWM) have appointed Halcrow Group Ltd (Halcrow) to undertake a combined Sustainability Appraisal (SA) and Strategic Environmental Assessment (SEA) of the West Midlands Economic Strategy (WMES).

AWM is currently undertaking the three yearly review of the WMES. The final document will be published in September 2007, and will go out to public consultation in draft form in autumn 2006. In parallel with this review, the agency will undertake an SA/SEA to inform the development of the revised WMES.

1.2 Halcrow's work in the West Midlands

To avoid any potential conflicts of interest we have informed AWM that we are currently working on the SEA of the Area Action Plan for the Longbridge Redevelopment in the West Midlands. AWM have acknowledged this and are happy that there is no conflict of interest.

1.3 Why this project is required?

EU Directive 2001/42/EC '*Assessment of the effects of certain plans and programmes on the environment*' requires that certain plans and programmes be subject to a Strategic Environmental Assessment. Department of Trade & Industry guidance to Regional Development Agencies (RDAs) on Regional Economic Strategies requires the revision of the Regional Economic Strategy (RES) to be subject to a SEA. The SEA Directive brings a new emphasis to the following areas:

- Collecting and presenting baseline environmental information;
- Predicting significant environmental effects of the plan or programme, including those of alternatives;
- Addressing adverse environmental effects through mitigation measures;
- Consulting the public and authorities with environmental responsibilities as part of the assessment process; and
- Monitoring the environmental plan or programme during its implementation.

To help ensure that the RES embraces the principles of sustainable development, guidance from the DTi makes it clear that a sustainability appraisal (SA) of the RES is required, "In developing the RES a full sustainability appraisal should be carried out in order to identify how the RDA and its partners will contribute to sustainable development. The appraisal should be informed by the Regional Sustainable Development Framework or the equivalent

in the region, and should be published alongside the RES” (DTi website, <http://www.dti.gov.uk/rda/info/res.htm>, 2005).

2 Project Definition

2.1 Project Objectives

The key objectives of the study are:

- To ensure that the consultation draft and the final version of the WMES contribute positively to the sustainable Development of the West Midlands; and
- To identify and mitigate potential negative impacts of the WMES on the sustainability of the West Midlands.

2.2 SEA and SA

The project will be undertaken using the integrated SA and SEA methodology outlined in Section 3. Additional items to the approach identified are covered in section 3.

2.3 Outputs

There are a number of outputs associated with this assignment necessary to satisfy the requirements of both the SA and SEA:

- An inception report, including full work plan for the project;
- An interim report, including an options appraisal, to be published alongside the draft RES for consultation;
- A final report incorporating an executive summary to be published alongside the RES submission to the DTI;
- A presentation of both the interim and final reports;
- Data to be presented in Microsoft Office formats;
- Ten full copies of the final report, including one unbound;
- All outputs, including reports, to be provided in electronic format;
- Roadshow attendance to field questions and present SEA/SA issues if necessary; and

3 Proposed SA/SEA Methodology

The following sections clarify issues which have been agreed and clarified at the Project Inception meeting, (see Appendix 3). Items which form additions to the original scope of the project, as tendered, are listed below.

3.1 **STAGE A: Setting the context and objectives, establishing the baseline and deciding on the scope**

Stage A consists of the collection of social, economic and environmental baseline data, and the reviewing of other relevant plans, programmes and policies the links between them and sustainable development objectives that will affect the RES Action Plan. A lot of this has been done already for the evidence base of the WMES and also for the SA/SEA of the RSS. We will draw from the information that already exists, identify gaps in it and supplement in additional ways in order to satisfy the SA/SEA requirements.

Importantly, we will also ensure that issues raised during consultation are incorporated into the identification of environmental, social and economic problems at the scoping stage. From these we will be able to develop the SA/SEA objectives which will form the basis of the SA Framework. These objectives will be developed in close collaboration with AWM.

The baseline is an essential reference point for the SA/SEA and therefore we will endeavour to update the baseline data when any important new evidence is provided.

3.2 **STAGE B: Developing and refining options and assessing effects**

This stage is integral to the plan preparation process and we will work closely with AWM to identify alternatives. Stage B is key as it identifies and examines alternative policy scenarios and actions for the plan. Identification of alternatives must be carefully planned into the process and close communication will be needed at this stage of the process. The WMES objectives will be tested against the SA/SEA objectives to identify potential synergies and inconsistencies. Significant environmental effects of the plan will also be predicted and evaluated and mitigation measures will be considered. The monitoring framework (including indicators and targets) will be devised at this stage.

It will be necessary to ensure that the options being considered are realistic and reasonable, and that the appraisal process is compliant and transparent in supporting the final preferred option. In this respect, our experience in conducting integrated SA/ SEA has allowed us to develop a robust yet flexible methodology, which achieves an appropriate level of accuracy, combined with transparency, and is very efficient to apply.

AWM have advised us that external consultants will be contracted to help AWM develop the policy options for the RES. Close liaison between ourselves, AWM and the consultants appointed to develop the policy options will be critical to the successful identification, evaluation and assessment of sustainability effects relating to alternatives. In addition to sustainability and environmental advice given during the development of the policy options, brief written assessments of the options at key stages in their development will ensure transparency and will provide an audit trail of development.

3.3 STAGE C: Preparing the Sustainability Appraisal Report

Stage C consists of preparing the Sustainability Report which documents the SA/SEA process providing an audit trail of decision making and showing how environmental issues have been taken into account. The SA Report will be focussed and concise. It will represent a carefully prepared SA/SEA process and deliver results in a robust and transparent style. The Sustainability Report will carefully illustrate how the requirements of the SEA Directive have been met whilst also documenting the wider SA process and findings.

The SA Report will bring together the findings of all the SA/SEA stages. It can be made available in a variety of formats: pdf, CD-rom and hard copy. The Sustainability Report will include a non-technical summary.

3.4 STAGE D: Consulting on the draft WMES and Action Plan, and Final SA Report

Stage D consists of consultation on the draft WMES and Sustainability Report. This will take the form of a 12 week consultation period where we can use a range of techniques to ensure that a broad range of stakeholders and the public are consulted and that there is citizen buy in.

Consultation responses will be documented and regularly communicated to AWM. Any significant changes made to the plan, made as a result of the consultation must be assessed for their environmental and sustainability implications, these changes will be fully recorded and shared with the AWM on a regular basis. We will then produce a Consultation Report at the end of this process that will fully detail all consultation responses. This will include assessment of comments and implications or options for how the RES might be amended by AWM.

Any significant issues which arise through consultation will be assessed and recorded. These may lead to further revisions in the WMES. All further assessment, post-consultation, will be documented along with a record of the entire SA process in a Sustainability Statement. This will be published alongside the final version of the WMES. This is a requirement of article 9b of the SEA Directive.

3.5 **STAGE E: Monitoring the significant effects of implementing the RES**

Stage E deals with monitoring the significant effects of the plan and responding to adverse effects. Decisions on what to monitor and how to do it will be considered early in the SA/SEA process and throughout the course of preparing the WMES. AWM will be responsible for implementing the monitoring programmes that were recommended in Stage C enabling the identification of unforeseen effects and quantification of predicted effects. Stage E continues long after the Sustainability Report and WMES have been published.

3.6 **Modelling**

AWM have advised us that they may wish to use REEIO modelling as part of the SA/SEA. Based on experience with other RESs, we have recommended that the REEIO model may be of limited use in the SA/SEA process at this stage. Further clarification should be sought from Anthony Barker (tel: 01223 533136) at Cambridge Econometrics who designed the model.

3.7 **Project Controls**

Regular project management meetings will be held to:

- Monitor progress;
- Compare achievement against plan;
- Review plans and options against future scenarios;
- Identify, assess and subsequently seek to mitigate risk;
- Detect problems;
- If necessary initiate corrective action; and
- Authorise future work.

Project management meetings will be at AWM (Birmingham) unless otherwise stated. Table 3.1 below indicates when project meetings are scheduled and includes details of what each meeting will be addressing.

Table 3.1: Proposed schedule of Project Management Meetings.

Project Management Meetings (as identified in the Gantt Chart, Appendix 1)	Date
PROJECT MEETING I: Discuss Scoping Report	19 Sep 2006
PROJECT MEETING II: Discuss how options might be identified	19 Sep 2006
PROJECT MEETING III: Discuss progress with options identification	17 Oct 2006
PROJECT MEETING IV: Discuss Scoping Consultation responses & strategy or assessment of alternatives/options	6 Nov 2006
PROJECT MEETING V: Finalise Options Appraisal Report for	22 Nov 2006

publication	
PROJECT MEETING VI: Finalise Consultation Draft SA Report for publication	16 Jan 2007
PROJECT MEETING VII: Progress meeting and preparation for final consultations	May 2007
PROJECT MEETING VIII: Discuss changes to be made to RES and Environmental Statement preparation	Aug 2007

4 Timetable and project delivery

4.1 Programme

Details of the programme need further refinement but an up-to-date timetable will be discussed on Wednesday 9th August, but a suggested programme of works is included in Table 4.1 below.

Essential timetable considerations which form the critical path of this project are:

- Scoping report consultation which must last for at least 5 weeks;
- Identification of alternatives must be given adequate time for identification, evaluation and assessment before the preferred option can be identified and assessed in detail; and
- Sustainability Report consultation should last 12 weeks in line with Cabinet Office guidelines and DTI guidance.

Table 4.1: Suggested programme of works.

Milestones	Date
INCEPTION	
Inception meeting (tbc)	19 Aug 2006
Submit Inception Report	15 Aug 2006
Sign off Inception Report	18 Aug 2006
STAGE A: Setting the context and objectives, establishing the baseline and deciding on the scope	
Receive baseline information from AWM (inc. RSS and Observatory data)	21 Aug 2006
Submit draft Scoping Report	14 Sep 2006
PROJECT MEETING I: Discuss Scoping Report	19 Sep 2006
Issue final Scoping Report	22 Sep 2006
<i>Scoping Report out for statutory 5 week consultation</i>	<i>22 Sep – 27 Oct 2006</i>
STAGE B: Developing and refining options and assessing effects	
PROJECT MEETING II: Discuss how options might be identified	19 Sep 2006
PROJECT MEETING III: Discuss progress with options identification	17 Oct 2006
PROJECT MEETING IV: Discuss Scoping Consultation responses & strategy or assessment of alternatives/options	6 Nov 2006
PROJECT MEETING V: Finalise Options Appraisal Report for publication	22 Nov 2006
Publish options appraisal report for publication with RES options	30 Nov 2006
<i>Consultation on RES Options</i>	<i>1 Dec – 1 Mar 2006?</i>
STAGE C: Preparing the Sustainability Appraisal Report	
Submit Consultation Draft SA Report	12 Jan 2007
PROJECT MEETING VI: Finalise Consultation Draft SA Report for publication	16 Jan 2007

Finalise Consultation Draft SA Report	19 Jan 2007
<i>Consultation Draft SA Report out for best practice 12 week (max) consultation, in tandem with any revised options, if necessary</i>	<i>19 Jan – 13 Apr 2007</i>
STAGE D: Consulting on the draft WMES and Final SA Report	
Make changes to WMES and Sustainability Appraisal in response to Spring Consultation	Apr 2007
Submit Final SA Report	May 2007
PROJECT MEETING VII: Progress meeting and preparation for final consultations	May 2007
Submit Final SA Report	May 2007
<i>Consult on Final SA Report and Draft WMES for 12 weeks</i>	<i>May – Jul 2007</i>
PROJECT MEETING VIII: Discuss changes to be made to RES and Environmental Statement preparation	Aug 2007
STAGE E: Monitoring the significant effects of implementing	
Finalise Monitoring Framework	Aug 2007
Close project.	Sep 2007

The proposed timetable in Appendix 1 varies from the milestones identified in the ITT. The key difference is that the revised timetable includes the statutory scoping report consultation period which has a knock-on effect on the Environmental Report production. The start and end dates for the project are the same.

It should be noted that the dates proposed for and surrounding the Scoping Report Consultation and Options Appraisal Report Consultation are dependent on the date that the WMES policy options go out for consultation, and therefore may be subject to change.

Due to the length of the project and not knowing the exact dates proposed for publication of the RES, the dates for stages D and E are noted only by month. This also aids presentation of the Gantt Chart in Appendix 1.

4.2 Consultation programme

The Scoping Consultation will be the statutory five week period beginning in September 2006. It is proposed that this will be followed by consultation on the draft SA Report in January 2007 which, for best practice should be a 12 week consultation. This follows suggested best practice and is optional. The final consultation will be on the Final SA Report which will coincide with that of the draft WMES and last for 12 weeks, starting in May 2007.

5 Project Organisation Structure

Halcrow will work closely with AWM throughout the development of the WMES to ensure it meets the requirements of the SEA Directive and maximises sustainability in its pursuit of economic development.

Contact details and responsibilities:

The main roles and responsibilities are as follows:

Table 5.1: Names, responsibilities and contact details

Name	Details	Contact details
Gerald LaTouche	Client, Advantage West Midlands	0121 503 3347 07792 564797 GeraldLaTouche@advantagewm.co.uk
Neil Davidson, Halcrow	Project Director (Environmental Planner) Day to day client contact. Responsible for overseeing delivery of the SA/SEA.	01905 361255 07921 283771 davidsonn@halcrow.com
Nick Pincombe, Halcrow	Project Manager (Sustainability Consultant) Day to day client contact. Responsible for delivery of the SA/SEA.	01293 434503 07970 276491 pincomben@halcrow.com
Karan Monga, Halcrow	Senior Sociologist Sociological Analysis in the SA/SEA	0121 456 0601 mongak@halcrow.com
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Martin Belshah, Halcrow	Environmental Consultant Delivery of the overall SA/SEA assessment.	01905 361315 belshahmr@halcrow.com
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