



## WMCA Board

**Date:** Friday 10 November 2017

**Time:** 11.00 am **Public meeting** Yes

**Venue:** Council Chamber, Council House, Birmingham City Council, Victoria Square, Birmingham, B1 1BB

### Membership

#### Constituent Members

Andy Street (Chair)  
Councillor Bob Sleigh (Vice-Chair)

Councillor Peter Bilson  
Councillor Sean Coughlan  
Councillor Ian Courts  
Councillor George Duggins  
Councillor Steve Eling  
Councillor Patrick Harley  
Councillor Lee Jeavons  
Councillor Brigid Jones  
Councillor Abdul Khan  
Councillor Roger Lawrence  
Councillor Pete Lowe  
Councillor Paul Moore  
Councillor Ian Ward

#### Appointing Authority

Mayor of the West Midlands Combined Authority  
Solihull Metropolitan Borough Council

City of Wolverhampton Council  
Walsall Metropolitan Borough Council  
Solihull Metropolitan Borough Council  
Coventry City Council  
Sandwell Metropolitan Borough Council  
Dudley Metropolitan Borough Council  
Walsall Metropolitan Borough Council  
Birmingham City Council (elect)  
Coventry City Council  
City of Wolverhampton Council  
Dudley Metropolitan Borough Council  
Sandwell Metropolitan Borough Council  
Birmingham City Council

#### Non-Constituent Members

Councillor George Adamson  
Jonathan Browning

Councillor Steven Claymore  
Councillor Shaun Davies  
Councillor Bill Hartnett  
Councillor Dennis Harvey  
Councillor David Humphreys  
Councillor Peter Nutting  
Tim Pile

Councillor Chris Saint  
Councillor Izzi Seccombe  
Councillor Michael Stokes  
Stewart Towe

Cannock Chase District Council  
Coventry & Warwickshire Local Enterprise  
Partnership  
Tamworth Borough Council  
Telford & Wrekin Council  
Redditch Borough Council  
Nuneaton & Bedworth Borough Council  
North Warwickshire Borough Council  
Shropshire Council  
Greater Birmingham & Solihull Local Enterprise  
Partnership  
Stratford-on-Avon District Council  
Warwickshire County Council  
Rugby Borough Council  
Black Country Local Enterprise Partnership

**Observers Awaiting Membership**

Councillor Tony Johnson  
Graham Wynn

Herefordshire Council  
The Marches Local Enterprise Partnership

**Co-Opted Member**

Lee Barron

Midlands Trades Union Congress

**Observer Members**

Councillor John Edwards  
David Jamieson

West Midlands Fire & Rescue Authority  
West Midlands Police & Crime Commissioner

Quorum for this meeting shall be at least one member from five separate Constituent councils

If you have any queries about this meeting, please contact:

<b>Contact</b>	Dan Essex, Governance Services Manager
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# AGENDA

No.	Item	Presenting	Pages
<b>Items of Public Business</b>			
1.	Apologies for Absence	Chair	None
2.	Declarations of Interest [Members are reminded of the need to declare any disclosable pecuniary interests they have in an item being discussed during the course of the meeting. In addition, the receipt of any gift or hospitality should be declared where the value of it was thought to have exceeded £25 (gifts) or £40 (hospitality).]	Chair	None
3.	Chair's Remarks (if any)	Chair	None
4.	Minutes - 13 October 2017	Chair	1 - 12
<b>Governance</b>			
5.	The Mayor and WMCA Structures	Chair	Verbal Report
6.	Devolution Deal Update	Chair	Verbal Report
7.	Forward Plan	Chair	13 - 18
<b>Finance &amp; Investments</b>			
8.	Treasury Management Strategy Mid-Year Report 2017/18	Councillor Izzi Seccombe	19 - 36
<b>Skills &amp; Productivity</b>			
9.	Devolution of Adult Education Budget	Councillor George Duggins	None
<b>Wellbeing and HS2</b>			
10.	Global Thrive Network (I-Circle Event)	Councillor Bob Sleigh	37 - 44
<b>Transport</b>			
11.	The Midland Metro - Edgbaston Extension	Councillor Roger Lawrence	45 - 48
<b>Minutes</b>			
12.	Minutes of the Investment Board - 6 October 2017	Councillor Izzi Seccombe	49 - 54

13.	Minutes of Wellbeing Board - 6 October 2017	Councillor Bob Sleigh	55 - 64
14.	Minutes of the Transport Delivery Committee - 9 October 2017	Councillor Richard Worrall	65 - 72
15.	Minutes of the Strategic Economic Plan Board - 12 October 2017	Jonathan Browning	73 - 78
<b>Date of Next Meeting</b>			
16.	Friday 8 December 2017 at 11.00am	Chair	None
<b>Item of Private Business</b>			
17.	Exclusion of the Public and Press [That, in accordance with s100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business as it was likely to involve the disclosure of exempt information specified in paragraph 3 of the Act.]	Chair	None
18.	Coventry - UK City of Culture Update	Chair	79 - 84



## WEST MIDLANDS COMBINED AUTHORITY

### WMCA Board

Friday 13 October 2017 at 11.00 am

### Minutes

#### Constituent Members

Andy Street (Chair)

Mayor of the West Midlands Combined Authority

Councillor Sean Coughlan

Walsall Metropolitan Borough Council

Councillor Ian Courts

Solihull Metropolitan Borough Council

Councillor Patrick Harley

Dudley Metropolitan Borough Council

Councillor Abdul Khan

Coventry City Council

Councillor Roger Lawrence

City of Wolverhampton Council

Councillor Paul Moore

Sandwell Metropolitan Borough Council

Councillor Ian Ward

Birmingham City Council

#### Non-Constituent Members

Councillor Peter Butlin

Warwickshire County Council

Councillor Shaun Davies

Telford & Wrekin Council

Councillor Bill Hartnett

Redditch Borough Council

Councillor David Humphreys

North Warwickshire Borough Council

Councillor Chris Saint

Stratford-on-Avon District Council

#### Co-Opted Member

Lee Barron

Midlands Trades Union Congress

#### Observer Members

Councillor John Edwards

West Midlands Fire & Rescue Authority

#### Item Title

##### No.

#### 72. Apologies for Absence

Apologies for absence were received from Councillors George Adamson, Jonathan Browning, Councillor George Duggins, Councillor Steve Eling, Councillor Dennis Harvey, Steve Hollis, David Jamieson, Councillor Tony Johnson, Councillor Izzi Seccombe, Councillor Bob Sleight, Councillor Michael Stokes and Stewart Towe.

#### 73. Chair's Remarks

- (1) The Mayor congratulated Transport for West Midlands for being awarded City Region Transport Authority of the Year at the National Transport Awards.

- (2) The Mayor thanked Mark Taylor for all of his efforts in supporting the West Midlands Combined Authority as interim Director of Finance prior to Sean Pearce taking up his position on 16 October.
- (3) The Mayor thanked Keith Ireland, who was stepping down from the roles of Clerk and Monitoring Officer on 16 October, for the oversight and guidance he had provided supporting the governance of the West Midlands Combined Authority from its inception.

**74. Minutes - 8 September 2017**

The minutes were agreed as a correct record, subject to an amendment to minute no. 51 ('WMCA Environmental Portfolio Priorities') to reflect the comments made by Councillor Ian Courts to include reference to spatial strategy and place-making within the 'buildings' thematic priority area.

**75. The Mayor and WMCA Structures**

The Mayor updated the board on a number of recent appointments made by the West Midlands Combined Authority. Julie Nugent, currently Chief Executive of the Design & Technology Association, had been appointed Director of Productivity & Skills and Gareth Bradford, currently Deputy Director for Cities & Local Growth with the Department for Communities & Local Government had been appointed Director of Housing & Regeneration.

In addition, it was reported that Tim Pile had been appointed chair of the Greater Birmingham & Solihull Local Enterprise Partnership, and that Councillor Ian Ward was expected to be formally appointed Leader of Birmingham City Council on 7 November. The Mayor congratulated all of these individuals on their appointments.

Resolved:

- (1) The appointment of Julie Nugent as Director of Productivity & Skills and Gareth Bradford as Director of Housing & Regeneration be noted.
- (2) The appointment of Tim Pile as chair of the Greater Birmingham & Solihull Local Enterprise Partnership be noted.

**76. Performance Reporting**

The board considered a report that provided an update on the evolving approach being developed for performance reporting and management for the West Midlands Combined Authority.

The board had previously received a report that outlined the vision, strategic objectives and 'balance' outcomes to improve the quality of life of everyone who lived and worked in the West Midlands. This report provided further details on the performance reporting that would be submitted to future meetings, including strategic headline reporting, portfolio reporting, and the integration of the reporting of individual project dashboards. The Mayor welcomed the inclusion within the report of trend data on apprenticeship starts by Local Enterprise Partnership area and employment sector.

Tom McNeil, Strategic Advisor to the Police & Crime Commissioner, indicated that the Commissioner was looking forward to opportunities to working with the Mayor's Office and Transport for West Midlands on transport accident mitigation measures that would benefit the region.

Resolved:

The proposed approach to performance reporting incorporating a layered approach be agreed, to include:

- Monthly reports on the headline indicators from the West Midlands Combined Authority Performance Monitoring Framework, incorporating any updates in the data including any updates on supporting indicators.
- A rotating programme of reporting on the different dashboards for each of the portfolio area, reporting on the relevant headline Performance Monitoring Framework indicators, detailed supplementary indicators and information on programme activity in that area.

#### **77. West Midlands Competitive Positioning Paper**

The board considered a report outlining a new regional brand identity framework. It also received a presentation from Roger Pride from Heavenly on the process that was undertaken to identify a brand 'family' proposition.

The benefits of establishing a brand framework included bringing a clear alignment to the different strands of activity of the combined authority, enabling the promotion of the region and sub-region in a joined-up approach. It was proposed that each organisation within the 'family' would take full responsibility for its own branding implementation, although it was expected that full brand alignment would be delivered within a 24-month period.

Councillor Ian Ward indicated that Birmingham City Council was starting to look at its brand and image, and the opportunities provided to promote the city and the region to the world if the bid to host the Commonwealth Games in 2022 was successful were considerable and should be fully exploited. He suggested that the new regional brand framework would help with this.

Councillor Chris Saint requested that Non-Constituent authorities be included in the development of the branding work. Martin Reeves, Chief Executive of Coventry City Council, explained that all of the Local Enterprise Partnerships had been involved in the development work undertaken to date, and this engagement would now be expanded to specifically include Non-Constituent authorities going forward.

Resolved:

- (1) The proposed West Midlands Brand Framework (identity system), which was based on a 'family of brands' with common features - for example, the hexagon shape - to deliver a unified brand identity for the region be approved.

- (2) A robust programme of market testing and equality impact assessments be agreed to be undertaken as part of the final propositions.
- (3) The approach that each corporate entity - West Midlands Combined Authority, West Midlands Growth Company, Transport for West Midlands and the Mayor's Office - develop and finalise individual organisational brands against the principles of the above framework be approved.
- (4) The further consumer testing and consultation work to be undertaken by Transport for West Midlands on the non-rail elements of the transport family be supported.
- (5) It be agreed that the West Midlands Growth Company work with Local Enterprise Partnerships to finalise brand assets to enable profile at a sub-regional level.
- (6) The adoption of the 'Make Your Mark' ident as a key component in providing alignment and demonstrating regional unity, both within the identity framework and beyond via associated partners organisations, be agreed.
- (7) The establishment of a Regional Identity & Branding Steering Group, composed of the Mayor (or his nominee), the Chair of the Strategic Economic Plan Board, the Chief Executive of the West Midlands Combined Authority (or her nominee), the Managing Director of Transport for West Midlands and the Chief Executive of the West Midlands Growth Company, to oversee consistency of brand treatment and the effective implementation across 'the family', be agreed.

**78. Appointment of WMCA Statutory Officers**

The board considered a report regarding the appointment of staff to a number of key statutory posts within the West Midlands Combined Authority. The WMCA Board had previously made appointments to these posts whilst it was undertaking recruitment for a permanent Chief Executive and other Director-level positions. It was therefore recognised that these interim appointments would likely be reviewed and re-assigned in due course.

Resolved:

The appointment of the statutory officer posts as set out below, and effective from 16 October 2017, be confirmed:

- Head of Paid Service - Deborah Cadman
- s.151 Officer - Sean Pearce
- Clerk - Tim Martin
- Monitoring Officer - Tim Martin

**79. Forward Plan**

The plan of items to be reported to future meetings of the WMCA Board was noted.

**80. Financial Monitoring 2017/18**

The board considered a report providing an update on the West Midlands Combined Authority finances as at the end of August 2017. The report summarised the revenue and capital financial positions against the approved budget, along with full-year forecasts for the transport, West Midlands Combined Authority operational, Mayoral office, transport delivery capital programme and Investment Programme budgets.

Resolved:

The financial position for August 2017 be noted.

**81. Independent Evaluation of Local Growth Interventions**

The board considered a report on the process and timetable for the evaluation of interventions supported through the Devolution Deal, and on the specific interventions for evaluation.

The West Midlands devolution deal provided £36.5m per year in revenue to support an £8bn capital investment programme. The Government established a National Growth Panel to work with all the areas of the country that received a devolution deal to evaluate the impact on local growth of specific interventions that the funding had enabled. This would provide evidence which would help inform the first 'gateway review' due for the West Midlands in 2020.

The report identified the proposed interventions for evaluation within the West Midlands, being those ones where delivery was anticipated to have led to measurable impacts by 2020. Projects that were scheduled to spend further into the future and which would have only incurred minimal expenditure within the gateway review period would be considered as part of the progress elements of the evaluation.

Resolved:

- (1) The work of the National Evaluation Panel and the National Evaluation framework which has been developed for the 11 devolved areas in England be noted.
- (2) The interventions proposed for evaluation as detailed within the report, including Coventry City South, Friargate, HS2 Connectivity package, UK Central (local infrastructure) and Land and Property Investment Fund, be approved.
- (3) The requirement for further work to be done on identifying the key details of the interventions that were within the scope of the evaluation, and that further information would be reported in due course, be noted.

**82. Housing Infrastructure Fund Application**

The board received an update from Councillor Sean Coughlan on the latest developments regarding the submission of bids for the Housing Infrastructure Fund. The fund totalled £2.3bn and combined authorities were invited to submit bids of up to £250m in value. The West Midlands Combined Authority had submitted four separate bids that, if approved, would deliver a total of 66,000 new housing units. Councillor Sean Coughlan considered this process to have illustrated how partners could work together for the wider benefit of the region, and the Mayor thanked everyone who had been involved in putting the bids together.

Resolved:

The update on the latest position with the Housing Infrastructure Fund applications be noted.

**83. Skills Progress Update**

The board received an update from Nick Page, Chief Executive of Solihull Metropolitan Borough Council, on the latest developments in the work of the Skills & Productivity Commission. Work was being undertaken to develop a more focused plan to bring forward the work of the commission. In addition to this, work was progressing on seeking to gain greater influence over 16-18 funding, and on an automotive skills strategy that would build on the work previously undertaken by the Automotive Skills Council.

Councillor Roger Lawrence noted that at a recent meeting of the Local Government Association's City Regions Board, concern was expressed at the speed of Government decision making within the skills area. The Mayor confirmed that this concern was shared by many and was something he was discussing with mayoral colleagues across the country.

Resolved:

The update on the latest developments within the Skills & Productivity workstream be noted.

**84. West Midlands Common Approach to Cycling: Bikeshare**

Councillor Roger Lawrence presented a report advising on the work being undertaken to develop a single approach to cycle hire across the West Midlands.

A West Midlands Bikeshare Feasibility Study was commissioned in June tasked with creating recommendations for the operation and demand for a cycle hire scheme in the region. The study recommended that a singular West Midlands approach was taken to deliver a bikeshare scheme, being easier to manage, benefiting from economies of scale and recognising that a significant number of journeys were cross border. The study also concluded that a high quality docked system was more suitable due to operating the scheme in urban centres. Dockless bikeshare systems were still in very early development stages and had implications for streetscape, cycle crime and cluttering.

Councillor Roger Lawrence indicated that the bikeshare scheme was likely to start rolling out across the region in April/May 2018. Councillor Ian Ward welcomed this proposal and its opportunity to reduce inactivity. He stressed the importance of ensuring that the cost of hiring the bicycles was not set at a level that would be a barrier to participation for lower income groups. Councillor Peter Butlin looked forward to a successful scheme being rolled out into Non-Constituent authority areas.

Resolved:

- (1) The adoption of a single bikeshare scheme across the West Midlands Combined Authority constituent area be approved.
- (2) Transport for West Midlands be the lead organisation for a West Midlands Bikeshare scheme.
- (3) Any sponsorship for a bikeshare scheme be sourced by the supplier as long as the sponsor qualified as appropriate under West Midlands Combined Authority policy.
- (4) A single bikeshare scheme that was zero cost to the West Midlands Combined Authority be approved and the ability for it and the supplier to profit share, if the scheme made a profit, be approved.
- (5) The integration of the West Midlands Bikeshare scheme with Swift be approved.
- (6) The route to procurement recommended by the West Midlands Combined Authority Procurement Team be approved.
- (7) It be agreed that the West Midlands Combined Authority or associated local authorities would not enter into any agreement with a dockless bikeshare supplier.

#### **85. 'West Midlands on the Move' Strategic Framework**

The board considered a report seeking approval of the 'West Midlands on the Move' Physical Activity Strategy Framework 2017-30. The strategy had been developed following extensive consultation with over 35 stakeholders to ensure connectivity, relevance and consistency.

The three-Local Enterprise Partnership geography of the combined authority currently had the highest levels of physical inactivity in England, with approximately a third of adults inactive. Achieving the English average levels of activity would lead to an approximate boost to the regional economy of £147m. There were no dedicated resources for the strategic framework and delivery plan's implementation, and therefore the delivery plan set out proposals for local authorities and stakeholders to work collaboratively on actions and identifying resources. Discussions had also started with funding agencies to explore the potential for additional funding for targeted work.

Sarah Norman, Chief Executive of Dudley Metropolitan Borough Council, indicated that the strategy would be launched by the Mayor and Deputy Mayor in Coventry, along with a councillor who would undertake the role of physical activity champion. Councillor Bill Hartnett enquired about the role that Non-Constituent authorities could play in this initiative. Simon Hall, Physical Activity Strategy Lead, indicated that he was meeting with Non-Constituents to establish what work could be undertaken within the framework of the strategy that would add value to that already in progress.

Resolved:

- (1) The 'West Midlands on the Move Strategic Framework 2017-30' be approved.
- (2) The appointment of a Political Physical Activity Champion be approved.
- (3) The 2017-19 Delivery Plan and progress made in agreeing the contributions from Constituent Authorities, the West Midlands Combined Authority and stakeholders be noted.
- (4) The proposals for the Strategic Framework's launch on 16 November 2017 in Coventry be approved.

**86. West Midlands Mental Health Commission Update**

The board considered a report setting out the first six months of activity undertaken delivering the West Midlands Mental Health Commission Action Plan.

The report provided progress updates in respect of each of the thematic programmes contained in the action plan, including the Employment and Employer, Housing First, Criminal Justice Improving Care and Community Engagement work streams. It was proposed that a number of the programmes would be developed with partners across the region.

Resolved:

The progress and update on the current position of the West Midlands Mental Health Commission Action Plan and the work undertaken since the launch of the programme on 31 January 2017 be noted.

**87. Minutes of the Investment Board - 4 August 2017**

The board received the minutes of the Investment Board held on 4 August 2017.

Resolved:

The minutes of the meeting held on 4 August 2017 be noted.

**88. Minutes of the Transport Delivery Committee - 4 September 2017**

The board received the minutes of the Transport Delivery Committee held on 4 September 2017. In respect of minute no. 29 ('Busting Delay on the Bus Network - Bus Stop Rationalisation'), Councillor Richard Worrall noted that the rationalisation of bus stops in the south Birmingham was for a trial period and he hoped that a pragmatic approach would be taken if the trial was seen to be significantly impact that accessibility of the bus network to passengers.

Resolved:

The minutes of the meeting held on 4 September 2017 be noted.

**89. Minutes of the Overview & Scrutiny Committee - 12 September 2017**

The board received the minutes of the Overview & Scrutiny Committee held on 12 September 2017.

Councillor Peter Hughes reported that the committee had now appointed two vice-chairs: Councillor Ian Shires (Walsall) and Councillor Claire Spencer (Birmingham). He also noted that a Mental Health Task & Finish Group had been established to look at the work being undertaken to implement the findings of the Mental Health Commission.

Tom McNeil, Strategic Advisor to the Police & Crime Commissioner, reported that the Police & Crime Commissioner had noted the discussions of the committee regarding unauthorised encampments, and wished to share with the board that the matter had also been debated in Parliament during the last week. He was currently in discussions with officials to see if stronger powers could be granted which would enable instances of unauthorised encampments to be resolved more quickly in future. Councillor Peter Hughes indicated that the matter would be discussed further at the next meeting of the committee and he would invite the Police & Crime Commissioner to attend.

In respect of minute no. 8(iii) ('Land Commission Task & Finish Group'), Councillor Sean Coughlan reported that he had held a productive meeting with the group and he was looking forward to seeing how it could support the work being done to take the Land Commission's recommendations forward.

Resolved:

The minutes of the meeting held on 12 September 2017 be noted.

**90. Minutes of the Audit, Risk & Governance Committee - 15 September 2017**

The board received the minutes of the Audit, Risk & Assurance Committee held on 15 September 2017.

Resolved:

The minutes of the meeting held on 15 September 2017 be noted.

**91. Friday 10 November 2017 at 11.00am**

The date of the next meeting was noted.

**92. Exclusion of the Public and Press**

Resolved:

That, in accordance with s100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business as they were likely to involve the disclosure of exempt information specified in paragraph 3 of the Act.

**93. Joint Data Team Contract**

Councillor Roger Lawrence presented a report providing an update on the proposed procurement of contracts to support the Joint Data Team initiative, the financial requirements and how the work would support wider activities within the West Midlands Combined Authority.

Resolved:

- (1) Authority be delegated to the Managing Director of Transport for West Midlands and Director of Finance & Investments of the West Midlands Combined Authority to appoint suppliers to the Joint Data Team framework contracts for Provisions 1 and 2 (data collection and data platform).
- (2) The on-going requirement for Constituent member authorities to continue to allocate budget of £624,100 per annum towards the Joint Data Team Initiative (divided between authorities by mid-level population size), in line with the practice of the last 10 years and with the budget level set at that of the last two years and with further efficiencies to be sought to reduce or avoid costs, be approved.
- (3) Efficiencies in the delivery of the Joint Data Team Initiative be released through new ways of working and the in-housing of activity in order to provide new capabilities for improved intelligence to support management of network resilience, performance management, land use forecasting, to include supplying the tools to enable the easier sharing of intelligence between West Midlands Combined Authority partners in support of the Policy Research Plan (endorsed at WMCA Board 23 June 2017) and in line with the developing wider approach to data and intelligence.
- (4) The procurement strategy and on-going work to secure the development of a replacement transport modelling capability for the current PRISM model that would enable continued business case development, operation of the DEIM investment policy tool and support the testing of policy impacts on the transport network (such as Local Plan evidence bases) be noted.

**94. Commonwealth Games 2022 Update**

The board received an update from Stella Manzie, interim Chief Executive of Birmingham City Council, on the latest developments regarding Birmingham's bid to host the Commonwealth Games in 2022. Meetings were being held with organisations and stakeholders throughout the region to ensure all partners were aware how the bid was progressing. Positive discussions had also been held with the Department for Culture, Media & Sport ahead of the final decision on the host city to be made by the Commonwealth Games Federation later in the year.

Resolved:

The report be noted.

The meeting ended at 12.30 pm.

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## WEST MIDLANDS COMBINED AUTHORITY FORWARD PLAN: DECEMBER 2017 - JUNE 2018

Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
<b>Portfolio Performance Reporting</b>	To provide oversight of the latest performance reporting and management.	8 December 2017	No	Mayor	Julia Goldsworthy	No	Delivery
<b>West Midlands Growth Company - Approval of Business Plan</b>	To agree the three year business plan of the West Midlands Growth Company.	8 December 2017	No	Economic Growth	Neil Rami	No	Delivery
<b>Delegation of Annual Accounts Approval</b>	To agree that the approval of the annual accounts be delegated to Audit, Risk & Assurance Committee.	8 December 2017	No	Cllr Izzi Seccombe	Sean Pearce	No	Finance
<b>Extension to Combined Authority Borrowing Powers</b>	To approve of the introduction of regulations by the Government to extend borrowing powers to the WMCA subject to an agreed cap	8 December 2017	Yes	Cllr Izzi Seccombe	Sean Pearce	No	Finance

Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
<b>Commonwealth Games 2022 Village</b>	To report on land remediation/acquisition funding arrangements.	8 December 2017	Yes	Cllr Izzi Seccombe	Sean Pearce	No	Finance
<b>West Midlands Fire Service Governance Review</b>	To provide an update on progress with the governance review.	8 December 2017	No		Phil Loach	No	Governance
<b>WMCA One Public Estate Programme Update</b>	To report on developments with the WMCA's One Public Estate programme.	8 December 2017	No	Cllr Sean Coughlan	Henry Kippin	No	Public Service Reform
<b>Culture, Creative &amp; Tourism</b>	To provide an update on the work undertaken by the Culture, Creative & Tourism Group.	8 December 2017	Yes	Economic Development	Dave Webb	No	Strategy
<b>Midland Metro Ltd - Approval of Final Business Plan and Commercial Settlement with National Express</b>	To agree the business plan for Midland Metro Ltd and the commercial settlement with National Express.	8 December 2017	Yes	Cllr Roger Lawrence	Laura Shoaf	Yes	Transport

Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
<b>Amendment to Midland Metro (Penalty Fares) Act 1991</b>	To make changes to the penalty fare in operation on the Midland Metro.	8 December 2017	Yes	Cllr Roger Lawrence	Laura Shoaf	No	Transport
<b>Midland Metro Wednesbury to Brierley Hill extension - Submission of Transport &amp; Works Act Order</b>	To approve the submission of an application for The Midland Metro Midland Metro (Wednesbury to Brierley Hill Land Acquisition) Order to the Secretary of State for Transport	8 December 2017	Yes	Cllr Roger Lawrence	Laura Shoaf	No	Transport
<b>West Midlands Cycle Design Guidance</b>	To report on proposals.	8 December 2017	Yes	Cllr Roger Lawrence	Laura Shoaf/Hannah Martin	No	Transport
<b>Wolverhampton Interchange Project</b>	To provide an update on the project.	8 December 2017	No	Cllr Roger Lawrence	Laura Shoaf/Phil Hewitt	No	Transport

Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
<b>Governance for Establishing Advanced Quality Bus Partnerships</b>	To change the terms of reference of Transport Delivery Committee to give it authority to approve and make schemes.	8 December 2017	Yes	Cllr Roger Lawrence	Laura Shoaf/Guy Craddock	No	Transport
<b>Portfolio Performance Reporting</b>	To provide oversight of the latest performance reporting and management.	12 January 2018	No	Mayor	Julia Goldsworthy	No	Delivery
<b>Investment Programme Funding</b>	To report on the risks inherent within the financial assumptions for WMCA income streams.	12 January 2018	No	Cllr Izzi Seccombe	Sean Pearce	No	Finance
<b>Portfolio Performance Reporting</b>	To provide oversight of the latest performance reporting and management.	9 February 2018	No	Mayor	Julia Goldsworthy	No	Delivery
<b>Draft Integrated Business Plan &amp; Budget</b>	Consideration of draft integrated plan and budget.	9 February 2018	Yes	Cllr Izzi Seccombe	Sean Pearce	No	Finance

Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
<b>Consideration of 2018/19 Levy Proposals</b>	Approval of 2018/19 levy.	9 February 2018	Yes	Cllr Izzi Seecombe	Sean Pearce	No	Finance
<b>Consideration of Mayor's Budget &amp; Statutory Capital Spending Plan</b>	Approval of the Mayor's budget and capital spending plans.	9 February 2018	Yes	Cllr Izzi Seecombe	Sean Pearce	No	Finance
<b>Portfolio Performance Reporting</b>	To provide oversight of the latest performance reporting and management.	9 March 2018	No	Mayor	Julia Goldsworthy	No	Delivery
<b>Integrated Business Plan &amp; Budget Approval</b>	Final approval of integrated plan and budget.	9 March 2018	Yes	Cllr Izzi Seecombe	Sean Pearce	No	Finance

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## WMCA Board Meeting

<b>Date</b>	10 November 2017
<b>Report title</b>	Treasury Management Strategy Mid-Year Report 2017/18
<b>Portfolio Lead</b>	Councillor Izzi Seccombe – Finance & Investments
<b>Accountable Chief Executive</b>	Deborah Cadman, West Midlands Combined Authority email: <a href="mailto:deborah.cadman@wmca.org.uk">deborah.cadman@wmca.org.uk</a> tel: (0121) 214 7552
<b>Accountable Employee</b>	Sean Pearce, Director of Finance email: <a href="mailto:sean.pearce@wmca.org.uk">sean.pearce@wmca.org.uk</a> tel: (0121) 214 7936
<b>Report to be/has been considered by</b>	WMCA Programme Board - 27 October 2017

### 1. Recommendation for approval

#### The WMCA Board is recommended to:

- (i) Approve the adjustment to the Minimum Revenue Provision (MRP) policy as detailed in Section 11.

## **2. Recommendations for noting**

### **The WMCA Board is recommended to:**

- (i) Note the results of the Treasury Management Strategy as at 30 September 2017.
- (ii) Note that the Authority's borrowing is within the prudential indicators established at the beginning of the year as outlined in appendix 1.
- (iii) Note that, as detailed in Section 6, WMCA are currently in dialogue with HMT and DCLG regarding an amendment to WMCA's borrowing powers and that further details will be shared with the Board at a later date.

## **1. Purpose**

- 1.1 The report provides a mid-year update on the West Midlands Combined Authority Treasury Management Strategy and is being submitted as a requirement under the CIPFA Treasury Management Code.

## **2. Background**

- 2.1 The Chartered Institute of Public Finance and Accountancy's Treasury Management Code (CIPFA's TM Code) requires that authorities report on the performance of the treasury management function at least twice yearly (mid-year and at year end).
- 2.2 The Authority's Treasury Management Strategy for 2017/18 was endorsed by WMCA Board on 17 February 2017.
- 2.3 The Authority has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of risk.
- 2.4 The daily management of WMCA's cash resources is overseen by the WMCA Treasury Management Group, consisting of the WMCA Section 151 Officer, the Head of Finance, the Finance Manager for Capital & Strategy and the Treasury Accountant. The Treasury Management Group is referred to throughout this report.

## **3. Treasury Management Activity in 2017/18**

### **3.1 External Context – The Economic and Outlook**

#### **3.1.1 Economic backdrop**

- 3.1.2 Commodity prices fluctuated over the period with oil falling below \$45 a barrel before increasing to \$58 a barrel. UK Consumer Price Inflation (CPI) rose with August showing CPI at 2.9%, its highest since June 2013 as the fall in the value of sterling following the June 2016 referendum result continued to feed through into higher import prices. The new inflation measure CPIH, which includes owner occupiers' housing costs, was at 2.7%.
- 3.1.3 The unemployment rate fell to 4.3%, (it's lowest since May 1975), but average earnings grew at 2.5% which was below the rate of inflation. Economic activity continued at a slower than expected pace with Quarter 1 and Quarter 2 GDP growth of 0.2% and 0.3% respectively. With the dominant services sector accounting for 79% of GDP, the strength of consumer spending remains vital to growth, but with household savings falling and real wage growth negative, there are concerns that these will be a constraint on economic activity in the second half of calendar year 2017.

- 3.1.4 The Bank of England made no change to monetary policy at its meetings in the first half of the financial year. The vote to keep Bank Rate at 0.25% narrowed to 5-3 in June highlighting that some MPC members were more concerned about rising inflation than the risks to growth. Although at September's meeting the Committee voted 7-2 in favour of keeping Bank Rate unchanged, the MPC implied a rise in Bank Rate may occur in "the coming months". The Authority's treasury advisor Arlingclose is not convinced the UK's economic outlook justifies such a move at this stage, but the Bank's interpretation of the data seems to have shifted.
- 3.1.5 Prime Minister Theresa May called an unscheduled General Election in June, to resolve uncertainty but the surprise result has led to a minority Conservative government in coalition with the Democratic Unionist Party. This clearly results in an enhanced level of political uncertainty. Although the potential for a so-called hard Brexit is diminished, lack of clarity over future trading partnerships, in particular future customs agreements with the rest of the EU block, is denting business sentiment and investment. The reaction from the markets on the UK election's outcome was fairly muted, business confidence now hinges on the progress on Brexit negotiations, the ultimate costs of the exit and whether new trade treaties and customs arrangements are successfully concluded to the UK's benefit.
- 3.1.6 In the face of a struggling economy and Brexit-related uncertainty, Arlingclose expects the Bank of England to take only a very measured approach to any monetary policy tightening, any increase will be gradual and limited as the interest rate backdrop will have to provide substantial support to the UK economy through the Brexit transition.

## **3.2 Financial markets**

- 3.2.1 Gilt yields displayed significant volatility over the six-month period with the appearing change in sentiment in the Bank of England's outlook for interest rates, the push-pull from expectations of tapering of Quantitative Easing (QE) in the US and Europe and from geopolitical tensions, which also had an impact. The yield on the 5-year gilts fell to 0.35% in mid-June, but then rose to 0.80% by the end of September. The 10-year gilts similarly rose from their lows of 0.93% to 1.38% at the end of the quarter, and those on 20-year gilts from 1.62% to 1.94%.
- 3.2.2 The FTSE 100 nevertheless powered away reaching a record high of 7548 in May but dropped back to 7377 at the end of September. Money markets rates have remained low: 1-month, 3-month and 12-month LIBID rates have averaged 0.25%, 0.30% and 0.65% over the period from January to 21st September.

### **3.3 Regulatory Updates**

- 3.3.1 **MiFID II:** Local authorities are currently treated by regulated financial services firms as professional clients who can “opt down” to be treated as retail clients instead. But from 3<sup>rd</sup> January 2018, as a result of the second Markets in Financial Instruments Directive (MiFID II), local authorities will be treated as retail clients who can “opt up” to be professional clients, providing that they meet certain criteria. Regulated financial services firms include banks, brokers, advisers, fund managers and custodians, but only where they are selling, arranging, advising or managing designated investments. In order to opt up to professional, the authority must have an investment balance of at least £10 million and the person authorised to make investment decisions on behalf of the authority must have at least one year’s relevant professional experience. In addition, the firm must assess that that person has the expertise, experience and knowledge to make investment decisions and understand the risks involved.
- 3.3.2 The main additional protection for retail clients is a duty on the firm to ensure that the investment is “suitable” for the client. However, local authorities are not protected by the Financial Services Compensation Scheme nor are they eligible to complain to the Financial Ombudsman Service whether they are retail or professional clients. It is also likely that retail clients will face an increased cost and potentially restricted access to certain products including money market funds, pooled funds, treasury bills, bonds, shares and to financial advice. The Authority has declined to opt down to retail client status in the past as the costs were thought to outweigh the benefits.
- 3.3.3 The Authority meets the conditions to opt up to professional status and intends to do so in order to maintain their current MiFID status.

### **3.4 CIPFA Consultation on Prudential and Treasury Management Codes**

- 3.4.1 In February 2017 CIPFA canvassed views on the relevance, adoption and practical application of the Treasury Management and Prudential Codes and after reviewing responses launched a further consultation on changes to the codes in August with a deadline for responses of 30<sup>th</sup> September 2017.
- 3.4.2 The proposed changes to the Prudential Code include the production of a new high-level Capital Strategy report to full council which will cover the basics of the capital programme and treasury management. The prudential indicators for capital expenditure and the authorised borrowing limit would be included in this report but other indicators may be delegated to another committee. There are plans to drop certain prudential indicators, however local indicators are recommended for ring fenced funds and for group accounts. Other proposed changes include applying the principles of the Code to subsidiaries.
- 3.4.3 Proposed changes to the Treasury Management Code include the potential for non-treasury investments such as commercial investments in properties in the definition of “investments” as well as loans made or shares brought for service purposes. Another proposed change is the inclusion of financial guarantees as instruments requiring risk management and addressed within the Treasury Management Strategy. Approval of the technical detail of the Treasury Management Strategy may be delegated to a committee rather than needing approval of full Council. There are also plans to drop or alter some of the current treasury management indicators.

- 3.4.4 CIPFA intends to publish the two revised Codes towards the end of 2017 for implementation in 2018/19, although CIPFA plans to put transitional arrangements in place for reports that are required to be approved before the start of the 2018/19 financial year. The Department of Communities and Local Government (DCLG) and CIPFA wish to have a more rigorous framework in place for the treatment of commercial investments as soon as is practical. It is understood that DCLG will be revising its Investment Guidance (and its MRP guidance) for local authorities in England; however there have been no discussions with the devolved administrations yet.
- 3.4.5 Responses towards the consultation were consolidated by Arlinclose and WMCA intend to adapt its treasury management practices to align with the final CIPFA recommendations.

#### 4. Treasury Management Mid-Year Review

- 4.1 Table 1 shows borrowing and investments held at 1<sup>st</sup> April 2017 and 30<sup>th</sup> September 2017. It shows that net borrowing has decreased by £23.95m mostly as a result of the £36.5m Devolution Fund income received during April 2017.

Table 1: Borrowing and Investments				
	Apr 2017	Borrowing Repaid / New Investments	Sept 2017	Notes
	£m	£m	£m	
Borrowing	(147.72)	0.15	(147.57)	Reduction in borrowing due to annuity loan repayments. No new borrowing undertaken
Investments	50.20	23.80	74.00	The net increase in investments is due to the Devolution Deal grant of £36.5m less reductions in WMCA available cash.
Net Borrowing	(97.52)	23.95	(73.57)	

#### 5. Borrowing Activity

- 5.1.1 The Authority's chief objective when borrowing continues to be striking an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.
- 5.1.2 Affordability and the "cost of carry" remained important influences on the Authority's borrowing strategy alongside the consideration that, for any borrowing undertaken ahead of need, the proceeds would have to be invested in the money markets at rates of interest significantly lower than the cost of borrowing. As short-term interest rates have remained, and are likely to remain for a significant period, lower than long-term rates, the Authority determined it was more cost effective in the short-term to use internal resources instead.

- 5.1.3 The benefits of internal borrowing were monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose (treasury advisors) assists the Authority with this 'cost of carry' and breakeven analysis.
- 5.1.4 WMCA currently hold powers to borrow for transport related activity only. Given the wider remit of the Combined Authority and the scope of the borrowing required to underpin the Investment Programme, WMCA are working with HM Treasury and the Department for Communities and Local Government to work towards widening the borrowing powers of the Combined Authority. This process will initially require a borrowing ceiling to be agreed upon, a list of specific powers identified and agreed and finally, a statutory instrument (i.e. parliamentary order) agreed by government. Further details of the draft Order will be shared with WMCA Board at a later date.

## **5.2 New Short Term Borrowing Undertaken**

- 5.2.1 Effective cash flow management to-date, and the use of grants received in advance have minimised borrowing. As a result no new short term borrowing has been undertaken to meet working capital requirements during 2017/18. This is partly due to the fact that WMCA treasury management activity is rightly being managed as a whole cash position for the Combined Authority.
- 5.2.2 In April 2017 WMCA received a full year allocation (£36.5m) of Devolution Deal Grant to fund the approved Investment Programme. In cash terms, TfWM Capital Investment Programme continues to spend and may require some finance funded by 'borrowing' in the latter half of the current financial year. It is likely, however, in order to avoid actually borrowing which would in effect, simply increase the overall funds WMCA have available to invest, the Authority will use available cash resources from its balance sheet and will notionally recharge the financing cost of the requirement to the Transport Budget in year.

## **5.3 New Medium to Long Term Borrowing Undertaking**

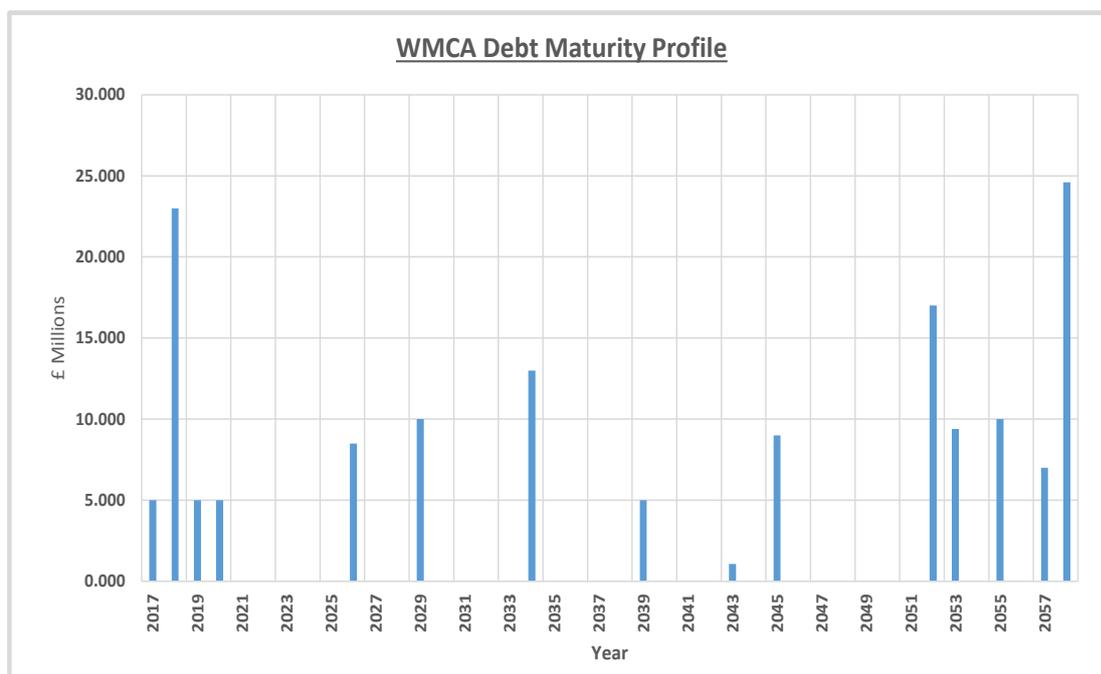
- 5.3.1 Similarly, effective cash management during the year has meant no additional borrowing has been undertaken in 2017/18 to date.

## **5.4 Historic Borrowing**

- 5.4.1 The main borrowing sources are PWLB (HM Treasury) and money markets. The Treasurer of the Authority continues to review the opportunities to reschedule debt. The costs associated with early repayment have been too onerous to be beneficial. As at the 30<sup>th</sup> September 2017 there have been no movements in long term debt except the principal repayable during the year on annuity loans. There is a scheduled £5m debt repayment due in December 2017. PWLB borrowing rates are being monitored regularly should any debt refinancing be required.

5.4.2 Table 2 shows borrowing held at 1<sup>st</sup> April 2017 and 30<sup>th</sup> September 2017. It shows that net borrowing has decreased by £0.150m due principal repayments during the year on annuity loans.

	<b>Balance at 1st April 2017 £000</b>	<b>Repaid in Year £000</b>	<b>Raised in Year £000</b>	<b>Balance at 30th September 2017 £000</b>
PWLB	147,719	- 150	-	<b>147,569</b>
Barclays Bank Loan	10,000		-	<b>10,000</b>
Ex WMCC	8,499	-	-	<b>8,499</b>
<b>Total Long Term Borrowing</b>	<b>166,218</b>	<b>- 150</b>	<b>-</b>	<b>166,068</b>



5.4.3 It can be seen from the graph above that significant debt repayments are due between 2017 and 2020. These borrowings are likely to need replacing and given historically low long term interest rates, WMCA are monitoring when might be the optimal time to undertake replacement borrowings.

5.4.4 The majority of WMCA borrowing is with PWLB, however the Authority has a loan (£10m) over 50 years with Barclays Bank (maturity date June 2055).

5.4.5 The Barclays Loan was a LOBO but in June 2016 Barclays decided to permanently waive its right under the lenders option of the LOBO feature to change interest rates in the future. Meaning WMCA loan with Barclays is no longer variable but a fixed term loan, and will still mature June 2055. The WMCC (West Midlands County Council) debt is due for maturity in 2026 (principal and interest are repaid annually).

## 6. Investment Activity

- 6.1 The Authority holds invested funds, representing income received in advance of expenditure plus balances held. The Guidance on Local Government Investments in England gives priority to security and liquidity and the Authority's aim is to achieve a yield commensurate with these principles.
- 6.2 Given the risk and continued low returns from short-term unsecured bank investments, it is the Authority's aim to diversify into more secure and/or higher yielding asset classes. The majority of the Authority's surplus cash was previously invested in short-term unsecured bank deposits, and money market funds.
- 6.3 Short term investments are split between term deposits, where cash is invested to periods in excess of one day and up to 3 months, and overnights money and call accounts where cash is available instantly. For overnight money and call accounts the Authority has predominately used HSBC Bank plc, HSBC Global Liquidity Fund – Sterling), Santander UK Plc, Barclays Bank, Lloyds Plc.
- 6.4 Fixed term investments are deposits where cash is invested in excess of 3 months.
- 6.5 As at the 30<sup>th</sup> September 2017, all short term investments have given a return to the Authority of £168,391.09 from 1<sup>st</sup> April 2017 to 30<sup>th</sup> September 2017 and an average rate of 0.45%, as shown in Table 3 below.

<b>Period Apr 17 - Sept 18</b>	<b>Average Rate</b>	<b>Investment Interest Earned</b>
Lloyds	0.80%	32,486.94
HSBC overnights	0.80%	412.86
HSBC Global Liquidity Fund	0.80%	12,752.02
London Borough Of Haringey	0.60%	1,104.11
Lloyds Bank Plc	0.56%	27,597.34
Scottish Building Society	0.55%	1,696.99
Fife Council	0.50%	2,243.84
Furness Building Society	0.47%	2,679.45
Thurrock Council	0.38%	8,817.26
National Counties Building Society	0.35%	12,920.55
Newcastle Building Society	0.35%	12,536.99
West Bromwich Building Society	0.32%	12,223.56
Close Brothers Bank	0.31%	12,534.24
Goldman Sachs Bank	0.30%	2,897.26
Cambridgeshire County Council	0.29%	1,446.58
The Highland Council	0.18%	6,808.22
Surrey Heath Borough Council	0.10%	17,232.88
<b>TOTAL</b>		<b>168,391.09</b>

- 6.6 The interest rate environment has been depressed particularly following the uncertainty of BREXIT. WMCA continue, however, to identify options to increase the yield of its investments taking into account factors around security and liquidity. WMCA's capacity to invest is partially aided by receipt of the Devolution Deal grant of £36.5m at the start of the financial year. Investments held as at the 30<sup>th</sup> September 2017 were as set in Table 4 below:

<b>Table 4: Investments &amp; interest rates as at 30th September 2017</b>		
<b>Counterparty</b>	<b>Interest Rate</b>	<b>Principal Invested</b>
Furness Building Society	0.60%	£1,000,000
Santander UK plc (call)	0.55%	£10,000,000
Close Brothers Bank	0.50%	£5,000,000
Goldman Sachs Bank	0.47%	£5,000,000
Scottish Building society	0.38%	£1,000,000
Surrey Heath Borough Council	0.38%	£10,000,000
The Highland Council	0.35%	£5,000,000
National Counties Building Society	0.35%	£1,000,000
Cambridgeshire County Council	0.32%	£5,000,000
Thurrock Council	0.25%	£5,000,000
Surrey Heath Borough Council	0.24%	£5,000,000
Lloyds Bank	0.22%	£5,000,000
HSBC Global Liquidity Fund	0.18%	£11,000,000
Lloyds Bank (Call)	0.15%	£5,000,000
<b>TOTAL</b>		<b>£74,000,000</b>

- 6.7 For information, the investment with HSBC Global Liquidity Fund of £11m is within the tolerances set within the Treasury Management Strategy as this is a highly diversified money market fund and hence is classed as a lower risk investment.

## **7. Performance measurement**

- 7.1 The WMCA treasury management function participates in a local benchmarking group which compares WMCA's treasury management performance with other local authorities, to ensure that relative to other local authorities the Authority is achieving a fair investment return without any undue risk. Performance is also regularly reviewed at the monthly Treasury Management Group.
- 7.2 One of the key requirements in the CIPFA Code of Practice on Treasury Management is the formal introduction of performance measurement relating to investments, debt and capital financing activities. The Prudential Indicators as at 30<sup>th</sup> September 2017 are shown in Appendix 1. All key prudential indicators are met or complied with.

## **8 Treasury Management Strategy**

- 8.1 The Treasury Management Strategy for 2017/18 has been underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practise on Treasury Management. Treasury Management is defined as:

*“The management of local authority’s investment and cash flows, its banking, money market and capital transactions; effective control of risk associated with those activates; and the pursuit of optimum performance consistent with those risks.”*

- 8.2 The Treasury Management Strategy is reviewed regularly and amended throughout the year to reflect changes in the financial markets and the economic climate.

## **9. Counterparty Ratings**

- 9.1 Security of capital has remained the Authority’s main investment objective. This has been maintained by following the Authority’s counterparty list policy as set out in the Treasury Management Strategy Statement 2017/18.
- 9.2 Counterparty credit quality is assessed and monitored with reference to credit ratings (the Authority’s minimum long-term counterparty rating is BBB+).
- 9.3 There were a few credit rating changes during the quarter. The significant change was the downgrade by Moody’s to the UK sovereign rating in September from Aa1 to Aa2 which resulted in subsequent downgrades to sub-sovereign entities including local authorities. Moody’s downgraded Standard Chartered Bank’s long-term rating to A1 from Aa3 on the expectation that the bank’s profitability will be lower following management’s efforts to de-risk their balance sheet. The agency also affirmed Royal Bank of Scotland’s and NatWest’s long-term ratings at Baa1, placed Lloyds Bank’s A1 rating on review for upgrade, revised the outlook of Santander UK plc, and Nationwide and Coventry building societies from negative to stable but downgraded the long-term rating of Leeds BS from A2 to A3.
- 9.4 Ring-fencing, which requires the larger UK banks to separate their core retail banking activity from the rest of their business, is expected to be implemented within the next year. In May, following Arlingclose’s advice, the Authority reduced the maximum duration of unsecured investments with Bank of Scotland, HSBC Bank and Lloyds Bank from 13 months to 6 months as until banks’ new structures are finally determined and published, the different credit risks of the ‘retail’ and ‘investment’ banks cannot be known for certain.
- 9.5 The new EU regulations for Money Market Funds were finally approved and published in July and existing funds will have to be compliant by no later than 21st January 2019. The key features include Low Volatility NAV (LVNAV) Money Market Funds which will be permitted to maintain a constant dealing NAV, providing they meet strict new criteria and minimum liquidity requirements. MMFs will not be prohibited from having an external fund rating (as had been suggested in draft regulations). Arlingclose expects most of the short-term MMFs it recommends to convert to the LVNAV structure and awaits confirmation from each fund.

9.6 The credit rating and financial resilience of counterparties are being monitored regularly and will be assessed with due regard to other financial information as and when it becomes available. Treasury advisors Arlingclose will continue to update the WMCA Treasury Management Group of any changes, both to the ratings and the maximum level of duration for investments.

## 10. Outlook for the remainder of 2017/18

10.1 The UK economy faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. Both consumer and business confidence remain subdued. Household consumption growth, the driver of UK GDP growth, has softened following a contraction in real wages. Savings rates are at an all-time low and real earnings growth (i.e. after inflation) struggles in the face of higher inflation.

10.2 The Bank of England's Monetary Policy Committee has changed its rhetoric, implying a rise in Bank Rate in "the coming months". Our advisors Arlingclose is not convinced the UK's economic outlook justifies such a move at this stage, but the Bank's interpretation of the data seems to have shifted.

10.3 This decision is still very data dependant and Arlingclose is, for now, maintaining its central case for Bank Rate at 0.25% whilst introducing near-term upside risks to the forecast as shown below. Arlingclose's central case is for gilt yields to remain broadly stable in the across the medium term, but there may be near term volatility due to shifts in interest rate expectations.

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20
<b>Official Bank Rate</b>													
Upside risk	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>Arlingclose Central Case</b>	<b>0.25</b>												
Downside risk	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25

## 11. Minimum Revenue Provision (MRP) Proposal

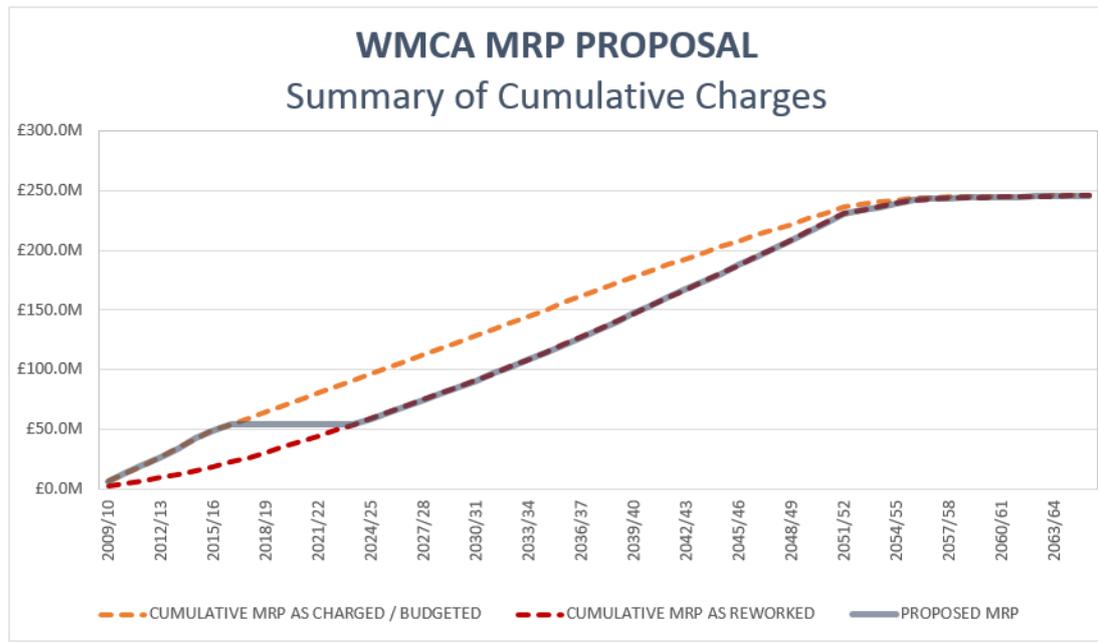
11.1 Local authorities have a number of options for 'financing' capital investment. These include the application of usable capital receipts, direct charges to revenue, the application of capital grants and securing up-front contributions from another party towards the cost of a project. Capital expenditure that is not met by one of the above methods is largely met by external borrowing.

11.2 The term 'financing' does not refer to the payment of cash but to the application of resources to ensure that any underlying amount arising from capital expenditure is dealt with absolutely, whether at the point of expenditure or over the longer term. Borrowing provides the cash to meet outgoings but borrowing ultimately has to be repaid from the revenue account.

11.3 The purpose of the MRP is to require Local Authorities to make prudent provision through the revenue account for the repayment of long-term external borrowing even though there may be no direct relationship between the amount of cash set aside through MRP and the actual schedule of loan repayments to external lenders.

- 11.4 The CIPFA Guidance includes options for making “prudent provision” and explains that “the broad aim of prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits”.
- 11.5 The methods of making prudent provision set out in Guidance make it clear that differing approaches are not ruled out but the option that is relevant for the purposes of this paper is Option 3 where MRP is determined by the life of the asset for which the borrowing is undertaken.
- 11.6 This can be calculated by either of the following methods:
- Equal instalments: where the principal repayment made is the same in each year, or
  - Annuity: where the principal repayments increase over the life of the asset.
- 11.7 The annuity method has the advantage of linking MRP to the benefits arising from capital expenditure, where these benefits are expected to increase over the life of the asset.
- 11.8 A subsequent review of the WMCA MRP charge during 2017 which prompted this proposal, showed there was scope to align the WMCA approach more closely to other Local Authorities within the Metropolitan Area. This specifically related to how much MRP WMCA would have charged to the revenue account had it adopted an annuity towards its MRP policy from the commencement of the 2009/10 charge and subsequent new borrowings from capital investment.
- 11.9 This review established that WMCA would have charged around £31 million less MRP between 1 April 2009 and 31 March 2016, had it adopted the annuity basis during this period.
- 11.10 The WMCA Section 151 Officer therefore considers that the WMCA has been materially overly prudent in setting MRP during this period (i.e. benefits from assets generally increase in later years) and it would have been fairer to recognise the time value of money.
- 11.11 As a result, the WMCA Board will be asked to approve the inclusion of an adjustment within the MRP policy for 2017/18 and subsequent years to recognise the over-prudent sum of around £31 million: as such these proposals comprise both a Statement of Revised Policy for 2017/18 and a Statement of Policy for subsequent years. The WMCA is proposing that MRP will continue to be calculated on an annuity basis, but as if the annuity basis had been applied from 1 April 2009, so that it will be reduced by the adjustment, anticipated to cover a period of approximately seven financial years.

11.12 A visual representation of the proposal is shown below:



11.13 As detailed above, the adjustment serves to move the WMCA cumulative MRP from the higher (orange / upper) line to the lower (red / lower) line in the chart by charging an MRP of zero until the cumulative position of the proposed arrangements are equal to those under the revised methodology.

11.14 In order to ensure that MRP remains prudent the Section 151 Officer is proposing that the following conditions should be added to the new policy:

- The total MRP after applying this new adjustment will not be less than zero in any financial year; this serves to freeze the cumulative total of MRP at the 2016/17 level until such time as this sum matches the cumulative total of MRP calculated using the annuity method from 1 April 2009. This condition will ensure that there is no claw back of MRP from previous financial years, i.e. there will be no “negative MRP”.
- The cumulative total of this new adjustment will never exceed the amount of the calculated over-prudent sum.
- The use of the adjustment will be reviewed on an annual basis when drafting the annual Treasury Management Strategy and MRP Policy (or more frequently if there is a mid-year revision for any reason, including the prudence of the adjustment itself). It may therefore be the case that the cumulative total of the new adjustment will never reach the level of the calculated over-prudent sum of around £31 million, i.e. if at any point it ceases to appear prudent to continue it.

11.15 For the avoidance of doubt the WMCA is not seeking to write back voluntary revenue provision made in the period from 1 April 2009 to 31 March 2017. It is proposing that the amount of the MRP calculated using the annuity method in future financial years should be adjusted to bring the amount of the overall provision recognised in the balance sheet into line with the amount that WMCA has determined would be prudent provision based on the profile of asset lives, the pattern of capital expenditure over the period from 1 April 2009 and the appropriate interest rates.

11.16 The effect on the WMCA Revenue budget of the proposed changes will be to reduce the MRP charge in the forthcoming financial years with incremental increases over the existing financial plans occurring from 2029/30 onwards. A 25 year assessment of the impact is detailed below for illustration:

£M PER ANNUM	25 YEAR ANALYSIS OF PROPOSAL vs PLAN																								
	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37	36/38	36/39	36/40	36/41	36/42
EXISTING FINANCIAL PLAN	5.2	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4
PROPOSED CHARGE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.2	5.1	5.2	5.3	5.4	5.5	5.6	5.7	5.8	5.9	6.1	6.2	6.3	6.4	6.6	6.7	6.8	7.0
VARIANCE	5.2	5.4	5.4	5.4	5.4	5.4	5.4	0.2	0.3	0.2	0.1	0.0	(0.1)	(0.2)	(0.3)	(0.4)	(0.5)	(0.7)	(0.8)	(0.9)	(1.0)	(1.2)	(1.3)	(1.4)	(1.6)

11.17 The WMCA’s Section 151 Officer considers that this approach is prudent, and that it therefore complies with the WMCA’s statutory duties in respect of MRP, because:

- The cumulative amount of MRP at the end of the useful life of all assets will be exactly the same under this methodology as it would have been had the straight line approach or the annuity approach been adopted from 1 April 2009.
- The time value of money and the likely increase in benefits in later years mean that this approach is fairer and affordable; and
- The annuity method is better suited to the type of assets the Authority hold as these are community assets which exist as part of an increasingly complex and better connected public transport network. It is considered that as the connectivity throughout the network is improved, the value realised by those assets will increase incrementally. The arrival of HS2 in 2026 will further enable additional economic value to be realised from those assets which are a component within the overall network.

11.18 Given the longevity of the calculations underpinning an accurate MRP charge, WMCA will continue to maintain a system of records which tracks the financial characteristics of each individual asset through construction to being in use. The MRP charge applied to ‘in use’ assets is then assessed annually as part of the financial planning exercise and the appropriate adjustments are made should any significant factors concerning the asset be changed.

11.19 WMCA have consulted with its External Auditor, Grant Thornton UK LLP who have confirmed that they have no specific objection to the changes as proposed within this report.

## **12. Prudential Code and Indicators**

- 12.1 The Local Government Act 2003 and the associated CIPFA Prudential Code for the capital finance set the framework for the new local government capital finance system. Authorities are able to borrow whatever sums they see fit to support their capital programmes, subject to them being able to afford the revenue costs. This is a fundamental feature of the current system and requires that the Authority sets and monitors a number of Prudential Indicators (PIs) relating to capital, affordability, external debt, and treasury management
  
- 12.2 The Authority's Prudential Indicators for 2017/18 were set out as part of the Treasury Management Strategy, shown in appendix 1. These show that the authority is compliant with Prudential Code and parameters set at the beginning of the year.

APPENDIX 1 - Summary Prudential Indicators

Measure	Mid Year Position £'000's	Indicators reported to WMCA Board 17 February 2017			NOTES : Mid Year Forecast vs 2017/18 Forecast
		2017/18 Forecast £000's	2018/19 Forecast £000's	2019/20 Forecast £000's	

**Affordability**

Ratio of financing costs to net revenue stream:					
(a) financing costs	13,800	15,109	18,063	24,504	Finance costs are reduced due to effective cash flow management reducing the need to borrow
(b) net revenue stream	158,042	158,042	200,954	203,845	No change
Percentage (Finance charges vs total income)	8.73%	9.56%	8.99%	12.02%	Variance influenced by lower finance charge
Movement in finance costs as a percentage of income	0.24%	(0.59%)	(1.47%)	(3.16%)	Variance influenced by lower finance charge

**Prudence**

Gross borrowing and the capital financing requirement:					
Gross Borrowing (excludes inherited debt)	205,013	<b>229,585</b>	394,205	534,017	Variance due to lower borrowing expectation in 17/18
Capital Financing Requirement (Gross borrowing in year 2017/18 must not exceed year CFR in 2019/20)	251,179	256,085	420,703	<b>560,523</b>	Variance due to amendment to MRP policy

**Capital Expenditure, External Debt and Treasury Management**

Capital Expenditure	126,889	171,211	362,563	411,421	Variance mostly due to likely deferral of Devo 1 grants
Operational boundary for external debt					
Operational boundary for borrowing	307,305	312,305	476,924	627,391	The reduction in the Operational Boundary is driven by the reduced requirement to borrow in 2017/18
Authorised limit for external debt					
Authorised limit for borrowing	307,305	312,305	476,924	627,391	The reduction in Authorised Limit is driven by the reduced requirement to borrow 2017/18
Interest rate exposures					
Upper limit on fixed rate exposures	10%	10%	10%	10%	No change
Upper limit on variable rate exposures	30%	30%	30%	30%	No change
Investments longer than 364 days					
Upper limit	8,000	8,000	8,000	8,000	No change

CIPFA Treasury Management Code?	Yes
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Maturity structure of borrowing - limits	Upper Limit %	Current Level %	Current Level %
Under 12 Months	20%	16%	0%
12 months and within 24 months	30%	3%	0%
24 months & within 5 years	40%	5%	0%
5 years & within 10 years	60%	5%	0%
10 years & within 20 years	100%	14%	0%
20 years & within 30 years	100%	14%	0%
30 years & within 40 years	100%	43%	0%

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## WMCA Board Meeting

<b>Date</b>	10 November 2017
<b>Report title</b>	Global Thrive Network (I-Circle Event)
<b>Portfolio Lead</b>	Councillor Bob Sleigh - Wellbeing and HS2
<b>Accountable Chief Executive</b>	Sarah Norman, Dudley Metropolitan Borough Council email: sarah.norman@dudley.gov.uk tel: (01381) 815223
<b>Accountable Employee</b>	Sean Russell, Director of Implementation for West Midlands Mental Health Commission email: s.russell@west-midlands.pnn.police.uk tel: 07818 276259
<b>Report to be/has been considered by</b>	WMCA Wellbeing Board - 6 October 2017 WMCA Programme Board - 27 October 2017

**Recommendation(s) for action or decision:**

**The WMCA Board is recommended to agree:**

1. That the West Midlands Combined Authority should continue international collaboration with other City Regions that are engaged in whole system transformation to improve the mental health and wellbeing of their citizens, and supports efforts to establish a thriving virtual network to share evidence, learning and ideas.
2. That the West Midlands Combined Authority should send representation to the event in Stockholm in 2018.
3. That the West Midlands Combined Authority should seek to host a joint event with London in 2018 or 2019.

## 1.0 Purpose

- 1.1 This report has been produced to share the key learning points from the I-Circle (International City & Urban Regional Collaborative, Supporting Mental Health and Wellbeing to Enable Citizens to Thrive) conference attended by Sarah Norman, Chief Executive Dudley Metropolitan Borough Council on behalf of WMCA and consider how WMCA might continue collaboration with other city regions over Thrive objectives in the future.

## 2.0 Background

- 2.1 The Thrive West Midlands Action Plan included a commitment to be part of the global network of Thrive Cities that are committed to whole system wellbeing transformation to improve mental health. As part of this collaboration Sarah Norman & Norman Lamb were invited to attend the I-Circle Conference in Philadelphia and New York in September to share the work of the Mental Health Commission and our Thrive West Midlands plan and to hear about work in other city regions including Philadelphia and New York. In the event critical votes in Parliament meant that Norman Lamb was not able to attend. However Sarah Norman did attend to represent WMCA.
- 2.2 Other city regions represented at the conference included Philadelphia, New York and Pittsburg in the USA, London, Christchurch in New Zealand, Sydney, Glasgow, Dublin, Stockholm in Sweden and Ontario & Toronto in Canada. There were also representatives from the Mental Health Foundation, Mental Health First Aid, the World Health Organisation, Black Thrive and CitiesRISE (a mental health collaborative between Seattle, San Francisco, Bogota, Bangalore, Nairobi and Chennai).

## 3.0 Wider WMCA Implications

The key learning from the event is broken down into key themes that may have linkages to other workstreams of the WMCA as below:

### 3.1 Employers and Employee wellbeing

In Stockholm their work has a strong focus on initiatives to improve employee wellbeing. They have funded this through social impact bonds with the pay back coming from reductions in absenteeism. However they were very interested in our plans to pilot a wellbeing fiscal incentive. We have agreed to exchange our approaches.

- 3.2 In London the City Mental Health Alliance <http://citymha.org.uk/> has been established with key employers in the City of London. It is funded through a membership model and seeks to raise awareness and address mental health stigma and share best practice and benchmarking information to support employee wellbeing. A linked initiative is the “This is Me” campaign where a number of employees from City institutions talk on You Tube about their own mental health difficulties [https://www.youtube.com/watch?v=b7\\_4S3J\\_3VA](https://www.youtube.com/watch?v=b7_4S3J_3VA)

- 3.3 In Dublin they have had to deal with the mental health consequences of economic collapse. International evidence shows that for every 1% increase in unemployment there is a 0.7% increase in self harm. Conversely this also illustrates the mental wellbeing benefits that addressing unemployment can bring

- 3.4 Although the New York’s Programme Thrive NYC is spending £850m and includes 54 different initiatives none are focussed on employment or employers and they are very interested in the outcome of our work in these areas

### 3.5 **Criminal Justice & Substance Misuse**

Philadelphia, like many US cities, is suffering from an “epidemic in opioid addiction” and has developed specific programmes to address this. Whilst opioid addiction is more of a US phenomenon than a West Midlands problem there are parallels here with some of our own substance misuse challenges.

3.6 Philadelphia has established a Stepping Up programme in its prisons to pilot recovery evidenced based treatments such as CBT to both reduce offending and improve prisoner behaviour. Here in Britain it is very difficult for prisoners to access therapies like CBT which means we may be missing opportunities to address mental health issues that may be the basis of an individual’s offending behaviour. Philadelphia has also established a “Forensic Task Force” in the city which has been pivotal to building trust to support collaboration

3.7 The US government has a programme to encourage “Drug Free Communities”. <http://www.cadca.org/drug-free-communities-dfc-program> These are very local communities (ward sized) that have established a grass roots ambition and action plan to become drug free and which in return receive \$125,000 / year for 5 years. Philadelphia has proactively supported communities to become part of the programme and see it as a very successful way to engage with local communities on substance misuse. Information on this programme and a contact in Philadelphia have been shared with the PCCs office in response to his recent call for evidence.

3.8 The Mental Health Foundation are piloting a mental health self management programme in Parc Prison. This is very relevant to the pilot we are developing with Featherstone prison and we have agreed to exchange more information about what we are doing and share learning

3.9 Philadelphia runs a huge Mural Arts Programme <https://www.muralarts.org/> which has created more than 4,000 murals in the city over the last 30 years. The programme has been used as a vehicle to engage with communities on mental health and to improve the urban environment but has also been an integral part of work with offenders and recovering addicts. This has included prison programmes and work with victims and it has collected lots of evidence of the impact on reoffending and drug recovery. Requested by and designed with communities, the murals have remained virtually graffiti free. The programme also creates lots of employment for young artists. It costs £9m / year to run but much of that is commissioned as part of drug recovery and restorative justice programmes and raised through sponsorship and donations. It also gets substantial income from and from running mural art tours! Information on this programme and a contact in Philadelphia have been shared with the PCCs office in response to his recent call for evidence.

3.10 Network of Neighbours Responding to Violence in Philadelphia <http://dbhids.org/networkofneighbors> is a neighbor driven network of Philadelphians who are called on to support communities after violent, often traumatic incidents. Philadelphia has one of the highest rates of violence in the US which fortunately is not mirrored in the West Midlands. However this approach could be relevant in some of most disadvantaged communities and is an interesting community response to minimising the impact of Adverse Childhood Experiences.

### 3.11 **Public Health**

Philadelphia has developed a community based mental health screening programme called “Check up from the Neck Up” <http://healthymindsphilly.org/en/screening> which uses online, community and kiosk approaches to delivering screening services and has found that it has helped people to understand the need for proactive self care in maintaining positive mental health as well as identifying people in need before they are in crisis.

3.12 The initiative 100 Million Healthier Lives <https://www.100mlives.org/> was originated in Philadelphia. Led by the Institute for Healthcare Improvement it aims to innovate and drive improvement to create measurable improvement in health, wellbeing and equity and has set a deliberately audacious goal of 100 million people living healthier lives by 2020.

3.13 Pittsburg and Glasgow have established a partnership focussed on tackling suicide, drug addiction and liver disease caused by alcohol as the so called “diseases of despair”. Glasgow has developed an “Evaluation Game Tool” to engage with communities on what is needed to achieve change.

3.14 New York have established NYC Well which provides a crisis counselling, peer support, information and referral service via telephone, text and online chat. In its first year of operation it dealt with over 225,000 contacts. It has a back end connection to 911 where urgent assistance is required and uses a “warm hand off” approach when making referrals. New York have invested £12m a year in this service. It is based on the principle that intervening early will reduce the need for more costly services later but it is too early to evaluate whether it has had that impact.

### 3.15 **Community Awareness & Engagement**

All of the city regions represented at I-Circle have developed Mental Health First Aid programmes to increase mental health awareness and develop the skills and confidence of people in dealing with people in mental distress. New York City (population 8.5m) has committed to train 250,000 people in Mental Health First Aid, compared with our even more ambitious commitment to train 500,000 over the next 10 years. This was an area where they were keen to learn from us as working with Mental Health First Aid England we are developing a flexible model which provides different levels of training for people in different circumstances.

3.16 Sydney holds an annual “Big Anxiety Festival” <https://www.thebiganxiety.org/> to bring together artists, scientists, communities and professionals to raise awareness, tackle stigma and spark action to improve mental health

3.17 Thrive London has ran a poster campaign on the London Underground in July which they believe has been very successful in raising awareness and tackling stigma

3.18 New York is utilising the Friendship Bench model which originated in Zimbabwe where brightly coloured benches (bright orange in New York) are used with trained peers as a resource for drop in community support. This is a new initiative in New York and has not been fully evaluated yet and it would also be a challenge to adopt in the British weather! However there are some similarities with the model of Problem Solving Booths that London Thrive is testing which may be a model better suited to our climate!

3.19 New York have also run a “Weekend of Faith” to engage faith leaders. This included getting faith leaders to commit to pledging that they will get 25% of their congregation trained in Mental Health First Aid

3.20 Christchurch have established an extensive programme to foster wellness within communities <https://allright.org.nz/>

### 3.21 **Equalities**

Both Toronto and Philadelphia have invested in adapting the model for delivering psychological therapies to make them more fit for purpose for different populations. This has included developing more diversity amongst providers and incorporating “cultural competency” into the evaluation of providers requiring them to show how they are orientated to the needs of different communities. Both cities have found that this has significantly improved outcomes for minority communities. Links to this work will be shared with our Thrive Network of Equalities Champions to consider the need for similar adaption of psychological therapies in the West Midlands

3.22 Black Thrive has been established in Lambeth in London to achieve equality in mental health outcomes <https://www.blackthrive.org.uk/> and is grappling with the disproportionate numbers of individuals from BME communities detained under the mental health act. The Mental Health Commission identified that this is also an issue in the West Midlands and there is potential to do some joint work to achieve some high profile, tangible progress in this important area. Given the demographics of the West Midlands Black Thrive are also keen to work with us on other areas of possible collaboration.

### 3.23 **Children & Young People**

Work in Philadelphia has identified that many people who have substance misuse problems as adults suffered trauma early in their lives. As a result they have established PACTS (The Philadelphia Alliance for Child Trauma services). This could be very relevant to our work on addressing Adverse Childhood Experiences

### 3.24 **Disaster Recovery**

Much of Christchurch’s work has been focussed on dealing with the consequences of the major earthquakes Christchurch suffered 7 years ago which mean that a large part of the city is still uninhabitable. Mental health has proved to be one of the major recovery challenges with enormous increases in demand for both child and adult mental health services. As a result they have become real experts in developing mental health services as part of disaster recovery plans. London Thrive was very keen to learn from this work in the context of Grenfell and there may also be learning for the West Midlands Recovery Plan Review which the Chief Fire Officer is leading

### 3.25 **Approaches to Transformation**

As well as learning about particular initiatives and approaches which may be applicable in the West Midlands it was also helpful to reflect on the approaches different places are using to drive change more generally. The one thing we all had in common was a refusal to accept that the status quo for people with mental health difficulties is good enough and a driving ambition to make a real difference and this is something that we need to make sure Thrive West Midlands hold onto.

- 3.26 At the heart of Thrive NYC Programme is the concept of “exploding the work” which is about transforming where the work is done (channel shift), who the work is done by (skilling up other professionals, faith leaders, trade unions, youth workers etc) and addressing the need by tackling the wider determinants of health. Whilst the term “exploding” feels a little violent it does reflect the scale of the transformation that Thrive NYC are trying to achieve
- 3.27 All of the cities identified innovation as a fundamental component of system change and improvement. Both Philadelphia and New York have established “Innovation Labs” as a systematic way to encourage, facilitate and evaluate innovation and then scale up “to make the new normal”. Philadelphia uses “rally cries” to drive change in a system with a focus on a different aspect of change every 6 months.
- 3.28 Thrive NYC has also establishing “learning collaborative”, networks of organisations and individuals working on the same problem to share data and coaches and accelerate change. To date two have been established, one looking at parental stress and improving outcomes for 0-3 year olds and one to tackle maternal depression with the aim of screening all pre and post natal women in New York, connecting to care and improving outcomes. Four more will be established in other areas in due course
- 3.29 All of these approaches could be useful to our public service reform agenda as well as to the detailed work we are doing in Thrive
- 3.30 **Co – production and utilising lived experience**  
All city regions have strived to involve people with lived experience of mental health in the governance and development of their programmes. Here in the West Midlands we have done this through the involvement of Steve Gilbert (a Serious Mental Illness Lived Experience Consultant) as a member of the Mental Health Commission and the involvement of the Citizen’s Jury, now known as the West Midlands Cooperative. Learning from elsewhere was that if we are to fully utilise people with lived experience in our work this will from time to time create tensions and challenges and we should welcome these as an opportunity to test our own thinking and approaches

#### **4.0 Future Progress**

- 4.1 All the Cities represented agreed to establish a framework for future collaboration. This will be based on a set of principles including and will be based on establishing virtual ways of sharing evidence and ideas as well as future international events. Virtual sharing has already commenced and our Implementation Director Sean Russell is signed up to the network. The next event is in Stockholm at the end of May 2018 where it is recommended that WMCA should be represented both to maintain the profile of our work and deepen our international collaboration
- 4.2 There is also potential for us to work with Thrive London to host a joint event ourselves here in the UK
- 4.3 In addition to the cities that participated, New York and Philadelphia are also involved in CitiesThrive which is an initiative to develop 200 Thrive Cities across the US and this will also be linked in as we take things forward

## **5.0 Financial implications**

5.1 The cost of attending the events in Philadelphia and New York in September was approximately £2.5k and was funded through the 2017/18 Mental Health budget. Funding for any upcoming events in either 2018 or 2019 would need to be included within future budget bids.

## **6.0 Legal implications**

6.1 No legal implications at this stage. As this project progresses legal will ensure the correct agreements are entered into.

## **7.0 Equalities implications**

7.1 Opportunity to explore collaborative work with Black Thrive in Lambeth and the Mental Health Commission on equality in mental health outcomes for BME communities. Thrive Network of Equality Champions to consider adaption of psychological therapies for different communities in the West Midlands.

## **8.0 Other implications**

8.1 No other implications at this stage

## **9.0 Schedule of background papers**

9.1 No background papers

## **10.0 Appendices**

No appendices

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## WMCA Board Meeting

<b>Date</b>	10 November 2017
<b>Report title</b>	The Midland Metro - Edgbaston Extension
<b>Portfolio Lead</b>	Councillor Roger Lawrence - Transport
<b>Accountable Chief Executive</b>	Laura Shoaf, Managing Director, Transport for West Midlands  email: <a href="mailto:laura.shoaf@tfwm.org.uk">laura.shoaf@tfwm.org.uk</a> tel: (0121) 214 7444
<b>Accountable Employee</b>	Phil Hewitt, Metro Programme Director, Transport for West Midlands  email <a href="mailto:phil.hewitt@tfwm.org.uk">phil.hewitt@tfwm.org.uk</a> tel: (0121) 214 7254
<b>Report to be/has been considered by</b>	

**Recommendation(s) for action or decision:**

**The WMCA Board is recommended to:**

Confirm the resolution passed on 17 March 2017 to authorise the WMCA to submit an application for the Midland Metro (Birmingham City Centre Extension, etc.) (Edgbaston Extension Land Acquisition) Order to the Secretary of State for Transport.

## **1.0 Purpose**

- 1.1 To seek from the full West Midlands Combined Authority (WMCA) Board a second resolution confirming the resolution as set out in the West Midlands Combined Authority Board Report of 17 March 2017 to promote a Transport & Works Act Order (TWAO) for the Midland Metro (Birmingham City Centre Extension, etc.) (Edgbaston Extension Land Acquisition) Order under the Transport and Works Act 1992.

## **2.0 Background**

- 2.1 On 17 March 2017 the WMCA Board passed a resolution authorising the submission of a TWAO for the extension to the existing Midland Metro tramway system in Birmingham. The proposed extension would run from Centenary Square to 54 Hagley Road. The application for the above TWAO was submitted to the Secretary of State for Transport on 4<sup>th</sup> April 2017.
- 2.2 By virtue of Section 20 of the Transport & Works Act (TWA), Combined Authorities such as the WMCA may promote a TWA Order, but the power to do so is subject to the same conditions as apply to Combined Authorities promoting bills in Parliament.
- 2.3 In this instance, therefore, the Combined Authority must comply with the conditions set out in Section 239 of the Local Government Act 1972.
- 2.4 Section 239 provides that where a Combined Authority is satisfied that it is expedient to promote a Bill (and so also a TWAO) it must pass a resolution to do so which then needs to be confirmed at a further meeting of the authority after the Bill is deposited or, in the case of a TWAO, the application made. In each case the necessary resolutions must be passed by a majority of the full Council (i.e. not just the members present).
- 2.5 Such a resolution must:
- (a) be preceded by not less than 30 clear days' notice, given by advertisement in one or more local newspapers and by the ordinary notices required to be given for convening a meeting of the WMCA;
  - (b) be passed by a clear majority of the whole number of the members of the WMCA Board (i.e. not a majority of those present but a majority of all members).
- 2.6 The wording of the proposed resolution has been based directly on the wording of the resolution passed on 17 March 2017, and any proposed changes to it should be subject to further legal advice.

## **3.0 Impact on the Delivery of the Strategic Transport Plan**

- 3.1 Expansion of Midland Metro, from Centenary Square along Broad Street to 54 Hagley Road, Edgbaston, just to the west of Five Ways. This will enable the use of the full extent of the powers granted in the works authorised by the 2005 BCCE Order (S.I. 2005 No. 1794), by 2020/21.

#### **4.0 Wider WMCA Transport Implications**

4.1 This phase of the Midland Metro extension from the Centenary Square to 54 Hagley Road (the Edgbaston Extension) will complete delivery of the 2005 Order powers and will be combined with the Centenary Square Midland Metro Extension to secure efficiencies in delivery.

#### **5.0 Background, Aims, Description of the Route, Operational Issues and details of the TWAO Application**

5.1 For the Edgbaston Extension the Compulsory Purchase Powers authorised by the 2005 Order lapsed in July 2010, and WMCA is in negotiation with the relevant landowners to acquire the small areas by agreement. However, although negotiations are proceeding well there is a risk that agreement cannot be reached or reached within the programme timescales. In order to seek to mitigate that risk and ensure delivery of the scheme in line with the current schedule it is proposed to commence to refresh the powers of compulsory purchase through a supplementary TWAO.

5.2 The full background, aims, description of the route, operational issues and the details of the TWAO application including cost funding and process are presented in the report taken to the WMCA Board on 17 March 2017 in Appendix 1 of this further report.

#### **6.0 Programme**

6.1 The programme for delivery will be subject to the timescales and outcome of the statutory process associated with the TWAO and to securing funding approval from the DfT.

6.2 The TWAO application was submitted to the DfT on 4<sup>th</sup> April 2017.

#### **7.0 Legal Comments**

7.1 The WMCA has power to apply for a TWAO by virtue of section 20 of the Transport and Works Act 1992. Subsection (2) of section 20 provides that the power to make a TWAO application is subject to the same conditions (if any) that apply to the applicant when promoting a Bill in Parliament.

7.2 The WMCA has powers to promote Bills in Parliament under section 10 of the Transport Act 1968 (as amended) and section 239 of the Local Government Act 1972 (as amended).

7.3 In order to comply with the conditions that apply to the exercise of the power in the LGA 1972, special notice of this meeting and its purpose has been given in accordance with section 239. As WMCA Board has approved the submission of the TWA application, it will also be required by the LGA 1972 to decide, at this second meeting whether to resolve to continue with decision of the first resolution made at the WMCA Board Meeting of 17 March 2017.

#### **8.0 Equalities Implications**

8.1 The extensions of Midland Metro will facilitate fully accessible journeys and access to employment, leisure, education and link to other transport modes.

## **9.0 Schedule of background papers**

- (1) Report to the WMCA Board 30 September 2016
- (2) Report to the WMCA Board 17 March 2017



## WEST MIDLANDS COMBINED AUTHORITY

### Investment Board

Friday 6 October 2017 at 10.00 am

### Minutes

#### Present

Councillor Izzi Seccombe (Chair)  
Councillor Robert Hulland  
Councillor Majid Mahmood  
Councillor Peter Richards  
Paul Brown

Warwickshire County Council  
Solihull Metropolitan Borough Council  
Birmingham City Council  
Non-Constituent Authorities  
Black Country Local Enterprise  
Partnership

#### In Attendance

Gerald Gannaway  
Carl Craney  
Linda Horne  
Tim Martin  
Perry Wardle

Finance Birmingham  
West Midlands Combined Authority  
West Midlands Combined Authority  
West Midlands Combined Authority  
Solihull Metropolitan Borough Council

#### Item Title No.

#### 19. Apologies for Absence (if any)

Apologies for absence had been received from Nick Abell (Coventry and Warwickshire Local Enterprise partnership), Councillor Jim O'Boyle (Coventry City Council), David Cockroft (Coventry City Council), Roger Mendonca (Greater Birmingham and Solihull Local Enterprise Partnership), Gary Taylor (Greater Birmingham and Solihull Local Enterprise Partnership) and Mark Taylor (West Midlands Combined Authority).

#### 20. Notification of Substitutes

Sean Farnell (Coventry and Warwickshire Local Enterprise Partnership attended as the substitute for Nick Abell).

Andy Williams (Coventry City Council) attended as the substitute for David Cockroft who was to have attended as the substitute for Councillor Jim O'Boyle.

#### 21. Declarations of Interests (if any)

Councillor Robert Hulland declared a non-pecuniary interest in Agenda Item No. 7 (UK Central Infrastructure Package – Strategic Outline Business Case) as an elected member of Solihull MBC and as a member of the Board of Arden Cross Ltd.

Councillor Majid Mahmood declared a non-pecuniary interest in Agenda Item No. 7 (UK Central Infrastructure Package – Strategic Outline Business Case) as an elected member of Birmingham City Council.

**22. Minutes of last meeting**

Resolved:

That the minutes of the meeting held on 4 August 2017 be confirmed as a correct record and signed by the Chair subject to the deletion of 'Councillor Majid Mahmood – Birmingham City Council' in the list of attendees.

**23. Matters Arising**

There were no matters arising from the minutes of the meeting held on 4 August 2017.

**24. Hagley Road Sprint - Outline Business Case**

Carl Craney presented a report which set out to regularise the decision made by the Board at the meeting held on 26 May 2016.

Resolved:

1. That the Board confirms the acceptance of the offer of £7.29 million from the Greater Birmingham and Solihull Local Enterprise partnership (GBSLEP) towards the Hagley Road Sprint scheme;
2. That the Board confirms the approval, in principle, of a further £3.15 million of WMCA funding for delivery of the Hagley Road Sprint scheme comprising £0.75 million of previously approved ITB funding and £2.4 million of HS2 Connectivity Package funding.

**25. UK Central Infrastructure Package - Strategic Outline Business Case**

Perry Wardle presented a report and gave a PowerPoint presentation on the UK Central Infrastructure Package Strategic Outline Business Case. The report advised the Board that as part of the WMCA Devolution Agreement £288 million had been secured for a UK Central Infrastructure Package. The report outlined the first Strategic Outline Case which identified the initial funding being sought for detailed work on Phase 1 of the package, consisting of early priority schemes in line with UK Central and WMCA objectives. The PowerPoint presentation provided greater clarification of the geography and anticipated impact of the proposals.

Councillor Robert Hulland advised that the triangle of land in question was owned by Solihull Metropolitan Borough Council, Birmingham City Council and two private estates. He questioned the risks involved with the scheme and whether the costs were realistic. Perry Wardle explained that the Strategic Outline Business Case would allow the studies to progress towards the preparation of the Outline Business Case and the Full Business Case. He identified two elements with regard to risks on expenditure in 2017/18:

- i) The strategic acquisition of the land at Simon Digby housing which was currently in the ownership of Solihull MBC and Solihull College. An agreement in principle was in place with the College for Solihull MBC to acquire the land but the legal process had yet to be completed;
- ii) The accessibility enhancements around the Solihull Rail Station and Town Centre. A consultation exercise had yet to be completed.

Councillor Robert Hulland enquired whether there was confidence that the proposed expenditure target would be met. Perry Wardle advised that he was confident that it would.

Councillor Majid Mahmood enquired whether the necessary funds to be provided by other partners was ringfenced for this scheme. He also enquired when the North Solihull area, as an area of deprivation, would benefit from the scheme. Perry Wardle advised that the funds to be expended in 2017/18 were secure and future funding would be the subject of further reports and discussions. With regard to North Solihull he referred to the previous investments in that area and the additional benefits which would accrue to that area from this scheme.

Linda Horne advised that the WMCA was working closely with Solihull MBC on this scheme and that the monies were available with contractual arrangements in place.

Councillor Robert Hulland enquired whether the Board had delegated powers to approve the requests. Carl Craney confirmed that with the sums involved it did.

Resolved:

1. That the Solihull MBC Strategic Outline Case (SOC) Phase 1 and the allocation of £3.4 million of WMCA funding from the £288 million UK Central infrastructure package to enable projects within the SOC to progress be approved;
2. That the decision of Solihull MBC's Cabinet on 20 July 2017 to endorse the Growth and Development Investment Plan along with the approval of the submission of the SOC Phase 1 to the WMCA be noted;
3. That the SOC Phase 1 identified indicative total project costs of £112.6 million of which £63.6 million was proposed to be set against the £288 million UK Central Infrastructure Package be noted. The balance being met from other sources of funding including Solihull MBC, Greater Birmingham and Solihull Local Enterprise Partnership, Central Government and the European Union. Requests to commit further funding would be brought forward as projects progressed;

4. That the SOC Phase 1 identified a funding requirement in 2017/18 of £4.33 million being sought from the UK Central Infrastructure package with the balance being met from Solihull MBC's resources which have already be approved be noted;
5. That the demonstrated and urgent need to progress the projects within the SOC to ensure key intervention measures informed or delivered prior to the commencement of works by Transport for West Midlands (TfWM), HS2 and Highways England be noted;
6. That in 2016/17 UK Central Infrastructure Package resources of £1.83 million had been committed to support work on the UK Central Package be noted.

**26. Exclusion of the Public and Press**

Resolved:

That in accordance with Section 100A4 of the Local Government Act 1972, the press and public be excluded from the meeting during the consideration of the following items of business as they involve the likely disclosure of exempt information relating to the business affairs of any particular person (Including the authority holding that information).

**27. YMCA Lichfield Street, Wolverhampton**

Gerald Gannaway presented a report in connection with an opportunity to assist with a significant refurbishment and bringing back into economic use the former Co-Op, Lichfield Street, Wolverhampton which had been void and largely derelict since the closing of the store in 1987. The report detailed the Collective Investment Fund – Senior Debt Loan – Development Facility over a term of 2.5 years with repayment from re-finance of the Development Loan by a commercial mortgage provider and a Brownfield Land and Property Fund Grant which would be non-repayable but which was required to fund building remediation subject to clawback on "change of use" or sale. He responded to questions raised by members of the Board.

Resolved:

That subject to the various conditions the CIF Senior Debt Loan and Brownfield Land and Property Grant detailed in the report be approved.

**28. CIF / LRF Dashboard**

Gerald Gannaway presented the CIF / BLPDF Dashboard as at 1 October 2017 which detailed:

- WMCA CIF / BLPDF – Investments committed and completed funds;
- WMCA CIF / BLPDF – Geographical committed deal values and totals diagrams; and
- WMCA CIF / BLPDF – Pipeline – WIP

He advised that a scheme in the report was incorrectly marked as being within the Solihull MBC area when it was, in fact, in the Birmingham City Council area. He also updated the Board on a scheme which was no longer being progressed using funds under the Board's control. The Chair commented that the Board should be informed of any schemes that had been offered assistance but that were no longer progressing. Sue Summers undertook to include such information in future iterations of the Dashboard.

Following a question from Andy Williams, Sue Summers reported on the steps taken to promote the availability of funds.

Resolved:

That the Dashboard be received and noted.

The meeting ended at 10:55am

**CHAIR**

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**Meeting:** Wellbeing Board

**Subject:** Minutes

**Date:** Friday 6 October 2017 at 1.30pm

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**Present:**

Councillor Bob Sleight (Chair)	Solihull Metropolitan Borough Council
Councillor Ken Meeson (Vice-Chair)	Solihull Metropolitan Borough Council
Councillor Kamran Caan	Coventry City Council
Councillor Les Caborn	Warwickshire County Council
Councillor Paulette Hamilton	Birmingham City Council
Councillor Peter Miller	Dudley Metropolitan Borough Council
Councillor Ian Robertson	Walsall Metropolitan Council
Councillor Ann Shackleton	Sandwell Metropolitan Borough Council
Councillor Paul Sweet	City of Wolverhampton Council
Guy Daly	Universities
Sue Ibbotson	Public Health England
Sarah Marwick	Office of Police & Crime Commissioner
Sarah Norman	Health Chief Executive Lead for WMCA
Sean Russell	Mental Health Implementation Director
Gary Taylor	West Midlands Fire Service
Alison Tonge	NHS England

**In Attendance:**

Mark Barrow	(OPE Programme Director, Arcadis)
Mary Crofton	(WMCA)
Simon Hall	(WMCA)
Henry Kippin	(WMCA)
Jane Moore	(WMCA)
Duncan Vernon	(Transport for the West Midlands)

Apologies for absence were received from Councillor Barry Longden, Andy Hardy, Julie Moore, Chris Tidman and Andy Williams.

**11. Welcome and Introductions**

The Chair welcomed everyone to the meeting and introductions were duly noted. The Chair thanked the Vice-Chair, Councillor Ken Meeson, for 'holding the fort' for the last couple of meetings and reminded colleagues of the importance of the Wellbeing agenda for the WMCA and the people of the West Midlands.

**12. Minutes**

The Minutes of the meeting held on 28 July 2017 were agreed and signed by the Vice-Chair, as a correct record.

**13. Global Thrive Network (I- Circle Event)**

Sarah Norman presented a report to share the key learning points from the I-Circle (International City and Urban Regional Collaborative, Supporting Mental Health and Wellbeing to Enable Citizens to Thrive) event that she was attended on behalf of the WMCA.

The report set out the initiatives being undertaken with regards to employers and employee wellbeing, criminal justice and substance misuse, public health, community awareness and engagement, equalities, children and young people, disaster recovery, approaches to transformation and future progress.

In relation to substance misuse, the Chair noted that the West Midlands Police and Crime Commissioner (PCC) would be holding a Drug Policy Summit on 15 December 2017 that included a call for evidence and asked if details could be circulated to the board.

The Vice-Chair reported that he welcomed the report and noted that cannabis use was impacting on mental health.

Sarah Norman considered that the cannabis issue was interesting and reported that the matter may feature at the PCC's call for evidence/Drugs Policy Summit in December.

Guy Daly noted that the link between mental health and physical activity was not included in the paper and reported that he had visited the East and Indonesia and considered that western economies could learn from developing countries as well as the developed world.

Sarah Norman advised that physical activity did not feature at the conference and with regards to future learning reported that the WMCA was part of the global network of Thrive Cities, so could 'tap into' shared into evidence and ideas and this could include university collaboration.

Sarah Norman reported that all cities represented at the event had agreed to establish a framework for future collaboration and advised the board that the next event would be held in Stockholm at the end of May 2018 where it is recommended that the WMCA should be represented to maintain the Authority's profile of its work and strengthen its international collaboration. It was noted that there was also an opportunity for WMCA colleagues to work with Thrive London to host a joint event in the near future.

Resolved:

- (1) That the Wellbeing Board and the West Midlands Combined Authority should continue international collaboration with other City Regions that are engaged in whole system transformation to improve the mental health and wellbeing of their citizens and support efforts to establish a thriving virtual network to share evidence, learning and ideas be agreed;
- (2) That the Wellbeing Board and the West Midlands Combined Authority should send representation to the event in Stockholm in 2018 be agreed and
- (3) That the Wellbeing Board and the West Combined Authority should seek to host a joint event with London in 2018 or 2019 be agreed.

#### **14. West Midlands Mental Health Commission Update**

Sean Russell presented a report that updated the board on progress with regards to the West Midlands Mental Health Commission Action Plan.

The report outlined progress since the last meeting on the Employment and Employer, Housing First, Criminal Justice, Improving Care and Community Engagement workstreams.

In relation to an enquiry from the Chair regarding the Employment and Employer – Fiscal Incentive workstream and the involvement of small and medium enterprises (SMEs), Sean Russell confirmed that the SMEs were involved and that he was working closely with the Federation of Small Business, LEPs and the various chambers of commerce and that he wanted to include companies from non-constituent authorities. The Chair added that it was crucial to embed the non-constituent authorities in this workstream.

In relation to Community Engagement and the Zero Suicide Ambition, the Vice-Chair noted the importance of the role played by partners and carers in emotional wellbeing.

Sean Russell advised that the Thrive Cafes had a focus on rehabilitation and that Solihull was working with carers to look for a community asset based model to give support at a lower tier.

In relation to a comment from Councillor Robertson regarding the Thrive into Work programme and the Zero Suicide offering support at an early stage, Sean Russell reported of the need to go back to providing early intervention support and advised that a digital platform is being examined that would sign post people to help.

In relation to Primary Care Mental Health, Alison Tonge enquired what does good look like and asked the Mental Health Implementation Director what he would like to see happen.

Sean Russell reported that connectivity was needed across different sectors as there was a lack of trust in third sector organisations and that he was looking at different approach such as utilising the voluntary and charitable sector for social care. He added that it would be good if there was time to unpick an individual's root cause of the problem.

Alison Tonge considered there was a link to the Five Year Forward View and undertook to discuss how this could be taken with Sean Russell outside of the meeting.

Resolved:

- (1) That progress and the update on the current position of the West Midlands Mental Health Commission Action Plan and the work being undertaken since the launch of the programme on 31 January 2017 be noted.

## **15. Update on Wellbeing Priorities**

Jane Moore presented a report that provided an update on the actions pertaining to the Wellbeing Priorities that were agreed by the board at the last meeting.

The report provided updates on progress on the Cardiovascular and Diabetes Programme and on the Children and Young People priorities.

Jane Moore thanked local authority colleagues for their input into the preventative programme and especially those from the Black Country and indicated that the proposals could be taken forward into the devolution discussions.

In relation to the Children and Young People priority, Jane Moore reported that a wider stakeholder event would be held on 18 October and asked that colleagues let her know if they had members of their team who wanted to attend the event.

Sue Ibbotson considered it was exciting that the board had chosen to take forward 'every child fulfils their potential' as part of the Children and Young People priority as this had links to the future potential of the West Midlands.

Jane Moore advised that she was creating to a project group with a wide range of stakeholders that would look at how all parties could add value to this priority.

Resolved:

- (1) That progress since the last meeting of the Wellbeing Board on developing the Cardiovascular and Diabetes and Children and Young People Priorities be noted.

**16. Feedback from Health and Wellbeing Boards and STPs on the Wellbeing Priorities and Devolution Proposals**

A report on the WMCA Wellbeing Priorities and Devolution Proposals had been drafted by Jane Moore following the last meeting for discussion with local authority Health and Wellbeing Boards.

In relation to feedback from the local authority Health and Wellbeing Board meetings, the Vice-Chair reported that the report had been well received in Solihull. However, with regards to membership of this board, it was suggested that the membership be reviewed to consider whether there should be representation from ADCS/ADAS.

The Chair advised that the matter would be picked up as part of the minutes. The Chair reported that the report had not yet been considered by BSOL STP and asked that colleagues submit the report to their Health and Wellbeing Board if the report had not previously been considered.

Resolved:

- (1) That feedback from the Health and Wellbeing Board and STPS on the Wellbeing Priorities and Devolution Proposal report be considered further at the next meeting.

**17. Update on the development of Accountable Care Systems and Accountable Care Organisations**

Alison Tonge presented a report that outlined the development of Accountable Care and the national programme for this.

Alison Tonge outlined the report which set out the steps being taken towards Accountable Care, how this might lead to Accountable Care Organisation(s) and what this would involve, the implications for commissioning in the NHS and how NHS England would support this new system.

It was noted that in the West Midlands, each STP would be invited to have a discussion on their ambition and to identify if they would be ready to move to an Accountable Care System this year, in early 2018-19, or not yet ready.

Alison Tonge reported that a national programme has been established for early adopters of the Accountable Care System that would be open for applications in October 2017 and it was anticipated there would be applications from the West Midlands.

In relation to an enquiry from the Chair regarding the scale of accountable care systems, Alison Tonge advised that this could be very big as it was based on population and patients registered with a GP.

In relation to an enquiry from Sarah Norman as to how the new Accountable Care Organisation would fit together with STPs, Alison Tonge reported that the organisations would be 'nested and layered' and whilst the governance has not yet been determined, it would be grounded in a single purpose.

In relation to enquiry from the Chair regarding the financial risk and how this was shared, Alison Tonge reported that this would be based on GPs and population and the money would managed together with NHS England.

Alison Tonge informed the board that they would hear more about Accountable Care Systems through their health and wellbeing boards and STPs.

Resolved:

- (1) That the development of Accountable Care Systems and the national programme for this be noted;
- (2) That the opportunity for local systems to apply for the national programme in 2017 be noted and
- (3) That the opportunity for this new development to contribute to the wider goals for health and wealth through a focus on demand, productivity and inequalities be noted.

**18. West Midlands Health and Transport Strategy**

Duncan Vernon presented a report that updated the Wellbeing Board on progress by Transport for the West Midlands (TfWM) to develop a health and transport strategy. A draft outline strategy was attached to the report for review.

It was noted that the strategy links with the aims of the Wellbeing Board and the population health plan and the WMCA's Strategic Economic Plan.

The Chair reported of the need to be clear on the health benefits that would be realised from the strategy and how these would be articulated. He added that the economic benefits should also be identified along with the health benefits if the West Midlands was to benefit from investment and cited electronic vehicles as an example.

The Chair and Sue Ibbotson enquired as to whether the health impacts had been considered for public transport systems.

Jane Moore advised that there was lots of expertise in this areas and referred to modelling being undertaken and the research programme being developed by academics that was building the case on why health matters.

Councillor Hamilton commented that the report submitted was an excellent paper and that Birmingham City Council was undertaking a great deal of work in this area. Councillor Hamilton reported on the need to ensure the health and transport initiatives were joined-up to prevent any displacement such as that caused by people parking their cars on the outskirts of the town rather than in the centre which would move the problem to another area rather than solving it.

Jane Moore concurred with Councillor Hamilton that air quality was a key issue and reported that work was being scoped for cross WMCA actions to prevent any displacement and referred to the recently held air quality workshop. She added that there is strong agreement that everyone needs to work together to provide the health evidence to bring about change.

Resolved:

- (1) That the work undertaken to analyse health data that relates to transport and to identify cross-cutting issues be noted;
- (2) That the results of the transport and health consultation workshop be noted;
- (3) That the proposed structure of the health and transport strategy be endorsed and
- (4) The four strategic themes to structure actions that link transport and health be agreed.

**19. 'West Midlands on the Move', From Strategic Framework to Implementation**

Simon Hall presented a report that accompanied the 'West Midlands on the Move' Strategic Framework that included the two year delivery plan.

The report outlined progress in developing the Strategic Framework, the establishment of a Political Activity Champion, the key features of the 2017-2019 Delivery Plan and the launch of the plan. It was noted that the document would be submitted to the WMCA Board for final approval on 13 October 2017.

In relation to the establishment of the Political Physical Activity Champion, Simon Hall reported that the Chair of the Coventry Health and Wellbeing Board, Councillor Caan had agreed to undertake this role which would serve to provide leadership, advocacy and challenge for the Framework and Delivery Plan's implementation.

Councillor Caan reported that he was looking forward to reporting on the positive impacts of the Delivery Plan and seeing how it would benefit hundreds of people.

In relation to the launch of the Strategic Framework that is planned for 16 November, Councillor Sweet asked that colleagues be notified as soon as possible of the confirmed date so that it is scheduled in diaries.

Simon Hall undertook to confirm the launch date of the Strategic Framework with board members as soon as possible

Councillor Robertson reported that he hoped there would be a fair allocation of resources that would cover the most vulnerable areas.

Jane Moore advised that the WMCA has started discussions with key partners, Government and various agencies and that the power of devolution for the West Midlands is that it would enable the region to determine its priorities and funding across the West Midlands. Jane added that the WMCA wanted to enhance what individual authorities are doing and to allocate funding where it would have the most impact.

Resolved:

- (1) That the appointment of the Chair of Coventry Health and Wellbeing Board as Political Physical Champion be approved;
- (2) That progress made in understanding and agreeing Constituent Authorities Offer and Asks of the WMCA be noted;
- (3) That progress made in agreeing the 2017-19 Delivery Plan, resourcing and progress on immediate priorities be noted and
- (4) That the launch proposals on 16 November in Coventry including invitation to Council Leaders, WMCA Board Members and Senior Officers as well as inviting Sport England Management be agreed.

**20. Date of the Next Meeting**

Friday 19 January 2018 at 1.30pm

**21. Exclusion of the Public and Press**

Resolved:

That, in accordance with s100(a) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business as its likely to involve the disclosure of exempt information as specified in paragraph 3 of the Act

**22. One Public Estate Programme**

The One Public Estate (OPE) Director, Mark Barrow presented a report that sought awareness and support for the submission to Government of additional projects for future grant support and also provided an update on progress made in delivering health and care related projects within the current programme.

In relation to the OPE 6 funding bids that are to be submitted by the deadline of 3 November 2017, it was agreed that the One Public Estate Director would circulate these to the board for information/comments and the Chair would sign-off the bids on behalf of the board.

Resolved:

- (1) That the development of submissions of future projects for grant funding to the Government Property Unit be supported; and
- (2) That progress made within the WMCA OPE Programme be noted.

**CHAIRMAN**

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## WEST MIDLANDS COMBINED AUTHORITY

### Transport Delivery Committee

Monday 9 October 2017 at 1.00 pm

#### Minutes

##### Present

Councillor Richard Worrall (Chair)	Walsall Metropolitan Borough Council
Councillor Phil Davis (Majority Vice-Chair)	Birmingham City Council
Councillor Timothy Huxtable (Opposition Vice Chair)	Birmingham City Council
Councillor Pervez Akhtar	Coventry City Council
Councillor Robert Alden	Birmingham City Council
Councillor Mohammed Fazal	Birmingham City Council
Councillor Mohammed Hanif	Dudley Metropolitan Borough Council
Councillor Kath Hartley	Birmingham City Council
Councillor Diana Holl-Allen	Solihull Metropolitan Borough Council
Councillor Roger Horton	Sandwell Metropolitan Borough Council
Councillor Chaman Lal	Birmingham City Council
Councillor Keith Linnecor	Birmingham City Council
Councillor Ted Richards	Solihull Metropolitan Borough Council
Councillor Judith Rowley	City of Wolverhampton Council
Councillor David Stanley	Dudley Metropolitan Borough Council

##### In Attendance

Andre Bromfield	West Midlands Combined Authority
Lee Eteo	Transport for the West Midlands
Richard Hardman	Transport for the West Midlands
Jon Hayes	Transport for the West Midlands
Malcolm Holmes	West Midlands Rail
Linda Horne	West Midlands Combined Authority
Chris Lane	Transport for the West Midlands
Edmund Salt	Transport for the West Midlands
Peter Sargent	Transport for the West Midlands
Laura Shoaf	Transport for the West Midlands

##### Item No.

##### 35. Apologies for absence

Apologies for absence were received from Councillors Andrew, Sidhu, Warren and Welsh.

**36. Chair's Remarks**

(a) The Chair reminded colleagues to ensure that any papers sent to Councillor Horton are in the correct format so that he is able to read them.

(b) In relation to the Lead Member Reference Groups, the Chair reported that a report would be submitted to the next meeting that would include timetables for the various Lead Member Reference Groups meetings along with the respective forward plans.

**37. Minutes of the meeting held on 4 September 2017**

The minutes of the meeting held on 4 September 2017 were agreed and signed by the Chair as a correct record subject to the following amendments :

Apologies were submitted by Councillor Mohammed Hanif for his inability to attend the meeting and

*Busting delay on the bus network – bus stop rationalisation (Minute no. 29)  
Recommendation 2 to read:*

*'That a pilot to rationalise bus stops within the South Birmingham Network Review Area, as set out in the report and pursuant to the emerging objectives of the wider Strategic Action Plan be approved'.*

**38. Matters Arising**

**(a) Financial Monitoring Report (minute no. 24 refers)**

Councillor Rowley reported that she could not recall being provided with a response to her enquiry regarding the reasons for the 4 % increase in child patronage. Linda Horne undertook to check whether a response had been sent to Councillor Rowley.

**39. Correspondence/ Petitions**

**(a) Letter from Tom Watson, Member of Parliament**

Councillor Horton referred to a copy of a letter he had received from Tom Watson, MP, which had been sent to Transport for the West Midlands on behalf of one his constituents. The letter raised the issue of insufficient integration of West Midlands bus services. The Managing Director, Laura Shoaf confirmed that she had received the letter.

**(b) Petition regarding bus serving Bearwood Road/facilities in Bearwood**

Councillor Horton submitted a petition on behalf of residents in his ward that sought the reinstatement of a full bus service in Bearwood Road/Bearwood to access the shopping centre, GPs and dental practices.

Councillor Huxtable reported that he had submitted a petition in June regarding moving the number 98 bus stop on the Lickey Road nearer to Eliot Gardens and asked to be provide with an answer on matter. The Head of Network Development, Jon Hayes, undertook to look into the matter and feedback to Councillor Huxtable.

**40. Creating World Class Interchange for Wolverhampton**

The committee considered a report of the Area Manager Transport Operations (Black Country), Richard Hardman and the Programme Director of West Midlands Rail, Malcolm Holmes, that updated the committee on the initial work being undertaken with regards to the Wolverhampton Interchange Project.

It was noted that following the completion of the new rail station building and the Metro extension, the three transport modes of bus, rail and Metro would be bought together in one interchange that would provide a significant opportunity to bring together public transport in one cohesive high quality facility.

The report set out progress to date and next steps with regards to the most achievable passenger benefits/outputs following a workshop with key stakeholders.

Councillor Rowley welcomed the report noting the huge benefits that the interchange would bring for Wolverhampton and the region and enquired as to whether the track alignment for Metro had been agreed and whether the project had taken into consideration the needs of people with disabilities including those with hidden disabilities.

The Programme Director for West Midlands Rail reported that the track alignment had not yet been finalised and that with regards to the interchange catering for people with disabilities, this was inherent in the scheme design and what is proposed. He added a consistent approach was being sought to ensure there was seamless travel across the three modes.

In relation to enquiry from Councillor Stanley regarding whether the Metro would serve the rail station, the Programme Director for West Midlands Rail confirmed that Metro would serve the bus station and the railway station.

Resolved:

- (1) That the principles and aspirations of the report to make Wolverhampton Interchange a World Class facility be endorsed; and
- (2) That the progression of the most achievable project outputs (as detailed in table 1 of the report be endorsed.

**41. Park and Ride Update**

The committee considered a report of the Head of Rail that provided an update with regards to the delivery and development of park and ride sites in the Transport for the West Midlands area since the previous report was submitted on 3 April 2017.

The report set out the current park and ride provision, future pressures on park and ride, car park expansion workstreams including projects, car park enforcement, private sector partnership, park and ride charging, development of new park and ride sites on the Sprint network, park and ride standards, lease review, save a trial, encouraging other access options, stakeholder engagement and the review of charging arrangements at Sutton Coldfield.

Councillor Hanif reported that he welcomed the report and asked to be kept informed in relation to work being undertaken in Dudley.

The Head of Rail replied that he was happy to keep Councillor Hanif updated on matters in Dudley.

Councillor Huxtable noted that some of the car parks identified for expansion were on the boundary of the West Midlands and enquired as to whether consideration was being given to charging non-West Midlands residents for parking which could be undertaken by utilising modern technology such as automatic number plate recognition or Swift for example, as he noted that West Midlands residents paid for parking through their council tax. Councillor Huxtable also enquired as whether parking at stations by non-rail users was also an issue that could be tackled using technology such as Swift.

The Head of Rail advised that TfWM does not currently distinguish between West Midlands residents and non-West Midlands residents but work was being undertaken to map the usage of stations by post code. He added that non-West Midlands residents did use park and ride at some stations this however was not as big an issue as one might expect. In relation to park and ride spaces being used by non-rail users, the Head of Rail advised that this was not a widespread problem as most car parks were full by 8.00 am although it was an issue around Tile Hill Station where enforcement arrangements could be applied if necessary.

Councillor Alden reported of the need to 'future proof' any car park expansion to take account of clean air zones and future transport schemes, notably Metro and HS2 and enquired as to the future opportunities for expanding parking provision at Erdington.

The Head of Rail concurred with the need to ensure park and ride is integrated into all public transport schemes and that park and ride sites need a good rail service in order to be attractive. In relation to possible expansion proposals for Erdington, the Head of Rail reported that Erdington had been identified and undertook to speak to Alden further on the matter.

Resolved:

- (1) That the current status of development for park and ride expansion schemes be noted;
- (2) That the significant amount of activity that is underway on how park and ride is developed and delivered be noted and supported ;

- (3) That the broader policy decisions on park and ride charging will be an issue for the WMCA Board at the appropriate time be noted; and
- (4) That the charging arrangements that exist at Sutton Coldfield be reviewed as outlined in paragraph 5.28 of the report be agreed.

**42. Passenger Information Update**

The committee considered a report of the Head of Smart Travel that provided an update on the passenger information activities of Transport for West Midlands from April to June 2017.

Further to the request of Councillor Hartley, Lead Member for Putting Passengers First, the Head of Smarter Travel, Chris Lane provided an update on the work of the Passenger Information Innovation Group.

In relation to a comment from Councillor Davis regarding the need for 'joined-up' passenger information and whether bus information will continue to be provided for the West Midlands conurbation following the demise of West Midlands Travel Information Services (WMTIS), the Head of Smart Travel reported that TfWM would continue to receive data for bus services across the country and TfWM also process data for the West Midlands Shire authorities. He added that the discussions are also on-going with non-constituent authorities to further develop the regional arrangements for 2017/18 and beyond.

Resolved: That the activity with respect to information provision and the progress being made towards all operator real-time information be noted.

**43. Customer Engagement Update Report**

The committee considered a report of the Head of Customer Services that provided an update on key engagement forums and activity undertaken with regards to Your Public Transport Matters Events, other engagement channels and Passenger Champion Activity.

The Customer Relations Manager, Lee Eteo presented the report and outlined the change in format to the Your Public Transport Matters Events (YPTM). It was noted that future YPTM events would integrate with other forum and public consultation events to consolidate customer contact in a more efficient way. A list of YPMT and WMCA events was included in the report although it was noted that further events would be planned which would involve partners.

In relation to a comment from Councillor Horton that he had not been informed of the Metro and Rail Event and his suggestion to review the distribution/ mailing list for events, the Customer Relations Manager reported that he would review the mailing list to ensure invitations were sent to the appropriate people.

Resolved: That the contents of the report and in particular the revised arrangements for face to face customer engagement be noted.

#### **44. Bus Business Report**

The committee considered a report of the Network Development Manager that provided an update on the performance, operation and delivery of bus services in the West Midlands.

In relation to West Midlands low fares zones offered by National Express on the Outer Circle route, Councillor Lal reported that bus drivers on the number 11 route have refused to accept the low fare ticket stating that the cheaper £3 ticket was invalid; he asked for clarity as to where the cheaper ticket could be used.

The Network Development Manager, Edmund Salt, undertook to contact National Express to seek clarification regarding the low fare zone ticket and the number 11 service.

Councillor Akhtar considered that all parties should work together to lobby Government to reduce fares which would serve to increase patronage.

The Head of Network Development reported that TfWM is working to increase patronage and reduce fares and reported of the recent success of the 16-18 photocard for apprentices/ those in job related training which allows this group to travel for half fare. He added that congestion also impacts on patronage and referred to the 50 deliverables that have been agreed by the West Midlands Bus Alliance which will look to tackle these issues among others. The Head of Network Development reported that he would respond directly to Councillor Akhtar on the matter.

In relation to the West Midlands Bus Alliance objectives and deliverables, Councillor Stanley reported that this was a useful document for sharing with the committee. The Network Development Manager undertook to circulate a copy of the document to members.

In relation to the bus stop rationalisation pilot, Councillor Huxtable reported that some of the bus stops that have been de-commissioned are impacting on other bus routes/services and considered that the position on these selected stops should be reviewed as soon as part of the trial rather than waiting until the end of the pilot.

The Head of Network Development reported that TfWM has received approximately 100 comments relating to the trial and the team was currently working their way through these to determine the best way forward and added that the trial is flexible; bus stops could be re-instated if required.

Resolved: That the report be noted.

#### **45. WMCA Update -Transport Reports for Information Only**

The committee considered transport reports that would be considered by the West Midlands Combined Authority Board at its meeting on 13 October 2017.

In relation to the report, 'West Midlands Common Approach to Cycling: Bikeshare' and an enquiry from Councillor Stanley regarding the provision for bikes on trains, the Managing Director, Laura Shoaf reported that decision as to whether bikes are allowed on trains is determined by the train operator and whilst London Midland allows bikes on trains, Chiltern Railway does not. The Managing Director undertook to ask the Programme Director for West Midlands Rail to provide an update for members with regards to the position for West Midlands trains.

Resolved: That the reports be noted.

**46. Forward Plan**

The committee considered a report of agenda items to be submitted to future meetings.

Resolved:

(1) That the report be noted.

**47. Date of Next Meeting**

Monday 6 November 2017 at 1:00pm

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## WEST MIDLANDS COMBINED AUTHORITY

### Strategic Economic Plan Board

Thursday 12 October 2017 at 10.00am at Baskerville House,  
Centenary Square, Birmingham

#### Minutes

##### Present:

Jonathan Browning	Coventry & Warwickshire LEP
Cllr. George Duggins	Coventry City Council
Steve Hollis	Greater Birmingham and Solihull LEP
Paul Kehoe	West Midlands Growth Company

Jonathan Browning, Steve Hollis, Stewart Towe, Cllr. George Duggins, Cllr. Ian Courts, Cllr. Ian Kettle, Prof Geoff Layer, Ian Barnes (Deloitte), Sarah Middleton (**SM**), Delma Dwight, Paula Deas (**PD**), Paul Edwards (**PE**), Howard Hunt (Midlands Engine), Rachel Egan, Martin Reeves (**MR**), Neil Rami (**NR**), Matthew Rhodes (**MRh**), Patrick White Hywel Ruddick (**HR**)

##### In Attendance:

Allan Andrews	WMCA Mayor's office
Martin Reeves	Coventry City Council
Sarah Middleton	Black Country LEP
Paula Deas	Coventry and Warwickshire LEP
Paul Edwards	Greater Birmingham and Solihull LEP
Rachel Egan	West Midlands CA
Perry Wardle	Solihull Metropolitan Borough Council
Richard Hutchins	West Midlands Growth Company
Hywel Ruddick	Black Country LEP.

**Apologies:** Cllrs. Clancy, Court and Sleigh and Stuart Croft, Ninder Johal and Graham Wynn.

Cllr. Dennis Harvey, Paul Kehoe and Stuart Croft – WM Universities

#### 64/17 **Welcome**

Attendees were welcomed to the meeting. In particular the Chair welcomed Paul Kehoe in attendance as Chair of the Growth Company and Allan Andrews who had been appointed as Policy Adviser for the WMCA Mayor. He also noted that Stuart Croft had been appointed as West Midlands' Universities representative but had submitted apologies for this meeting.

#### 65/17 **Notes of the Meeting held on 27 July 2017 and Matters Arising**

The notes of the meeting were received.

66/17 **SEP Board Tracker Log**

**Agreed** that the SEP Board Tracker be noted.

67/17 **Forward Plan**

The Chair noted that the Forward Plan continued to be developed

**Agreed** that the contents of the Forward Plan be noted.

68/17 **Midlands Engine Vision and Action Plan**

**Agreed:**

That the SEP Board:

- (1) Note publication of the Midlands Engine Vision for Growth.
- (2) Note the Midlands engine governance proposals.
- (3) Note the update from Howard Hunt, director of communications and marketing, Midlands Engine on next steps for the Midlands Engine partnership.

69/17 **Monitoring and Evaluation (Gainshare)**

**Agreed**

That the SEP Board:

- (1) Note the progress on the work of the National Evaluation Panel and the National Evaluation framework which has been developed for the 11 devolved areas in England;
- (2) Note the interventions proposed for evaluation as detailed in paragraph 2.6 including Coventry City South, Friargate, HS2 Connectivity package, UK Central (local infrastructure) and Land and Property Investment Fund.
- (3) Note the requirement for further work to be done on identifying the key details of the interventions that are within the scope of the evaluation and that further information will be reported in due course.

70/17 **Fiscal Analysis – WMCA Approach to Income and Expenditure Modelling**

**Agreed** that the SEP Board noted the update and noted that a further report will be submitted to a future meeting.

## 71/17 CA SEP – Performance Management Framework

### **Agreed:**

That the SEP Board:

- (1) Support the proposed approach to performance reporting by the WMCA incorporating a layered approach including:
  - (a) Monthly reports on the headline indicators from the WMCA PMF incorporating any updates in the data including any updates on supporting indicators.
  - (b) A rotating programme of reporting on the different dashboards for each of the portfolio areas reporting on the relevant headline PMF indicators, detailed supplementary indicators and information on programme activity in that area.
- (2) Following the receipt of the monthly reports on the WMCA PMF indicators utilise the WMCA SEP Board expertise to propose action, acceleration or modification to ensure the impact and ambitions of the WMCA SEP remain intact.
- (3) Consider receipt of an overarching SEP dashboard at a later date incorporating the WMCA Programme office update and impact of strategic business cases on SEP Ambitions.

## 72/17 Energy Capital

Matthew Rhodes

### **Agreed:**

That the SEP Board:

- (1) Approve the incorporation of Energy Capital within the WMCA governance structures as a business-led partnership reporting into the SEP Board.
- (2) Approve the terms of reference for the Energy Capital Board as appended to this report.
- (3) Note that the Energy Capital Chair will report to the SEP Board on a quarterly basis

**73/17 Future Arrangements for supporting the Innovation aspects of the WMCA SEP**

**Agreed:**

That the SEP Board:

- (1) Supported discussions between the three WM LEPs and Universities (through the HEI agreed WM CA mechanism) with the aim of establishing a West Midlands Innovation Board seeking to strengthen the role of innovation in achieving ambitions as set out in the WMCA SEP.
- (2) Acknowledged that the findings of the West Midlands Science and Innovation Audit, provide a framework for a fresh approach to embedding innovation needs and opportunities.
- (3) Receive a report to a future meeting detailing the LEP and Universities agreed approach to the establishment of a West Midlands Innovation Board.

**74/17 Housing Infrastructure Fund - Action Plan Housing and Land**

**Agreed** that the SEP Board noted the following areas for the Bid:

1. Growth Areas
2. Metro Extension - Wednesbury to the Brierley Hill
3. Walsall/Wolverhampton Corridor
4. Housing Delivery Fund

**75/17 WMCA Branding – ‘West Midlands Competitive Positioning Statement’**

**Agreed:**

That the SEP Board:

- (1) Endorsed the proposed West Midlands Brand Framework (identity system), based on a ‘family of brands’ with common features - for example the hexagon shape - to deliver a unified brand identity for the region.
- (2) Endorsed the approach that each corporate entity – West Midlands Combined Authority (WMCA); West Midlands Growth Company (WMGC); Transport for West Midlands and the Mayor’s Office - develop and finalise individual organisational brands against the principles of the above framework.
- (3) Agreed that the WMGC work with Local Enterprise Partnerships to finalise brand assets to enable profile at a sub-regional level.

- (4) Endorsed the adoption of the 'Make Your Mark' ident as a key component in providing alignment and demonstrating regional unity, both within the identity framework and beyond via associated partners organisations; and
- (5) That the SEP Board supported the further consumer testing and recommended to the WMCA Board that consultation work be undertaken by a group comprising of the SEP Board Chairman, WMCA Mayor and representatives of the Growth Company and Combined Authority, of the non-rail elements of the transport family.

76/17 **Date of Future Meetings**

It was noted that the next meeting be held on 16 November 2017 from 10.00am at Baskerville House, Centenary Square, Birmingham.

Meeting ended at 11.25am

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