



WMCA Board

Date: Friday 20 July 2018

Time: 11.00 am **Public meeting** Yes

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

Membership

Constituent Members

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

Councillor Adrian Andrew
Councillor Peter Bilson
Councillor Mike Bird
Councillor Ian Courts
Councillor George Duggins
Councillor Steve Eling
Councillor Patrick Harley
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

Walsall 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
Birmingham City Council
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 Matthew Dormer
Councillor David Humphreys
Councillor Julie Jackson
Councillor Tony Jefferson
Councillor Peter Nutting
Tim Pile

Councillor Izzi Secombe
Councillor Michael Stokes
Stewart Towe

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

Observers Awaiting Membership

Councillor Jonathan Lester
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:

Contact	Dan Essex, Governance Services Manager
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AGENDA

No.	Item	Presenting	Pages
Items of Public Business			
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 - 22 June 2018	Chair	1 - 6
5.	Forward Plan	Chair	7 - 10
Governance			
6.	Appointment of Transport Delivery Committee Chair	Chair	Verbal Report
7.	Process and Indicative Timetable for Incorporation of West Midlands Police & Crime Commissioner Functions into the Mayoralty	Henry Kippin	11 - 18
Economic Growth			
8.	West Midlands State of the Region 2018	Councillor Ian Ward	19 - 112
Environment			
9.	Environment Portfolio Priorities - Progress Update	Councillor Patrick Harley	113 - 118
Finance & Investments			
10.	Financial Monitoring Report 2018/19	Councillor Bob Sleigh	119 - 130
Minutes			
11.	Investment Board - 4 June 2018	Councillor Bob Sleigh	131 - 134
12.	Transport Delivery Committee - 11 June 2018		135 - 142

13.	Audit, Risk & Assurance Committee - 21 June 2018	David Lane	143 - 148
14.	Strategic Economic Plan Board - 4 July 2018	Jonathan Browning	149 - 154
15.	Exclusion of the Public and Press [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 are likely to involve the disclosure of exempt information as specified in paragraph 3 of the Act.]	Chair	None
16.	Update on Housing Infrastructure Fund Bids	Councillor Mike Bird	155 - 160
17.	Midland Metro Construction - Business Support Package	Councillor Roger Lawrence	To Follow



**West Midlands
Combined Authority**

WMCA Board

Friday 22 June 2018 at 11.00 am

Minutes

Constituent Members

Andy Street (Chair)

Councillor Bob Sleigh (Vice-Chair)

Councillor Adrian Andrew

Councillor Ian Courts

Councillor George Duggins

Councillor Patrick Harley

Councillor Abdul Khan

Councillor Syeda Khatun

Councillor Roger Lawrence

Councillor Ian Ward

Mayor of the West Midlands Combined
Authority

Solihull Metropolitan Borough Council

Walsall Metropolitan Borough Council

Solihull Metropolitan Borough Council

Coventry City Council

Dudley Metropolitan Borough Council

Coventry City Council

Sandwell Metropolitan Borough Council

City of Wolverhampton Council

Birmingham City Council

Non-Constituent Members

Jonathan Browning

Councillor Matthew Dormer

Councillor David Humphreys

Councillor Julie Jackson

Councillor Tony Jefferson

Ninder Johal

Councillor Alex Phillips

Tim Pile

Councillor Izzi Seccombe

Councillor Michael Stokes

Coventry & Warwickshire Local
Enterprise Partnership

Redditch Borough Council

North Warwickshire Borough Council

Nuneaton & Bedworth Borough Council

Stratford-on-Avon District Council

Black Country Local Enterprise
Partnership

Shropshire Council

Greater Birmingham & Solihull Local
Enterprise Partnership

Warwickshire County Council

Rugby Borough Council

Co-Opted Member

Lee Barron

Midlands Trades Union Congress

Observer Members

Councillor Zafar Iqbal

David Jamieson

West Midlands Fire & Rescue Authority

West Midlands Police & Crime
Commissioner

In Attendance

Councillor Peter Hughes

David Lane

Overview & Scrutiny Committee

Audit, Risk & Assurance Committee

Item No.

211. Apologies for Absence

Apologies for absence were received from Councillor George Adamson (Cannock Chase), Councillor Mike Bird (Walsall), Councillor Steven Claymore (Tamworth), Councillor John Edwards (West Midlands Fire & Rescue Authority), Councillor Steve Eling (Sandwell), Councillor Brigid Jones (Birmingham), Councillor Peter Nutting (Shropshire) and Stewart Towe (Black Country LEP).

212. Chair's Remarks

The Chair noted that this was the last meeting that Keith Ireland would attend before he took up his new appointment of Chief Executive of Lincolnshire County Council. He thanked him for the support he had given to the WMCA and the considerable work he had put in to its formation.

213. Minutes - 25 May 2018

The minutes of the meeting were agreed as a correct record.

214. Forward Plan

The forward plan of items to be considered at future meetings was noted.

215. Appointment of WMCA Boards and Committees 2018/19

The board considered a report from Tim Martin, Head of Governance, on the appointments made by constituent, non-constituent and observer member authorities to the WMCA Board and its committees/sub-boards for 2018/19 and on the timetable of WMCA meetings to be held during 2018/19.

In addition to the appointments already made to sit on the WMCA Board and its committees/sub-boards, a number of further appointments were reported by members.

Resolved:

- (1) The members nominated by constituent, non-constituent and observer member authorities to sit on the WMCA Board and its committees/sub-boards, as subsequently amended, be noted.
- (2) Councillor Peter Hughes be appointed chair of the Overview & Scrutiny Committee and Jonathan Browning be appointed chair of the Strategic Economic Plan Board.
- (3) The appointments made by the Mayor as Portfolio Leads were noted.
- (4) The timetable of meetings for 2018/19 be agreed.
- (5) Delegated authority be given to the Monitoring Officer to approve any subsequent minor changes or subsequent notifications in respect of the individual appointments made to boards/committees.

216. WMCA Annual Plan 2018/19

The board considered a report from Sean Pearce, Director of Finance, seeking approval of the WMCA's Annual Plan 2018/19.

The Annual Plan had been developed as part of the WMCA's annual business planning cycle and provided details of its key priorities for 2018/19 and beyond, along with the key achievements in 2017/18. The document also incorporated the Transport for West Midlands Annual Plan 2018/19.

Councillor Ian Ward welcomed the report, noting the key role Transport for West Midlands would play in delivering the transport improvements for the Commonwealth Games 2022. He also referred to the campaigning by 'Women Against State Pension Inequality' to highlight the way in which the state pension age for men and women had been equalised, and asked if consideration could be given to including 'WASPI women' and their carers (where appropriate) within the qualification for receiving the older person's concessionary bus pass. Councillor Roger Lawrence noted the request, stressing that any such widening of the qualification criteria would have a funding consequence and was therefore a matter for the constituent authorities to give consideration to.

David Jamieson noted that there had been an increase in reported offences across the public transport network, but that no region-wide injunctions had been issued to ban individuals from public transport use. The Mayor highlighted the general increase in public transport usage and commended the work of the Safer Travel Police Team in tackling crime and anti-social behaviour across the network. A number of crime prevention measures were available to officers, and he would be willing to consider region-wide injunctions whenever these were recommended to him as necessary by the Safer Travel Police Team.

Councillor Peter Hughes, Chair of the Overview & Scrutiny Committee, reported that the Annual Plan had been scrutinised by members of his committee, who had made a number of suggested amendments that had now been incorporated.

Resolved:

- (1) The West Midlands Combined Authority's Annual Plan 2018/19 be approved.
- (2) The Director of Finance, in consultation with the Mayor, be given delegated authority to finalise the Plan, making any final amendments to take into account the decisions taken in respect of the other reports on the agenda at the meeting.

217. Culture, Creative Industries and Tourism

The board considered a report from Dave Webb, Stratford-on-Avon District Council, on proposals to establish a Culture, Creative Industries & Tourism Advisory Group that covered the whole of the WMCA geography.

The current Culture, Creative Industries & Tourism Group was an officer group whose remit was the development of the cultural, creative industries and tourism sectors that were considered to comprise a major and rapidly developing area of the regional economy. It was considered that the establishment of a member-level Advisory Group would help co-ordinate and maximise the opportunities arising from the work of the existing officer group, including sharing best practice on effective policy and investment tools, identifying WMCA-wide opportunities, and delivering a targeted programme of interventions to strengthen the interconnectedness of the culture, creative industries and tourism sectors.

Councillor Michael Stokes noted the role that non-constituent authorities could play on this board and suggested that two representatives be appointed to sit as members of it. Jonathan Browning thought it useful if the Culture, Creative Industries & Tourism Board reported into the WMCA Board from through Strategic Economic Plan Board. The Mayor supported both of these suggestions.

Resolved:

A Culture, Creative Industries & Tourism Advisory Group be established.

218. Productivity & Skills Commission and Regional Skills Plan

The board considered a report from Julie Nugent, Director of Productivity & Skills, seeking approval of the Regional Skills Plan along with the final report and recommendations from the Productivity & Skills Commission.

Dr Andy Palmer, Chief Executive of Aston Martin and chair of the Productivity & Skills Commission, introduced the report to the board, highlighting how the West Midlands needed to address the productivity gap that currently existed.

The Productivity & Skills Commission was established to identify the skills and productivity challenges in the region, identify the causes of low productivity, and to make practical recommendations to address these. It brought together leading academics and business representatives to support and sense-check the analysis and to identify actions required to tackle the challenges identified.

Jonathan Browning welcomed the report, noting the importance of the Regional Skills Plan and highlighting the key roles that infrastructure and digital played in the skills agenda. Lee Barron also welcomed the report and stressed the importance of including a social aspect to the measurement of productivity.

The Regional Skills Plan built on the WMCA's Strategic Economic Plan and set out the priorities for the next three years to support to improve the regional skills base.

Councillor George Duggins expressed his thanks to the work Dr Andy Palmer and Jo Lopes had undertaken on the commission, and for the continued work of Rachel Egan, Julie Nugent and Nick Page.

Resolved:

- (1) The final report and recommendations from the Productivity & Skills Commission be noted.
- (2) The Regional Skills Plan be approved.
- (3) The new governance arrangements for overseeing delivery of the Regional Skills Plan be approved.

219. Midland Metro Ltd Business Plan 2018/19

The board considered a report from Phil Hewitt, Director of West Midlands Metro, on the annual business plan of Midland Metro Ltd, who had been awarded the contract to operate and maintain the Midland Metro network from 24 June.

The board of Midland Metro Ltd had reviewed and approved the proposed business plan for 2018/19 and recommended its approval to the WMCA Board in its capacity as shareholder.

Resolved:

The Midland Metro Ltd Business Plan 2018/19 was approved.

220. Contactless Payment & Best Value Capping Update

The board considered a report from Matt Lewis, Head of Swift, on an update on the work to deliver contactless Europay, Mastercard & Visa payment and best value capping and setting out an agreed approach to ensure interoperability between operators and modes.

A number of operators had successfully deployed contactless Europay, Mastercard & Visa payment solutions in the West Midlands, and the report provided further details of these in respect of Midland Metro, Diamond Bus and National Express.

Transport for West Midlands was focussed on work to ensure that operator systems could communicate between each other, which would enable customers to benefit from multi-operator and multimodal best value caps. Work was on-going with Nottingham City Council and Midland Connect to develop the functional and technical requirements that would support this. It was expected that this would be concluded next month, which would then allow for a joint funding bid to be made to the Department for Transport to enable the delivery of a Midlands-wide solution.

Resolved:

- (1) The progress on the delivery of contactless Europay, Mastercard & Visa payment in the West Midlands be welcomed.

- (2) It be agreed to continue the work to deliver a 'regional broker' to enable a secure link between individual operators systems, so that customers could benefit from multimodal and multi-operator 'best value capping'.

221. Transport Delivery Committee - 14 May 2018

The board received the minutes of the Transport Strategy Committee held on 14 May 2018.

Councillor Roger Lawrence noted that Councillor Richard Worrall was stepping down as chair of this committee at the end of the municipal year and he expressed his thanks for all of the work he had undertaken in this regard in support of public transport across the region.

Resolved:

The minutes of the meeting held on 14 May 2018 be noted.

222. Friday 20 July 2018 at 11.00am

The date of the next meeting was noted.

223. Any Other Business

(a) Local Enterprise Partnership Chairs Council

Jonathan Browning reported that the first meeting of the LEP Chairs Council had been held on 19 June and was attended by the Prime Minister, the Secretary of State for Business, Energy & Industrial Strategy and the Secretary of State for Housing, Communities & Local Government. The chairs of the three regional LEPs briefed the meeting on the joint working that was being undertaken within the region on the Local Industrial Strategy, and the meeting also discussed issues relating to skills and the apprenticeship levy.

The meeting ended at 12.10 pm.

WEST MIDLANDS COMBINED AUTHORITY FORWARD PLAN: SEPTEMBER 2018 - JUNE 2019

Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
Budget Monitoring 2018/19	To review the latest budget monitoring position.	14 September 2018	No	Cllr Bob Sleigh	Sean Pearce	No	Finance
Funding for Growth Programme	To provide an update on the programme.	14 September 2018	No	Cllr Bob Sleigh	Sean Pearce	No	Finance
PSR/Inclusive Growth Dashboard	To receive a dashboard update relating to the PSR/inclusive growth portfolio area.	14 September 2018	No	Cllr Steve Eling	Henry Kippin	No	Delivery
Health & Safety Annual Report	To consider the annual report.	14 September 2018	No	Mayor	Laura Shoaf	No	Governance
Congestion Action Plan	To approve the West Midlands Congestion Action Plan	14 September 2018	Yes	Cllr Roger Lawrence	Laura Shoaf/Anne Shaw	No	Transport

Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
Road Safety Memorandum of Understanding	To approve the signing of a road safety memorandum of understanding.	14 September 2018	Yes	Cllr Roger Lawrence	Laura Shoaf/Anne Shaw	No	Transport
Protocol on Incident Management	To approve a protocol.	14 September 2018	Yes	Cllr Roger Lawrence	Laura Shoaf	No	Transport
HS2 Connectivity Strategy	To consider prioritisation.	14 September 2018	Yes	Cllr Roger Lawrence	Laura Shoaf	No	Transport
Key Route Network Baseline Studies	To consider the development of the Key Route Network.	14 September 2018	Yes	Cllr Roger Lawrence	Laura Shoaf	No	Transport
Transforming Cities Fund	To agree the allocation of funding.	14 September 2018	Yes	Cllr Roger Lawrence	Laura Shoaf	No	Transport



Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
Budget Monitoring 2018/19	To review the latest budget monitoring position.	9 November 2018	No	Cllr Bob Sleigh	Sean Pearce	No	Finance
Treasury Management Strategy Mid-Year Report 2018/19	To consider a six-monthly treasury management report.	9 November 2018	No	Cllr Bob Sleigh	Sean Pearce	No	Finance
Budget Monitoring 2018/19	To review the latest budget monitoring position.	11 January 2019	No	Cllr Bob Sleigh	Sean Pearce	No	Finance
Draft 2019/20 Budget, Precept and Levy	To consider proposals for the 2019/20 WMCA budget, precept and levy.	11 January 2019	Yes	Cllr Bob Sleigh	Sean Pearce	No	Finance
WMCA 2019/20 Budget, Precept and Levy	To agree proposals for the 2019/20 WMCA budget, precept and levy.	8 February 2019	Yes	Cllr Bob Sleigh	Sean Pearce	No	Finance



Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
Budget Monitoring 2018/19	To review the latest budget monitoring position.	12 April 2019	No	Cllr Bob Sleigh	Sean Pearce	No	Finance
Budget Monitoring 2018/19	To review the latest budget monitoring position.	14 June 2019	No	Cllr Bob Sleigh	Sean Pearce	No	Finance



West Midlands
Combined Authority

WMCA Board

Date	20 July 2018
Report title	Process and Indicative Timetable for incorporation of West Midlands Police and Crime Commissioner Functions into the Mayoralty
Accountable Chief Executive	Deborah Cadman, West Midlands Combined Authority email: deborah.cadman@wmca.org.uk tel: (0121) 214 7200
Accountable Employee	Henry Kippin, Director of Public Service Reform email: henry.kippin@wmca.org.uk tel: (0121) 214 7880
Report has been considered by	Programme Board - 6 July 2018

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

- (1) Agree to the development of a Governance Review and Scheme to enable the proposed amalgamation of the functions of West Midlands Police and Crime Commissioner (PCC) into the Mayoralty.
- (2) Endorse the proposed plan and timetable to achieve a transparent and robust route to enable the transfer of PCC powers from one single elected official to another.
- (3) Agree to receive a further report on the Governance Review and Scheme at the WMCA Board on 14 September 2018.

1.0 Purpose

- 1.1** The second Devolution Deal for the West Midlands outlined the proposed transfer of the Police and Crime Commissioner role to the Mayor. This report outlines the proposed route to achieve this transfer whilst enabling matters to receive full consideration by the Board as agreed previously, and subject to the consultation processes outlined in this report.
- 1.2** Endorse the basic principle of this process, which is to maintain the role and functions of the PCC within the Mayoral Model, and effect a process which is in line with the Second WMCA Devolution Deal and subsequent amendment tabled on 9th February 2018 (which is outlined below).

2.0 Background

- 2.1** The Policing and Crime Act 2017 places a statutory duty on emergency services to collaborate in the interests of the economy, efficiency, effectiveness and public safety. The West Midlands has been developing a vision for moving fire and police governance to one single accountable elected official through the second devolution deal.
- 2.2** The second Devolution Deal confirmed that in addition to continuing the integration of the West Midlands Fire and Rescue Service within the Combined Authority ‘the government, the CA and the PCC will work together to agree a detailed governance model and a legislative timetable for incorporating the role and power of the Police and Crime Commissioner into the mayoralty, with a view to electing the first Mayor with these powers in 2020’.

When considering the Devolution Agreement on 9 February 2018 the WMCA board agreed that ‘The Government, West Midlands Combined Authority and the West Midlands Police & Crime Commissioner will enter into discussions with the Mayor regarding a governance model for incorporating the role and powers of the Police & Crime Commissioner into the Mayor’s role and powers, provided that the final governance model proposed following discussions is agreed by each of the Constituent Authorities, the Mayor and the Police & Crime Commissioner. Work is now beginning to plan for this detailed and complex task, which will include the establishment of regular dialogue and joint working with the Police & Crime Commissioner in order to secure continuity in good practice and public protection. Provided there is agreement by each of the Constituent Authorities, the Mayor and the Police & Crime Commissioner, [they] will submit a report on the decisions to be taken and the proposed process for these governance changes to a future meeting of the WMCA Board, informed by guidance from the Home Office and the Ministry of Housing, Communities & Local Government.’

- 2.3** The necessary legislation to enable this can be found in the Local Democracy, Economic Development and Construction Act 2009 as amended by the Cities and Local Government Devolution Act 2016, Section 4 Functions – 107F Functions of Mayors – Policing.
- 2.4** The existing model for police governance by a combined authority Mayor is consistent with the PCC model; a single, locally elected representative responsible for ensuring local services are accountable to the people they serve. As a matter of law, the Policing Protocol will apply to a Mayor acting as PCC as it applies to a PCC. Apart from the changes in governance outlined in this report, almost every other aspect of existing primary legislation relating to the role and functions of the PCC will remain unchanged. The Police and Crime Panel retains its role and functions.

- 2.5** The Combined Authority is fully committed to developing these proposals in an open and transparent manner and to co-produce outcomes with the Office of the PCC, West Midlands Police and other delivery partners, in line with a shared commitment to a model of devolution that works for – and is shaped by – the region. This process has now started and the PCC’s officers are engaged in discussions with the Combined Authority team. It is now the right time to confirm the process with the WMCA Board.

Process

- 2.6** The process for transferring these functions to an elected Mayor of a Combined Authority area is set out below. In the paragraphs below we outline this legislative basis (sections **2.7-2.10**) and our recommended route.
- 2.7** Within the original Act for Combined Authorities ‘Local Democracy, Economic Development and Construction Act 2009’, the process for developing proposals for functions to be undertaken required a Governance Review to be undertaken with a view to publishing a Scheme that would be “likely to improve the statutory exercise of functions and lead to improved efficiency and effectiveness”. Consultation is then undertaken in respect of the Scheme at which point the constituent authorities and the WMCA Board are required to agree to forward the results of the Scheme and the Governance Review to the Secretary of State (SofS) for their consideration and preparation of the appropriate Order, subject to the consent of the constituent authorities¹.
- 2.8** The Cities and Local Government Devolution Act 2016 made provisions which amend the Local Democracy, Economic Development and Construction Act 2009 to enable the SofS to ‘provide for the Mayor for the area of a Combined Authority to exercise the functions of a Police and Crime Commissioner in relation to that area’. Such an order may only be made by the Home Secretary with the consent of the constituent authorities, the Combined Authority, and the Mayor of the authority. Such a process does not require a Governance Review or Scheme to be prepared, nor does it require there to be a public consultation. It is expected that the Home Office would work closely with the Mayor and the constituent leaders in developing the secondary legislation, and would expect the OPCC to be engaged in this process. This was the process undertaken by the Greater Manchester CA in respect of their Mayoral PCC Order in 2016.
- 2.9** The 2009 Act as amended by the 2016 Act requires the consent of the parties mentioned above to make an order to transfer PCC functions to the Mayor. The policy intention is that a PCC and their Office will be engaged in any such proposal and involved in any process for the transfer of PCC functions. , We want to demonstrate best practice through engaging with the PCC, and co-producing the process with his office and undertaking a full and meaningful public consultation process which we believe is consistent with the fire service consultation detailed further in sections **2.11** and **2.12** below.
- 2.10** Whilst we are not required to do so by the legislation, we believe the spirit of the 9 February amendment to the devolution deal is best delivered by developing a governance review and scheme and undertaking a comprehensive public consultation. We will work with the Home Office during this process as set out in 2.8 above. The process outlined in 2.8 and 2.9 above will involve the constituent authorities and also draws on the expertise of the OPCC in developing the best model for the West Midlands.

¹ Following the 2016 Act this is the process which is followed in respect of changes to governance rather than the devolution of additional functions to be undertaken by the CA which no longer require a full governance review and scheme.

- 2.11** If the WMCA Board agrees then the next step is to determine the type and nature of consultation. There was recently a two phase process related to the Fire Service Governance. There are important distinctions to make between the starting points for these two processes, as the first process with Fire was to establish the public views on moving from a Fire Authority model to a single point of accountability model. The second process was to then determine which single point of accountability the public preferred and the model of governance. Governance for Policing moved nationally from the Police Authorities to regional single elected officials through the creation of Police and Crime Commissioners in the Police and Social Responsibility Act 2011, with PCCs being elected in 2012. Parliament's intention in passing the 2016 act was that a Mayor should be able to exercise PCC Functions where there is a local deal agreeing to the transfer of the functions (and subject to the relevant statutory process). The second Devolution Deal commits to moving that single point of accountability from one elected official to another (PCC to Mayor who is also the PCC). There is no legislative scope to revert to the previous Police Authority model, or indeed any other model which is not consistent with a single elected official acting as the PCC.
- 2.12** The West Midlands already has a single elected official responsible for Policing and Crime (the West Midlands PCC). We therefore propose a single, robust eight-week consultation that would do two things: Firstly it would ask the question if the public wished, as proposed in the second devolution deal, to transfer the PCC role into the Mayoralty from 2020 or maintain two single elected and differential roles. Secondly, it would then seek the public's views on the governance review and scheme. This will be similar to the Fire Service consultation.
- 2.13** The indicative timetable in **2.15** shows how the recommended route outlined in this section of the report could be delivered, together with a full public consultation as set out above. The indicative timetable **2.15** is still challenging, due to a number of factors including the pressure on Home Office and Parliamentary time resulting from Brexit negotiations and the need to reach a final position in due time to make the necessary arrangements before the next Mayoral Elections in 2020. The order must be laid in Parliament before 7 November 2019 to comply with Electoral Commission guidelines to table 6 months prior to the elections. The WMCA has significantly pushed the Home Office's preferred timetable to ensure our timeline allows for a full 8 week public consultation process as well as the opportunity for constituent member authorities to fully consider the proposals. There is no further flexibility in the timetable.

Governance Review Project Team

- 2.14** Subject to agreement of the preferred route, a project team will be brought together to undertake the Governance Review and subject to the outcome develop the appropriate Scheme. We propose that this includes representatives from the Office of the PCC, the WMCA, appropriate nominations from constituent authorities and from WMP. The results of this work will be brought back for approval and will inform the process going forward. The OPCC has offered to chair this group.

2.15 Indicative Timetable

Based on the outline in 2.9 the anticipated timetable would be:

Action	Who	Date
Programme Board		6 July 2018
Approval to prepare Governance Review and Scheme	CA Board	20 July 2018
Governance Review and Scheme completed	CA and PCC Office	Completed by end of August 2018
CA Board consider the Governance Review and Scheme	CA Board	14 September 2018
Constituent Authorities consider Governance Review and Scheme and feedback comments to CA Board	Constituent Authorities and PCC Office	Sept/Oct
Seek Approval to Consult	CA Board	9 Nov 2018
Public Consultation	CA, Constituents and PCC Office	19 Nov 2018 - 14 Jan 2019
Consideration of Consultation Outcomes and final approval by Constituent Authorities/PCC	Constituent Authorities/PCC	Jan/ Feb 2019
CA Board approval to submit Scheme to Home Secretary	CA Board	8 March
Home Secretary Approval	CA	Mid-March 2019
Preparation of Order	Home Office	April 2019
Agreement to Order	Home Office	April - July 2019
Lay in Parliament*	CA and Constituent Authorities	August 2019
Confirmation of Order	Home Office	By 7 Nov 2019
Election of Mayor with PCC Powers	Home Office	December 2019
		May 2020

** The Electoral Commission report (September 2016) recommends that legislation impacting an election should be clear at least six months before the date of the scheduled poll. Tabling date will depend on Parliamentary approval processes, but will need to be before 7 November at the latest.*

3.0 Opportunities

3.1 The transfer presents an opportunity to join up the leadership of local public services and unlock a range of opportunities for deeper and more meaningful collaboration. The Mayor, the West Midlands Combined Authority and the Police and Crime Commissioner have a number of shared policy areas where positive progress is already being made, examples include Thrive, Mental Health and Justice, and criminal justice reform. The opportunities presented through the amalgamation of functions broadens these opportunities further to include gains in joining up public services and systems further focusing on key areas of prevention, early intervention and crisis management – including within several policy areas identified within both the WMCA strategic objectives and the PCC's Police and Crime Plan. Some of these potential benefits can be explored through consultation.

3.2 There are several areas where the transfer of responsibilities to the Mayor could open up opportunities. For example;

1. A single, elected, point of accountability for both Fire and Police, as well as the wider WMCA portfolio. Whilst the PCC plan will remain a separate legal document with ownership from the Mayor, there is the opportunity to undertake this as part of a suite of policies and strategies across the region with input and influence from a range of stakeholders.
2. Opportunities to join up the 'and crime' aspect of the PCC functions. These are often interpreted as the wider factors which impact on offending and re-offending, reducing social harms and promoting positive, healthy, happy and more prosperous communities. There are particular opportunities in regards to partnerships with key stakeholders including but not limited to Local Authorities, health, housing, probation, employers and the business community. Within the current PCC plan 2016-20 there are 7 key priorities, most of which have a partnership element with local authorities, health, the WMCA or other local stakeholders.
3. The potential drive down demand on policing through ensuring effective collaboration and partnerships in early intervention and prevention, including through improved data sharing and cross-agency working. This should focus on linking policing strategy to the wider suite of local public services, local authority responsibilities and WMCA priorities. It should also consider the impact on policing within the housing strategy, the skills and productivity deal and wider WMCA activity.

4.0 Financial implications

- 4.1 The financial implication of a public consultation will be determined by the nature and type of consultation.
- 4.2 As with the transfer of Fire Service governance, if these proposals passed there will be financial implications which will need to be funded. These will need to be assessed as plans for consultation develop.
- 4.3 Wider costs of transition will need to be developed as part of any subsequent transition plan and funding identified through internal resources of the WMCA and PCC and with the practical assistance of the Home Office.

5.0 Legal implications

- 5.1 The legal implications in terms of legislation are outlined within this report. Further legal implications will be reported when the Governance Review and Scheme are brought back for consideration. If these proposals go forward there are a number of legal issues that will require detailed consideration in terms of the transfer of governance which will in some respects be similar to those already considered in the transfer of the West Midlands Fire and Rescue Service and the transfer of members of staff under TUPE, assets and liabilities.
- 5.2 In terms of public consultation to be undertaken later in the process outlined above (and according to the WMCA Board decision), the Combined Authority will need to be mindful of the principles of good consultation namely that the consultation will be timely and clear on the remit of the exercise, it will be for a proportionate length of time and the Authority will have due regard to the outcomes in arriving at any subsequent decisions which are informed by the exercise.

6.0 Equalities implications

- 6.1 There are no specific equalities implications arising from this report, however any consultation process will need to take into account equalities implications and the need to reach the widest possible number of people from different communities and backgrounds in its design.

7.0 Other implications

None

8.0 Schedule of background papers

WEST MIDLANDS COMBINED AUTHORITY - A SECOND DEVOLUTION DEAL TO PROMOTE GROWTH <http://caslfmrcprd01.centronet.centro.org.uk/resourcecentral>

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WMCA Board

Date	20 July 2018
Report title	West Midlands State of the Region 2018
Portfolio Lead	Economic Growth - Councillor Ian Ward
Accountable Chief Executive	Deborah Cadman, West Midlands Combined Authority email: deborah.cadman@wmca.org.uk tel: (0121) 214 7200
Accountable Employee	Julia Goldsworthy, Director of Strategy Email: julia.goldsworthy@wmca.org.uk Tel: 07813 648227

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

- (1) Note the key findings from the “West Midlands State of the Region 2018” report. The report consists of an Executive Summary and a full technical report.
- (2) Approve the ongoing development of the key indicators so that they not only provide consistent reference to the SEP, but also incorporate existing and evolving work including evidence from the WMCA Productivity and Skills Commission, Inclusive Growth Unit, Local Industrial Strategy activity and Office of Data Analytics.
- (3) Give delegated Authority to the WMCA Programme Board to maintain regular review of portfolio dashboards, and responsibility to escalate to WMCA Board where there are proposed actions for decision / matters of concern arising from them.

1.0 Purpose

- 1.1 This report summarises for the CA Board key findings from the “West Midlands State of the Region 2018” report. An executive summary is available in Annexe 1 and the complete set of indicators and the full technical report are attached at Annexe 2. The main document retains key indicators consistent with the Strategic Economic Plan, and the Annual Economic Review published last year, but also incorporates additional metrics to ensure latest information, best practice and WMCA priorities are reflected.

2.0 Background

- 2.1 The Strategic Economic Plan (SEP) sets out bold economic ambitions for the region, and a shared determination that all our citizens will feel the benefits of that success. The balance outcomes supported by the Performance Management Framework ensure that success is defined and pursued in broad social and economic terms that feel real to the people living and working here. The first WMCA Annual Economic Review executive summary and main report was endorsed by the CA board on the 21st July 2017 and published.

WMCA is building on the SEP in pursuing these ambitions. Working with Government, we are developing a Local Industrial Strategy that identifies how we will make the most of our strengths and succeed in future industries. We have approved a Regional Skills Plan to take forward actions to improve skills and employment outcomes. We have established an Inclusive Growth Unit that will ensure those communities left behind can play a full part. We are pursuing a devolution agenda with government to join up big investments in housing, skills, transport and public services in ways that are game changing for communities and life changing for our citizens. There is a powerful coalition for change in the region: to fulfil our economic potential and play a pivotal role in the rebalancing of the UK economy.

The State of the Region is therefore an important moment to take stock. It's an opportunity to ensure key indicators pick up on the latest building blocks as well as the foundations of the SEP; a moment to review the social and economic health of the region and assess whether further action from across CA partners is required to effect change.

- 2.2 This report forms part of an approach to improve performance reporting that continues to evolve. Following the publication of last year's Annual Economic Review, the CA has approved the development of supplementary dashboards by portfolio area (e.g. transport, skills, inclusive growth etc) that provide more in-depth analysis of the thematic areas, and have scope with support from the ODA to develop new indicators where suitable data sets are not readily available.
- 2.3 In order to express this agility and reactivity to change, measures used in the PMF are not set in stone. The WMCA aims to use the best available data and measures, therefore evolving its approach in order to remain current for policymakers. In light of work through the WMCA's Productivity and Skills Commission and the Inclusive Growth Unit, a number of recommended changes have been proposed to improve the PMF, so that it is up to date with latest developments and emerging CA priorities. In particular, the inclusive growth agenda requires the WMCA to update indicators to reflect a measure of the local population's living standards, rather than just GVA overall. Potential priority indicators for the WMCA, that will be developed and reported in more detail by the ODA and Inclusive Growth Monitor include:

- Gross Domestic Household Income per head; this is a better measure of household wealth
- Breakdowns and analysis of employment and skills indicators by, gender, age and ethnicity; to ensure balanced distribution of growth
- Take-up of Apprenticeships, including data on levels, sectors, gender, age and ethnicity
- Balance of local leadership (this would need new data and reporting through survey work, possibly based on the leadership commission work)
- Wage inequalities, which could be expressed as a ratio of median to mean income
- Housing Affordability, average price to earnings ratio helps us understand if the residents of the region can access homes
- Security is an important indicator of wellbeing, and we would recommend the addition of crime rates as a high-level indicator.
- In-work poverty
- GVA per hour worked, this is the most accurate measure of productivity in the workplace we have, which also allows us to compare and contrast across place and time. It also overcomes the issue of non-participation which is not identifiable by GVA per head.

2.4 Emerging work on the local industrial strategy has recommended that the region look to develop its own indicators through a survey approach to fill the gaps in current knowledge, although there is a trade off with comparison and longitudinal performance measurement, it will create the ability for the West Midlands to have a deeper understanding of the core issues related to productivity, beyond skills. These indicators should also build on the work of the Science and Innovation Audits to monitor the impact and growth of key R&D assets, large companies and public-sector anchor institutions as assets, tracking them over time and their contribution and embeddedness to the region.

2.5 As a result of changing priorities within policy making and measurement, the annual State of the Region report, and the indicators contained within it will be continuously updated to reflect best available data. This will ensure the PMF will remain current, and that it will continue to evolve in line with the expectations of policy makers and wider society.

2.6 Below are **summary key findings**¹ from the State of the Region:

Economic Growth

- **GVA** in the WMCA continuing to increase - total GVA in the WMCA increased from £88.4bn in 2015 to £92bn exceeding the UK growth rate of 3.7% by 0.3% (4% GVA growth rate).
- From 2015 to 2016, there has been an increase in **GVA per head** of £671 for every resident living in the West Midlands Combined Authority.
- Despite this, the **output gap** (WMCA GVA per head compared to national average) continues to grow and is currently £16.9bn compared to £16.5bn in 2015.
- To reduce the output gap, the WMCA needs to continue its focus on raising skills levels, increasing the employment rate with more local people in jobs and promote the growth and innovation of the business base.
- In terms of productivity, **GVA per hour** has increased by more than double the rate of the UK (4% growth compared to 1.3%) over the past year and is currently £28.9 per hour worked.
- In 2017/2018 the West Midlands Region created over 9,424 new jobs from 171 **FDI** projects – the highest level for any region outside of London.

¹ Geography is based on WMCA 3 LEP unless otherwise stated. **Page 21**

Business Competitiveness and Productivity

- The West Midlands Combined Authority business base is growing with a **record number of businesses** based in the WMCA (159,355), an increase of 13,945 businesses over the past year.
- **Business starts** reach the highest level since 2004, 27,550 new businesses were created in 2016, an increase of 22.8% over the year compared to an 8.2% increase across the UK.
- Of the 13,975 **business births** in 2011 43.8% **survived** until 2016 compared to a 44.1% five-year business survival rate across the UK.
- **GVA per employee** has increased by £1,077 from 2015 to 2016 across the West Midlands Combined Authority, increasing by 2.2% vs 1.9% across England.
- West Midlands is the fastest growing UK region for goods **exports** (27% growth between 2015 and 2017) and is the export capital of the UK: outside of London & the South East it exports the most by value (over £33bn in 2017).

Skills

- The number of **apprenticeships** across the WMCA increased by 400 to 42,470 – 1% increase against a national decline of -2.9% in 2016/17. However, the latest provisional 2017/18 data shows a fall of -28% nationally since the introduction of the Apprenticeship Levy in April 2017.
- 31.1% of working age population are now qualified to **NVQ4 level**, this is an increase of 1.9% from 2016.
- The proportion of working age population with **no qualifications** is 11.4%, a decrease of 1.4% over the past year.
- **Youth claimants** (18-24) have decreased from 14,805 in 2015 to 14,305 in 2016 (-3.4%) compared to a decrease of 1.5% across UK.
- 1 in 3 children based in the WM Met area are **not achieving a good level of development** at the end of reception – 67% achievement vs national average of 71%.

People

- Average **healthy life expectancy** (HLE) for males is 59.6 years (3.7 years below the national HLE for males) and 60.3 years for females (3.6 years below the national HLE for females).
- **Jobs** are increasing and there are currently 2 million people working in the WMCA area. With 75.7% of employees earning above the UK living wage.
- The **employment rate** for the WMCA is 71.0% compared to 74.7% nationally.
- **Gross Disposal Household Income** (GDHI) per person in 2016 was £16,295 and has grown by 8.6% compared to 8.5% nationally since 2013.

Place

- There are currently 1.7m **homes** in the WMCA areas and the housing deal between the WMCA and Government plan to deliver an additional 215,000 homes by 2031,
- There were 11,500 **net new homes** in 2016-17.
- More **affordable homes** are being built – 2,850 affordable homes in total (520 more than the previous year).
- **Carbon emissions** emitted within the SEP area and the **number of days of poor air quality** per year have reduced at a faster rate than UK.

- **Congestion** is getting worse; only 41% of WM met residents were able to access 3 or more strategic centres including Birmingham City Centre, accessible by public transport within 45 mins travel time in the am peak – some 34 percentage points lower than the WMCA ambition of 75%.
- Number of **offenders** (32,008) have decreased by 4.1% whilst **reoffending rates** have increased from 24.6% to 24.9% but is still lower than England (25.4%).

3.0 Financial implications

3.1 None directly arising from this report

4.0 Legal implications

4.1 None directly arising from this report

5.0 Equalities implications

5.1 None directly arising from this report

6.0 Other implications

6.1 None directly arising from this report

7.0 Schedule of background papers

7.1 Not applicable

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State of the Region Executive Summary

Building a healthier, happier, better connected
and more prosperous West Midlands



Content

2	Introduction
3	Key Trends
5	Balance Outcomes
6	Economic Growth
8	Business Competitiveness & Productivity
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Introduction

Welcome to the State of the Region 2018 – the second annual review of economic performance across the West Midlands. This is an important moment for the West Midlands Combined Authority (WMCA) and its partners in the region to take stock: to celebrate evidence of sustained economic success and cast a spotlight where the region's performance still falls short of fulfilling its potential as a driving force in the UK economy.

The headline metrics show welcome evidence of economic renaissance for the West Midlands. GVA per head is growing, record numbers of jobs are being created, exports are on the rise and skills are improving. Looking ahead, many economic fundamentals are expected to stay strong – with growth in other sectors expected beyond manufacturing, including real estate and Business, Professional and Financial Services. HS2 will improve productivity, connectivity, skills

and job opportunities. Coventry City of Culture in 2021 and the Commonwealth Games in 2022 will bring investment in venues, transport, housing, jobs and tourism, as the region's profile on the global stage is boosted.

Yet our optimism for the future must be tempered by headwinds that we know are ahead. Manufacturing looks most vulnerable to the impacts of Brexit, and the West Midlands is particularly exposed. Although headline productivity is moving in the right direction, it still lags behind the rest of the UK, as does the proportion of WMCA residents with qualifications and their healthy life expectancy. Without effective investment in productivity and skills, the region risks losing the ability to attract future investment. On many key metrics there is still a long way to go to meet our ambitions. Too many people remain left behind, unable to access or feel the full benefits of sustained economic growth.

This summary, and the technical report that sits behind it, provide a consistent reference point back to the headline goals set out in the WMCA Strategic Economic Plan (SEP), using the performance indicators it developed to ensure we are pursuing economic success in balanced economic and social terms that feel real to the people living and working in the region. But it is also a place to highlight new areas of emerging thinking, where new data is available and where we are developing new methodologies to enrich our understanding and inform new policy approaches to help us deliver our goals. Combined it forms a set of metrics that will build over time, laying new building blocks on the foundations of the SEP, and creating a robust evidence base that will continue to evolve to inform the approach of the WMCA and its partners across the region.

WMCA Board

“

Looking ahead, many economic fundamentals are expected to stay strong – with growth in other sectors expected beyond manufacturing, including real estate and Business, Professional and Financial Services

”

Consistent with the WMCA Strategic Economic Plan the data related to 'WMCA' in this report, unless otherwise stated, relates to the 3 LEP geography (Black Country LEP, GBSLEP and CWLEP).

Key Trends

Growth Areas



The proportion of Working Age Population with No Qualifications (2016-2017) is falling faster than UK average but 86,036 people need to be upskilled to close the gap

▲ -1.7pp WMCA
▲ -0.3pp UK



2m

Jobs across the WMCA in 2016

▲ 1.8% WMCA
▲ 1.7% UK

Since last year (2015- 2016)



West Midlands is the fastest growing region in the UK for goods exports

▲ 27% WM (2015-17)



£4,178

GVA per Head is £4,178 lower than the UK but increasing at a faster rate

▲ 11.5% WMCA

▲ 9.1% UK

Between 2013-2016



67

67 business births per 10,000 population (=14,000 new business starts) compared to UK average of 63 per 10,000 population in 2016



11,500

11,500 net new homes in the WMCA area between 2016- 2017



15

15 day reduction in poor air quality days across the West Midlands (2016-2017)



9,424

9,424 new jobs created from 171 FDI projects in the West Midlands region - highest created outside London in 2017/18



West Midlands Region has had the highest increase in workforce jobs outside London

▲ +84,000 WM
(March 2017 - March 2018)



£3,137

Gross Disposal Household Income per Person is £3,137 lower than the UK but increasing at the same rate (2015-2016)

▲ +0.7% WMCA

▲ +0.7% UK

Challenges



Shorter Healthy Life Expectancy (2014-2016) than UK



Males: 59.6

-3.7 years



Females: 60.3

-3.6 years



43.8%

The five- year Business Survival Rate is 43.8% across the WMCA vs 44.1% UK (2011-2016)



42,470

2016/17 the number of Apprenticeships increased (+1%). However, latest trends predict decline in 2017/18



41%

Congestion is increasing meaning only 41% of the population can access 3 centres within 45mins by public transport.



16,265

Youth Claimants in the WMCA is remaining high at 16,265 (May 2018)



£16.9bn

The Output Gap is increasing, £16.9bn Unmet economic potential in 2016

Balance Outcomes

The WMCA is committed to pursuing and defining success in social and economic terms that feel real to citizens and bring benefits to all who live and work here. These principles are set out in the SEP and developed further in the performance management framework (as set out on page 24). For the purposes of this report we have separated key metrics into the following five pillars, that recognise the importance not only of growth and productivity improvements, but also the contribution of vibrant communities and resilient citizens in creating economic success and places that people want to live and work in. The full technical report is available online^{1,2}.



The report is based on five sections, with each section exploring the following:

Economic Growth

Developing the regional economy underpins our ambitions. As the export centre of the UK, our economic success is vital to Britain's future.

- ✓ Improved GVA in line with the UK Average

Business Competitiveness & Productivity

Britain's businesses are facing considerable uncertainties because of Brexit, but in the West Midlands we are steadily rebooting our reputation.

- ✓ Improved the productivity of our businesses focusing on our growth sectors;
- ✓ Improved competitiveness through energy and resource efficiency and stimulated new technology and business

Skills

Building the right skills is key to delivering improved productivity and prosperity - enabling all groups to access jobs.

- ✓ Improved skills levels so that people have the skills and qualifications to access jobs

People

We want improved life chances for all residents, including those facing particular disadvantages or difficulties.

- ✓ Improved life chances for all;
- ✓ To reduce our health inequalities and improve the health and wellbeing of our population including physical activity and mental health;
- ✓ To reduce offending and re-offending

Place

We will improve the connectivity of people and businesses to jobs, markets and housing - developing local places and communities.

- ✓ Improved the connectivity of people and businesses to jobs and markets;
- ✓ Improved the quantity of high quality, readily available development sites; turning brownfield sites to high quality locations that meet our housing and business needs

¹ www.wmca.org.uk/state-of-the-region

² The sources for the data are set out in the full technical report.

Economic growth

Developing the regional economy underpins our ambitions – not only to deliver growth that all citizens benefit from, but also, as the export centre of the UK, that will power the UK economy after Brexit. Economic growth, as measured by GVA has seen strong growth (4% in 2016 compared to 3.7% nationally), however the region is still falling well short of fulfilling its economic potential. The output gap, which measures the difference between per head economic output and potential stands at nearly £17bn across the 3 LEP geography.

- Total GVA in the WMCA continues to increase and in 2016 was £92bn (4% growth compared to 3.7% nationally). However, the gap between the GVA per head in the WMCA (£22,443) compared to the UK average (£26,621) is not closing, leading to a £16.9bn output gap. GVA growth is fundamental in delivering inclusive growth.
- The output gap is impacted by skills levels, employment levels and the productivity of our business base. In terms of productivity, GVA per hour has increased by more than double the rate of the UK over the past year and is currently £28.9 per hour worked. However,

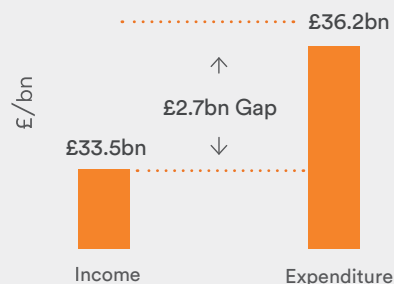
GVA per hour needs to increase by £3.70 to reach the UK level.

- The WMCA has received 775 Foreign Direct Investment (FDI) projects from 44 different countries across the world. This has led to the creation of nearly 46,000 new jobs from 2011/12 to 2017/18.
- In 2017/2018 the West Midlands region created over 9,424 new jobs from FDI projects – the highest level for any region outside London.
- There have been challenges in calculating the fiscal balance for the WMCA and we will continue to work with ONS to refine and enhance this methodology. The latest methodology estimates a £2.7bn gap between the Income generated by the WMCA and Expenditure – a decrease of £.5bn from the comparable figures for last year due to the identification of additional incomes streams. The tax generated from WMCA residents is estimated at £33.5bn based on the main contributors of Income Tax (22.5%); VAT (18%) and NI Contributions (17%). Public expenditure is estimated at £36.2bn with 45% arising from social protection (which includes sickness and disability, old age, survivors, family and children, unemployment, housing and social exclusion); health (25%) and education with 15%.



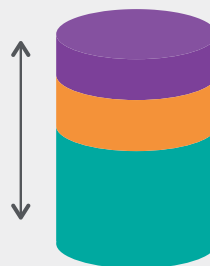
Key Indicators

Income and Expenditure Balance



Output Gap

WMCA output gap
£16.9bn



Skills Levels Insufficient

% with NVQ4+ (WMCA = 30.7%, UK = 38%)

£3.2bn



Too Few in Employment

Employment Rate (WMCA = 68.8%, UK = 73.8%)

£1.8bn

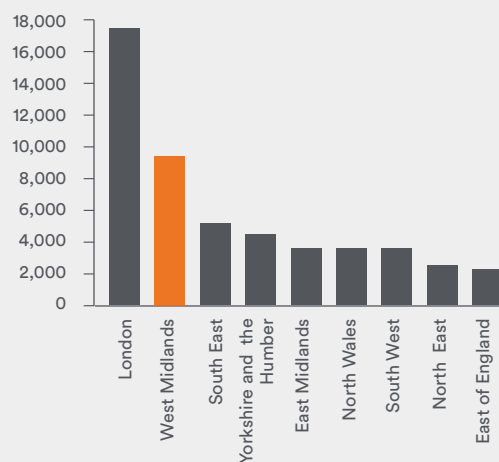


Economy Lacking in Dynamism

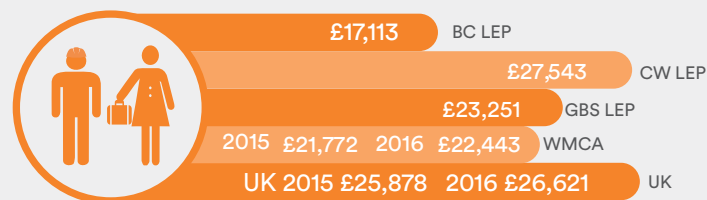
Business Stock per 10,000 population (WMCA = 390, UK = 432)
% of innovative business (WM = 55%, UK = 53%)

£11.9bn

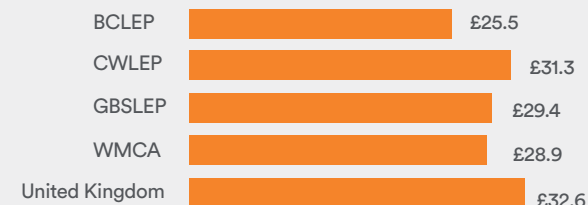
FDI Projects by UK Region New Jobs (2017/18)



Current GVA Per Head



GVA Per Hour Worked



Deepening our Evidence Base

Qualitative measures can also provide important insight on economic success, especially in pursuing inclusive economic growth. We will work with partners to understand business perceptions and confidence. The quality and accessibility of jobs is central to delivering inclusive growth, therefore we will investigate developing metrics that identify better work in terms of pay, progression and security.

We continue to work closely with the Office of National Statistics (ONS) on a range of data enhancement projects including refinement of the income and expenditure methodology to develop robust procedures for sub-regional measures which currently are not in place.

Business Competitiveness & Productivity

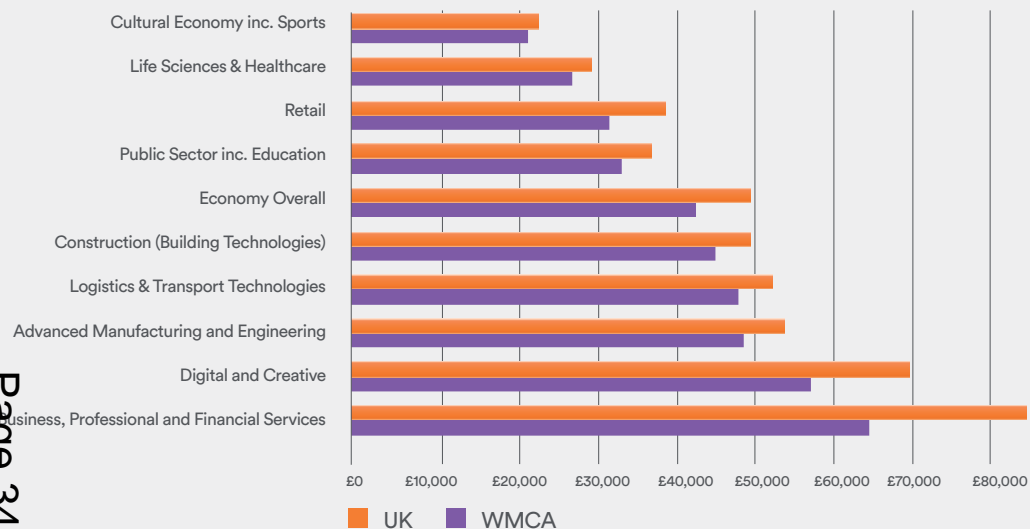


The West Midlands economy is undergoing a renaissance. Outside London and the South East, we are the strongest performing region for business births, FDI and exports. While productivity is growing, it still lags behind the UK average in absolute terms.

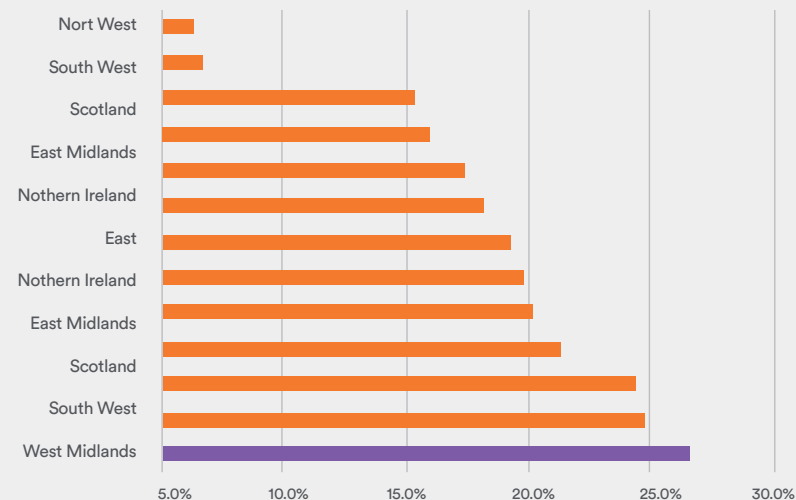
- The WMCA business base is growing and there are currently 159,355 active companies (390 per 10,000 population compared to 432 for UK) in the WMCA. There were 27,550 new businesses started across the WMCA in 2016 – double the UK growth rate.
- Out of 13,975 business births in 2011, 93.1% survived their first year, the same as the UK. Their five-year survival rate across WMCA was 43.8% compared to 44.1% across the UK.
- GVA per employee varies significantly across sectors in the WMCA. Our high productivity sectors are Business, Professional and Financial Services (£64,194), Advanced Manufacturing and Engineering (£48,728), and Digital and Creative (£57,112). While the enabling sectors have low productivity, this includes Retail (£31,952) and Cultural Economy (£21,997).
- In the WMCA 9.6% of businesses have a turnover of over £1m while there are 42.6% with a turnover of less than £100k.
- West Midlands is the fastest growing UK region for goods exports (27% growth between 2015 and 2017) and is the export capital of the UK: outside of London & the South East it exports the most by value (over £33bn in 2017). Recent Centre for Cities research suggests that to raise regional productivity there needs to be a sharper focus on improving the performance of already highly-productive businesses. With 94% of UK businesses in the bottom third for productivity only serving local markets, the research identifies exporting firms as vital for productivity enhancement.
- Findings from the WMCA Leadership Commission report that organisations with diverse workforces perform better. Companies in the top quartile for gender and ethnic diversity are more likely to have higher financial returns than their industry average. Organisations with a more diverse board or governing body also tend to attract top talent, have greater employee satisfaction and are better at problem solving, decision making and innovation.

Key Indicators

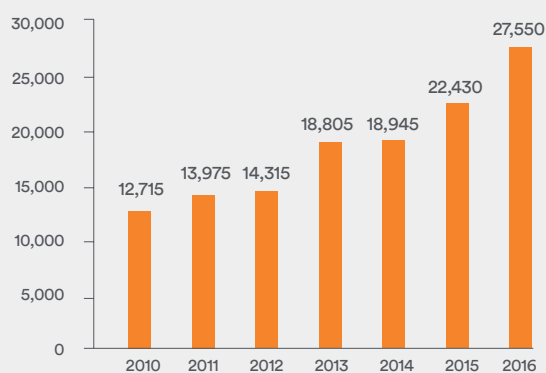
GVA per employee across Sectors in WMCA & UK



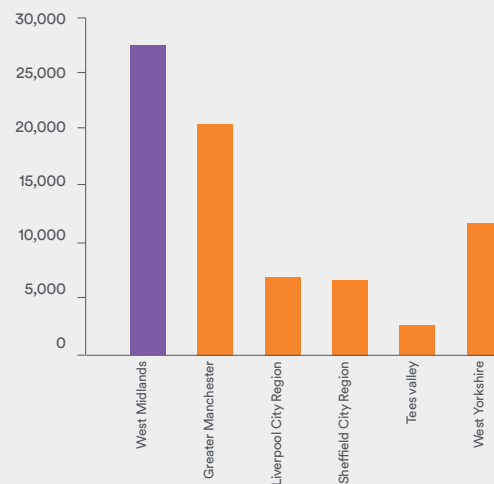
% Export Growth by Region (2015 - 2017)



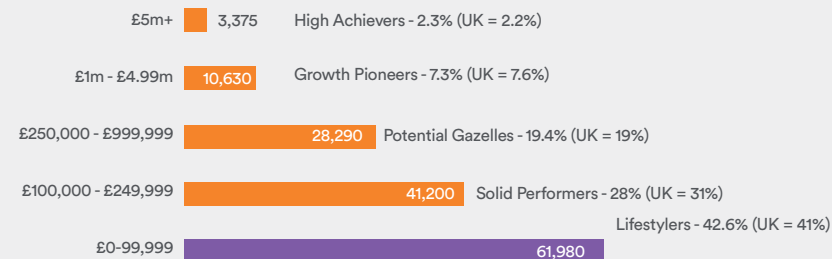
WMCA Business Births 2010 -2016



Business Births by Combined Authorities 2016

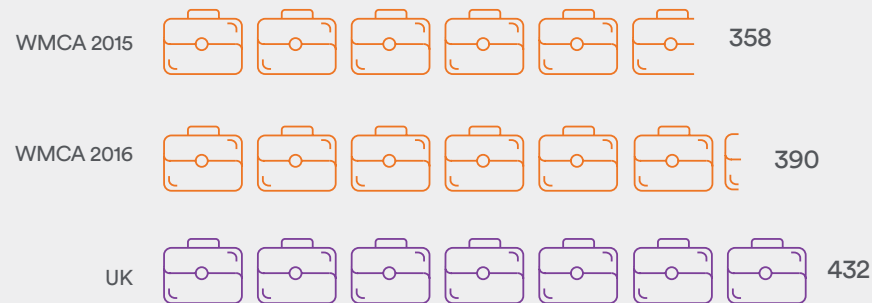


WMCA Business Base by Turnover Band 2016

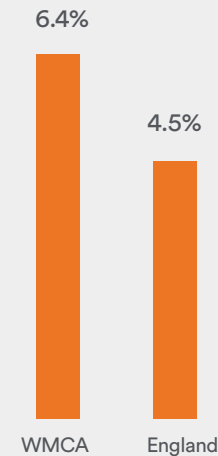


Key Indicators

Business Stock per 10,000 Population



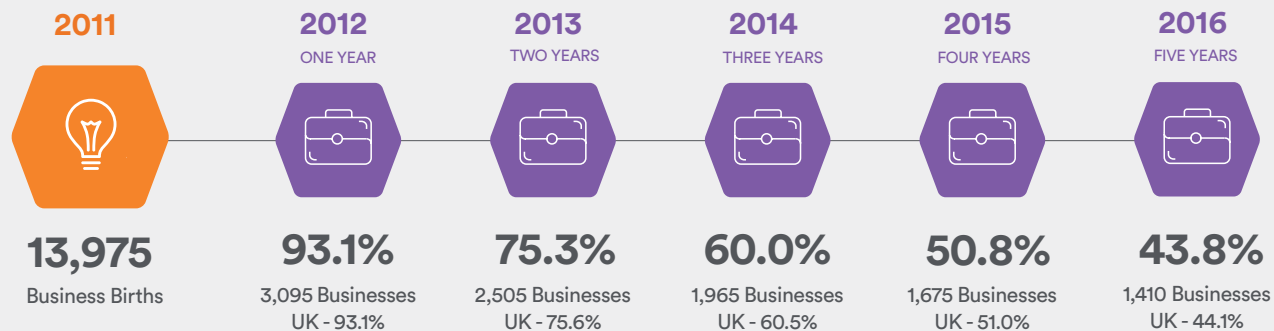
GVA per Employee % growth (2013 - 2016)



Deepening our Evidence Base

The West Midlands is one of three trailblazer areas starting to develop a Local Industrial Strategy (LIS), co-designed with government and underpinned by a strong evidence base. A partnership approach to evidence gathering has resulted in a large in-depth intelligence base across our LIS sectors, which will inform a suite of WMCA sector action plans. Beyond the headline data, we want to truly understand the nature of these sectors in the WMCA and their productivity challenges. Identifying our competitive advantages and genuine strength is key to unlocking the activities required that will catalyse growth productivity in the region.

WMCA Business Survival Rates



Skills



Building the right skills in our workforce is key to delivering improved productivity and prosperity - enabling all groups to access jobs. While qualifications levels are improving, significant shortfalls remain in certain levels and geography, holding back growth and productivity. Youth unemployment remains stubbornly high - as a growing, young and hyper diverse region, tackling poor social mobility and outcomes is crucial to unlocking inclusive growth.

- There are 790,800 people qualified to NVQ Level 4 in the WMCA area. This is an increase of 1.9% on the previous year or 14,600 people, comparable to the national growth rate of 1.4%. Longer-term since 2012 the WMCA area has also performed better than the national average with an increase in the number of people with higher level skills by 113,000 (16.7%) compared to 14.7% nationally. Despite this positive trend just 31.1% of the population are qualified to NVQ Level 4 compared to 38.4% nationally - a shortfall of 184,864 people. Qualifications are key to progression, with people qualified to NVQ4+ estimated to earn significantly more than those with lower qualifications.
- The proportion of WMCA residents with no qualifications decreased from 13% (329,800) in 2016 to 11.4% (289,300) in 2017 (a reduction of 40,500 people). The number of women with no qualifications reduced from 166,100 to 145,300 (-14.3%) while men fell from 163,000 to 144,100 (-13.1%). 9.1% of 16-24 year olds have no qualifications compared to the WMCA average (11.4%). To reach the current UK average (8%) requires a further upskilling of 86,036 people.
- There were 42,470 apprenticeships in 2016/17 where 22,890 were Intermediate level, 16,480 Advanced and 3,100 were Higher. Overall, the gender split was reflective of the wider population, but females were poorly represented in STEM subjects accounting for just 3.7% of apprenticeships. Bucking national trends in 2016/17 the WMCA increased the number of Apprenticeship starts by 1% compared to a national fall of -2.9%. However, the latest provisional 2017/18 data shows a fall of -28% nationally since the introduction of the Apprenticeship Levy in April 2017.
- Most young people (aged 18-24) in the WMCA are either in work or economically “inactive” (for example as full-time students), but 9.7% were counted as “unemployed” at the end of 2017.
- There were 16,265 youth claimants in the WMCA in May 2018, a decrease a 1.1% from the previous month.

Key Indicators

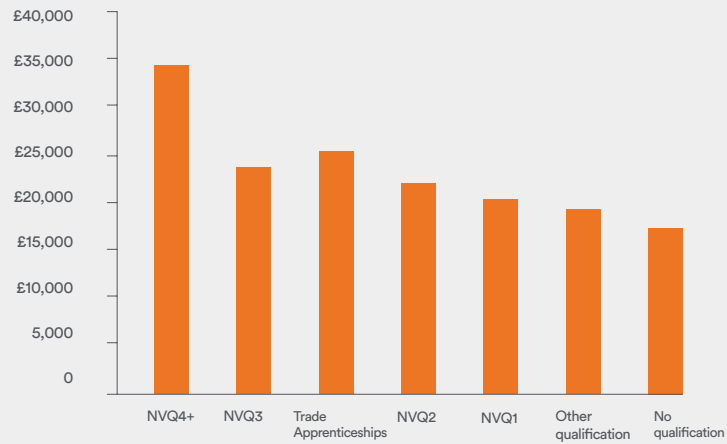
Apprenticeships



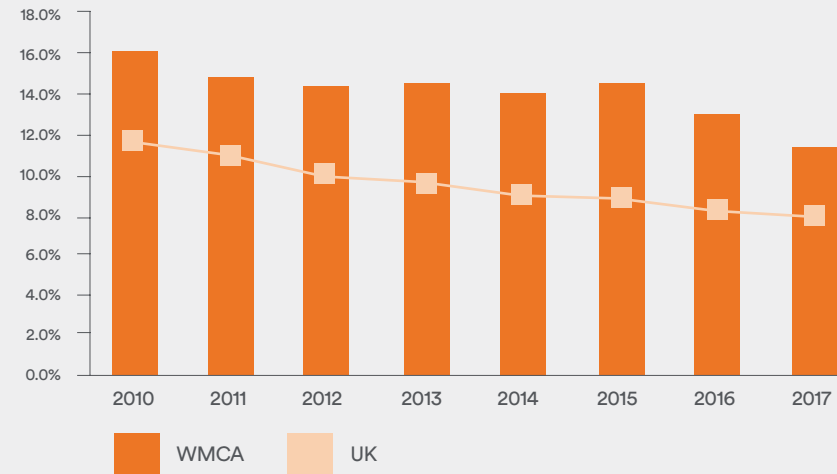
Intermediate Advanced Higher

Intermediate 22,890 | Advanced 16,480 | Higher 3,100

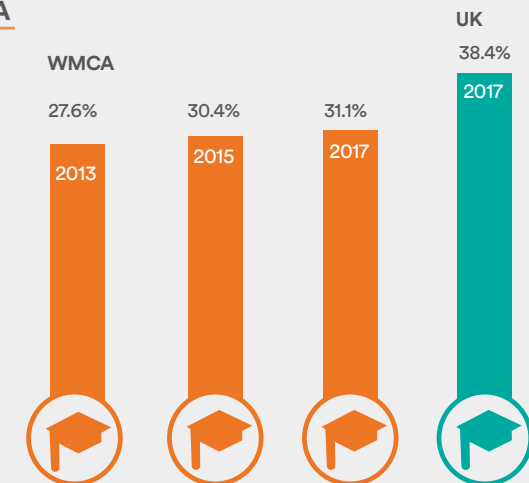
Earnings by Qualification



Percentage of people with no qualifications (2010-2017)



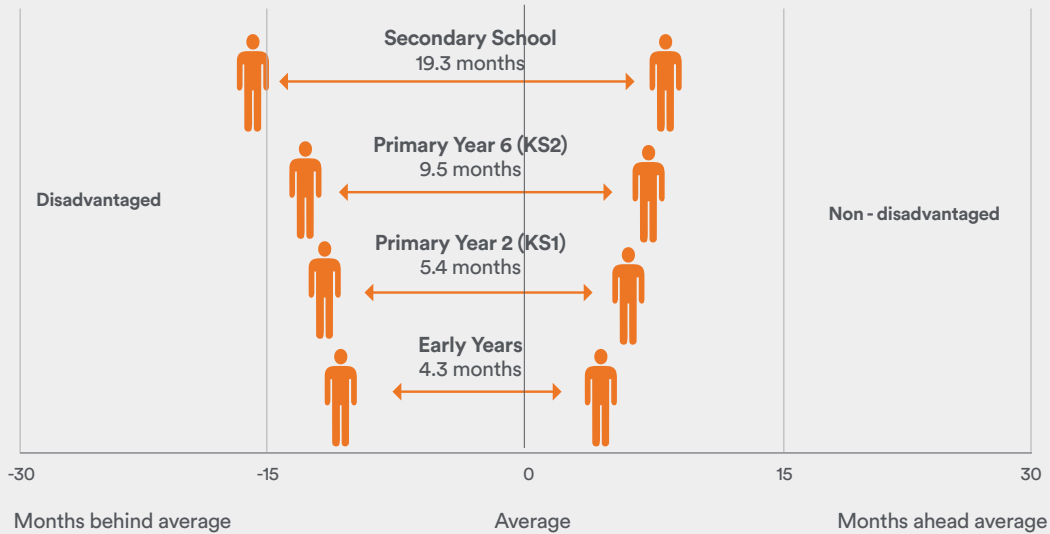
Percentage of people with NVQ Level 4 and above in WMCA



Key Indicators

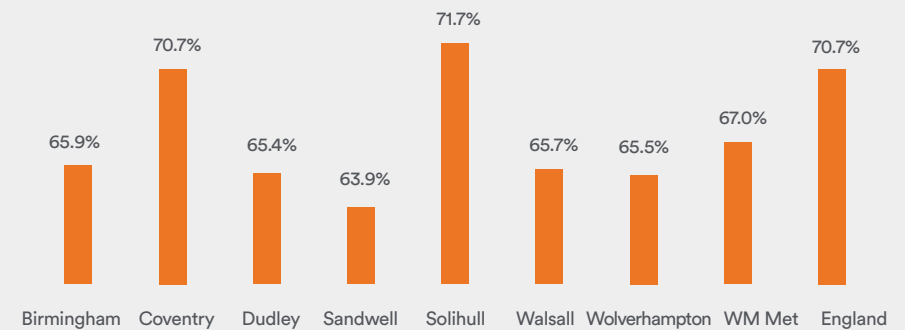
Social Mobility

All disadvantaged pupils

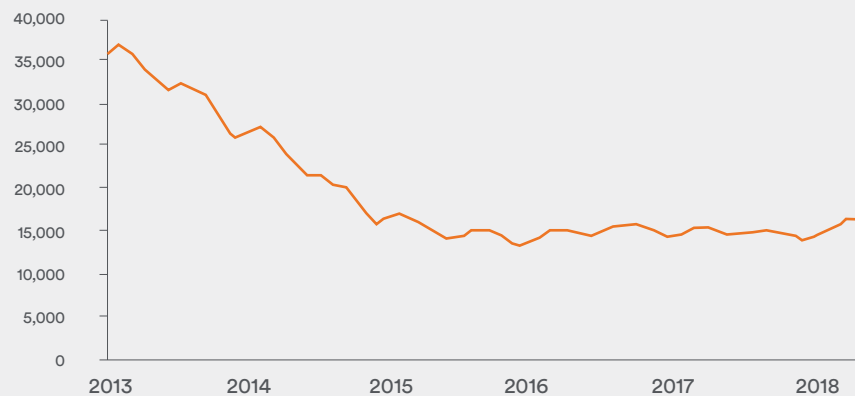


School Readiness

% of Children Achieving a Good Level of Development of End of Reception



WMCA youth (aged 18-24) Claimants



Deepening our Evidence Base

Building on the evidence work from the WMCA Productivity and Skills Commission we will continue to develop a detailed understanding of the priority skills needs and gaps of key sectors such as digital, construction and automotive companies to continue to inform the delivery of our skills plan.

We will examine the risk factors for youth unemployment and develop approaches to address these.

We will analyse the take up of apprenticeships to test progress in improving access.

People



The benefits of economic growth need to be shared by all, including those currently left behind, and facing big barriers to participation. Strong headline jobs growth masks real inequalities within the region, and across different communities.

- All of our residents need to be able to touch, taste and feel the benefits of the rising prosperity that they help to create within the region. This is the basis of inclusive growth, and in the West Midlands we are working to ensure that our residents develop the skills, aspirations and capabilities they need to access and create opportunities in our future economy. To do this, we need to have a sense of the 'whole person', and the lives they want to live. Collaboration is key to getting this right: by working with our citizens and partners, we can deliver long, healthy, purposeful lives in comfortable homes, as part of safe, clean, well-connected neighbourhoods.
- The healthy life expectancy gap within the region is significant for men and women alike and is holding back our productivity. In 2015, 20% of the WMCA population lived in the top 10% most deprived areas. For both males and females in the most deprived communities

there is a shorter healthy life expectancy at birth and a longer period expected to be spent in 'not healthy' health. The healthy inequality gap between the most and least deprived areas across the WMCA geography has increased among males to 7.4 years in 2015, whereas for females the gap has decreased to 9 years.

- The determinants of these shorter, unhealthier lives can be found in childhood. 30% of children in the region still grow up in poverty. Mental health disorders for children are at a high level, within the top 20% for England. Almost 25% of children are obese in Year 6. Worse still, our most vulnerable children and young people are heading for the worst outcomes. West Midlands Police and the Prince's Trust ran a successful programme aimed at 16-25 year-olds in the region at most risk of social exclusion. 66% of participants had experienced four or more of the ten adverse childhood experiences, making them more likely to live with low mental wellbeing, to struggle with relationships, relaxation, clarity of thought, or to feel positive about the future. We continue to delve into this data as part of our work on radical prevention

– better intelligence on the needs of our young people will enable all of our partners to design better programmes, and to use their resources in the most effective way.

- In 2016, only 6.7% of adults in contact with secondary mental health services were in paid employment across England, a lower gap than the national average (58.9 vs 67.2) but in the West Midlands it is estimated that 70,000 people cannot work due to mental health problems and its estimated to cost the WMCA £12.6bn in mental ill health.
- Jobs are increasing and there are currently 2 million people working in the WMCA area, with 1.2m employed in the transformational sectors and 808,365 in the enabling sectors in 2016. 75.7% of employees are earning above the UK living wage.
- Gross Disposable Household Income (GDHI) per person in 2016 was £16,295 and has grown by 8.6% since 2013. The UK GDHI per person is £19,430 and has increased by 8.5%. GDHI per person needs to increase by £3,137 in the WMCA to be in line with the UK.

“

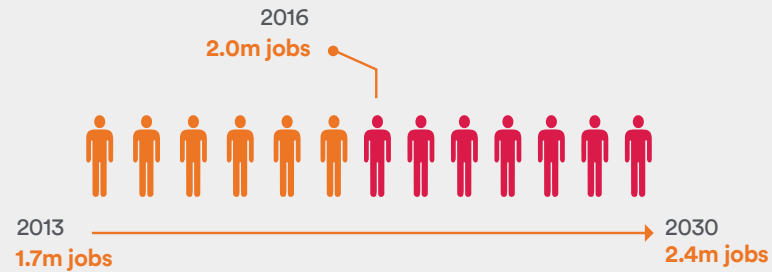
There are currently 2 million people working in the WMCA area, with 1.2m employed in the transformational sectors and 808,365 in the enabling sectors in 2016.

”

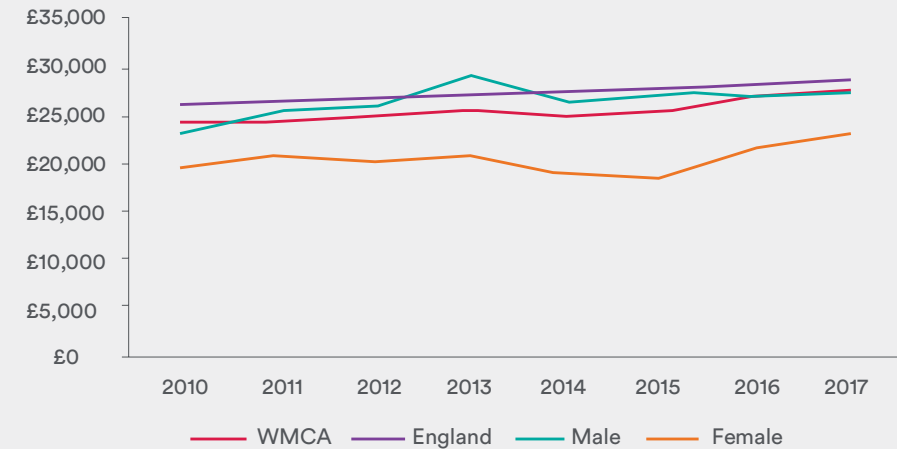


Key Indicators

Jobs



Average Annual Earnings per Resident Employed Full Time (2010 - 2017)

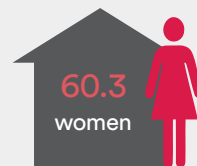
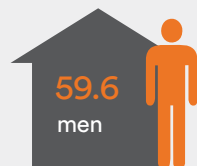


Healthy Life Expectancy

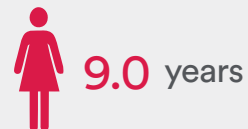
Healthy life expectancy will rise to:

Ambition 63.3 years 63.9 years

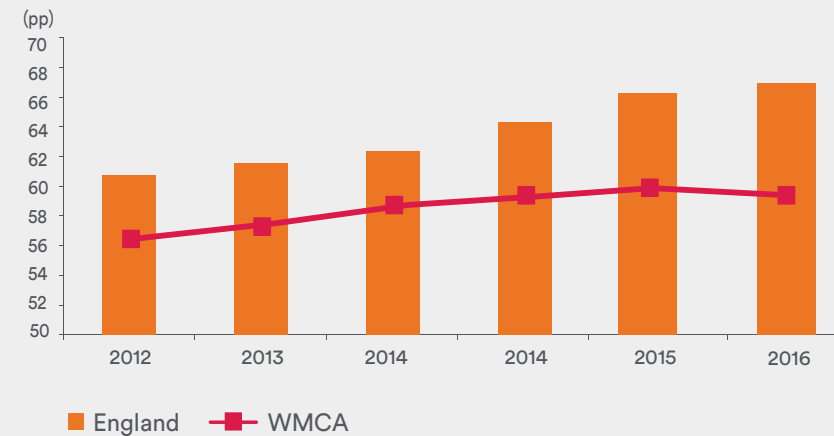
Current



The overall life expectancy health inequality gap in years between the most and least deprived in the West Midlands

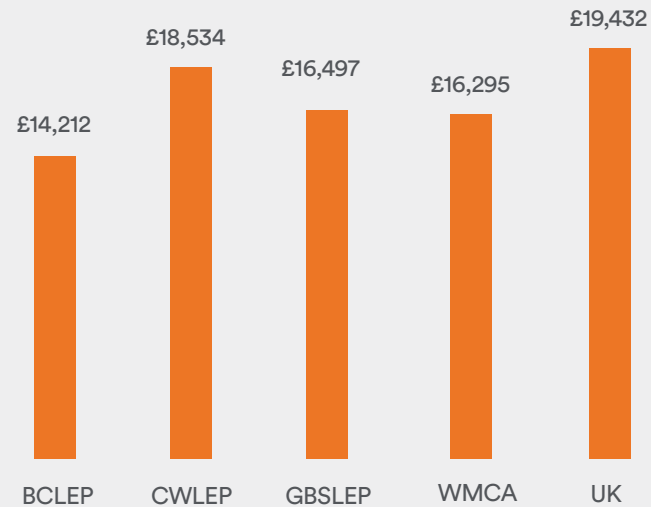


Employment Rate Gap between those in contact with secondary mental health services and overall employment rate



Key Indicators

Gross Disposable Household Income per Person



Deepening our Evidence Base

Building a shared definition of inclusive growth is a collaborative process and we are establishing an Inclusive Growth Unit to be the engine that drives this ambition. Blending analysis, policy advice and practical action, the unit will promote inclusive growth outcomes with our Industrial Strategy and Public Service Reform programme across the range of our activities. The unit is a collaboration across different sectors of the economy and society blending academic rigour and citizen insight.

From the findings of the Leadership Commission we are building a Youth WMCA Board, to ensure that young citizens can influence how things work in the region. We are learning from the existing TfWM Youth Forum and local initiatives such as Birmingham City Council's Children in Care Council, to ensure we create the right spaces and the right opportunities for influence.

Place

Major investments in transport, housing and business locations must be used to transform not only growth and productivity but also make places where people want to live, work and invest. We are building more homes with an ambition of 215,000 new homes by 2031. We are working on the identification of opportunity areas to drive the supply of high-quality new homes and then create and capture the value created from these to invest in transport, health, education and other facilities within existing communities in these areas to enable growth for all and ensure that communities can participate in growth and benefit from the growth.

- More houses are being built resulting in housing stock continuing to rise to 1,704,600 homes – a net increase of 11,480 homes from the previous year.
- More affordable homes are being built – 2,850 affordable homes in total (520 more than the previous year). However, there is a need to ensure we are delivering all types of housing to accommodate and attract employees for our growing economy.

- Completions by tenure mix is changing – housing associations and local authorities account for 20% of all completions (down 3% since previous year) whilst private enterprises are increasing their share of completions with 80% (an increase of 3% compared with the previous year). There is evidence of growing demand in the housing market with 56,007 residential sales were recorded in 2016/17 – an increase of 1,202 from the previous year; and likewise, in the private rental market – in 2017-2018 there were 27,460 residential properties privately rented; an increase of 2,760 rentals since the previous year.
- Alongside economic growth, will be an impact on infrastructure and as anticipated congestion is getting worse; only 41% of WM residents were able to access 3 or more strategic centres including Birmingham City Centre, accessible by public transport within 45 mins travel time in the am peak – some 34 percentage points lower than the WMCA ambition of 75%.
- Visitor economy has continued to perform well with hotel occupancy rates in the WMCA area matching or exceeding 2016 figures for most of the year. However, since autumn 2017 it is likely that domestic rather than overseas tourists have been the principal driver of growth.
- Issues with Britain's high street have been widely reported in recent times; just this year



there has been store closure announcements by House of Fraser, Marks and Spencer and Mothercare. Much of these are put down to tough trading conditions, rising costs and the formidable rise of online shopping. In 2017, the number of high street retail outlets fell by 1,772 in the UK, 144 of which were in the West Midlands region. Despite the problems experienced by the high street, retail plays a vital role in West Midlands society – it's a large employer and a key enabling sector. In order to reverse the fortunes of retail, stakeholders need to be innovative in their response to the situation, particularly given changing trends and the digital age.

- Air quality within the WMCA is improving as there are currently 25 days poor air quality per year (rated 4 or higher on the Daily Air Quality Index); an improvement of 15 days less than the previous year. CO₂ emitted in 2015 was 21,696 ktCO₂, a reduction of 924 ktCO₂ since the previous year. The WMCA ambition is a 40% reduction in carbon by 2030 requiring a further reduction of 5,756ktCO₂. Transport is a major source of poor air quality and improvements likely to be attributable to improved vehicle technology continuing to enter the fleet.
- The total number of recorded crime (excluding fraud) in the West Midlands was 227,865 in 2017;

79.4 per 1,000 resident population. This is an increase of 27,353 more crimes recorded than the previous year.

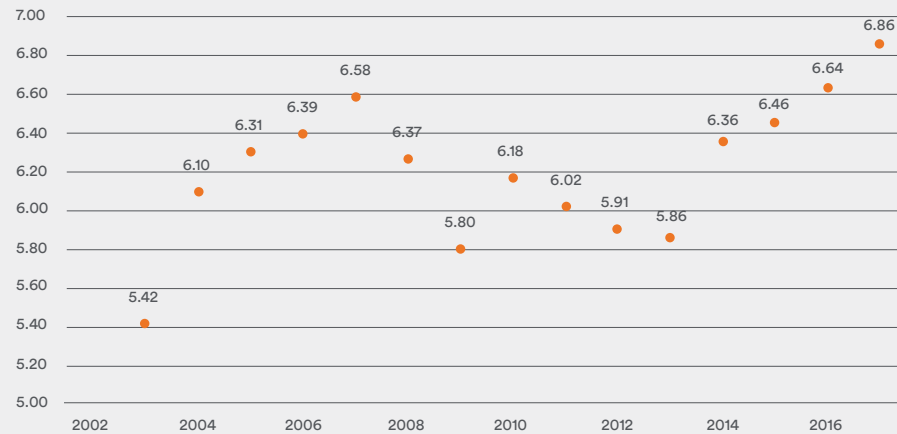




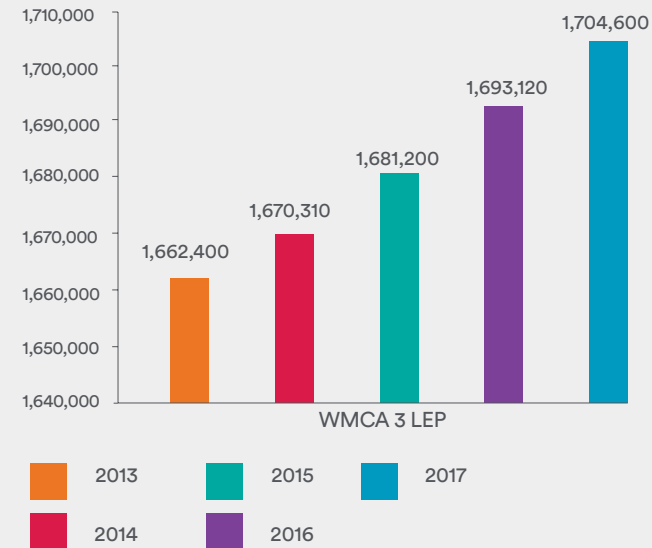
More houses are being built resulting in housing stock continuing to rise to 1,704,600 homes – a net increase of 11,480 homes from the previous year

Key Indicators

Ratio of median house price to median gross annual earnings across the WMCA

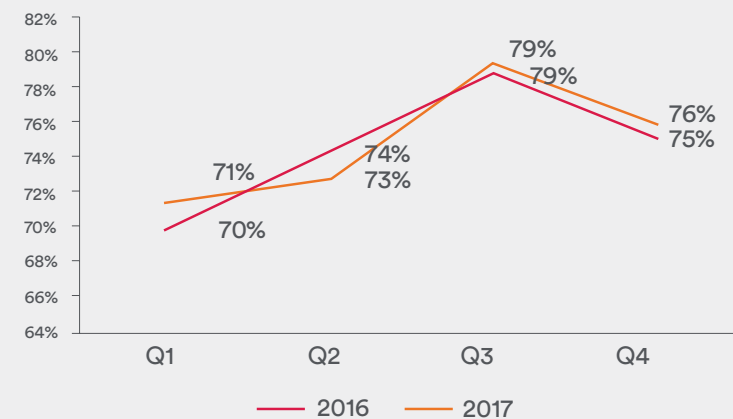


Dwelling Stock Estimates

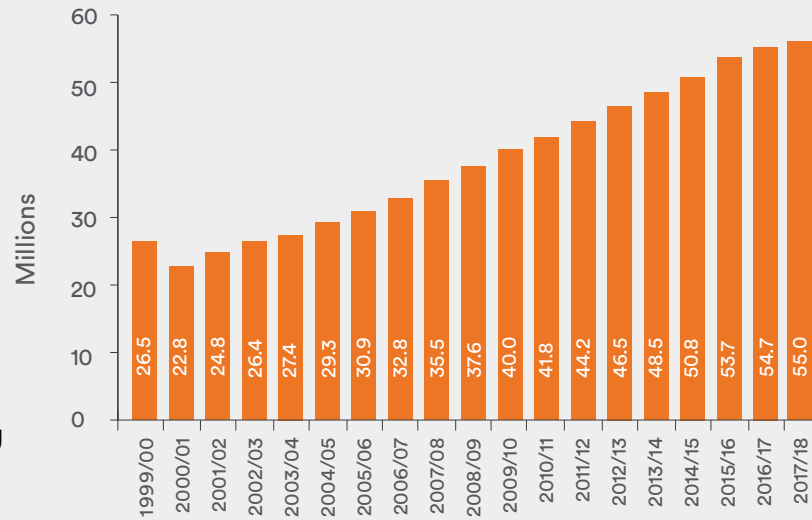


Source: MHCLG Live Table 125 - Dwelling Stock Estimates by Local Authority District

Hotel occupancy rates in the WMCA are - quarterly averages



Rail passengers in the West Midlands



Congestion in the West Midlands



Air Quality

A Reduction of
5,765 ktCO₂

Offending Rates in the West Midlands



32,008

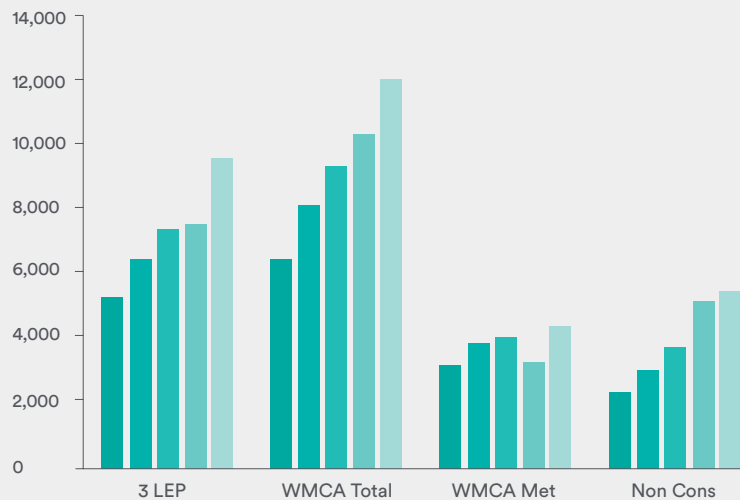
offenders (2014), 7.9
per 1,000 residents.

-1,364

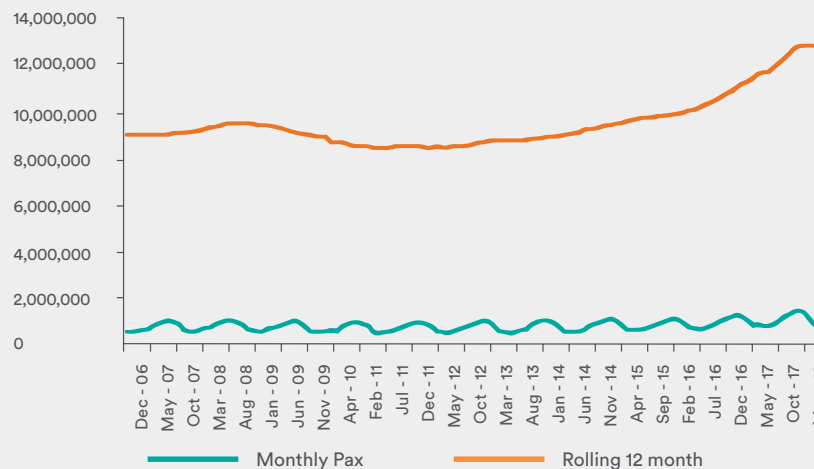
offenders since
previous years

Key Indicators

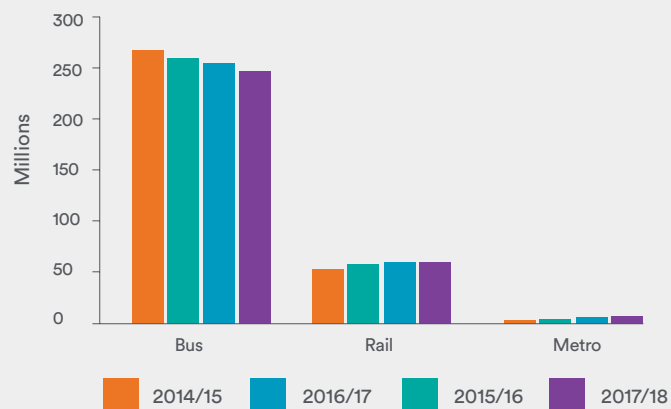
Home started in the West Midlands (2012 - 17)



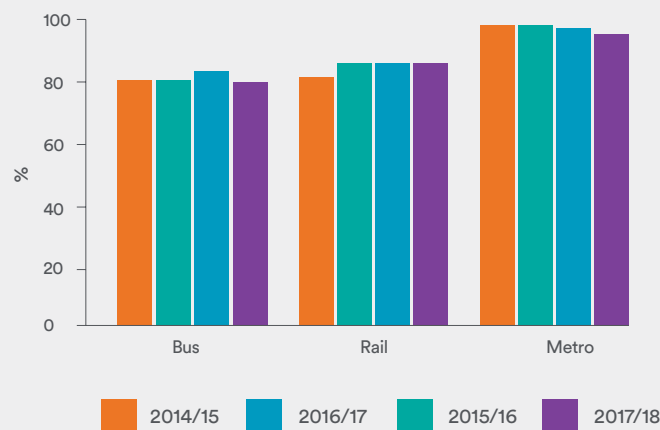
Birmingham Airport Passenger Numbers



Public Transport Usage



Public Transport Punctuality



Deepening our Evidence Base

We are focusing on some key development 'corridors' around HS2 and the associated connectivity package. This is to ensure that the investment made into hard infrastructure is connected to the assets in the places it touches. The work on building the data picture of these places has started, as have discussions around alignment of existing activities.

We will establish rigorous assessment and evaluation of our investments and interventions to understand the impacts on local places and people, including disadvantaged groups, for example around access to employment and housing.

We will work with partners to understand peoples and business perceptions to make a place where people want to live, work and invest.

We will not only measure the quantity of housing but also the quality.

The WMCA Performance Management Framework Indicators

3 LEP Geography consistent with WMCA SEP
unless otherwise stated³

Page 49

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge
ECONOMIC GROWTH - Improved GVA for the region in line with the UK average	O1. GVA per Head	£22,443	+£671	+£2,308 +11.5% WMCA +9.1% UK	GVA per head £26,621 +£4,178 GVA per head
	O2. GVA per Hour ^{4*}	£28.90	+£1.10	+£2.10 +7.4% WMCA +6.0% UK	GVA per hour £32.60 +£3.70 per Hour
	O3. GDHI per Person*	£16,295	+£115	+£1,287 +8.6% WMCA +8.5% UK	£19,432 GDHI per Person +£3,137 GDHI per Person

³ The green shading illustrates indicators which have moved in a positive direction compared to the UK average or national (England) where UK averages are not available. The red shading indicates the reverse and orange indicates a growth rate in the right direction but less than the UK or national average.

^{4*} New PMF Indicator for 2018

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge
<p>BUSINESS - Improved the productivity of our businesses focussing on our growth sectors</p> <p>FISCAL - Secure better for less from our public services</p>	B1. GVA per employee	£49,937	+£1,077	+£3,022 +6.4% WMCA +4.5% Eng	GVA per employee = £56,783 +£6,846 GVA per employee
	B2. GVA in transformational sectors	£66bn	+£2.6bn	+£9bn +15.9% WMCA +11.8% UK	£147bn WMCA SEP Ambition +£80.8bn GVA
	B3. No. of Business Births	27,550 business births 67 per 10,000 population	+5,120 business births	+8,745 business births +46.5% WMCA +19% UK	Ahead of UK 63 per 10k population +1,618 births per annum
	B4. Five - year Business Survival Rate of businesses born in 2011*	43.8%	-6.9pp	-31.48pp WMCA -31.5pp UK	44.1%
	B5. Jobs in Transformational Sectors	1.2m	+24,646 jobs	+106,979 jobs +9.5% WMCA +8.1% Eng	1.5m WMCA Transformational SEP Ambition + 236,120 transformational jobs
	B6. Total Jobs	2m	+36,178 jobs	+131,457 Jobs +6.9% WMCA + 7% Eng	2.4m WMCA SEP Total Jobs Ambition +364,165 Jobs
	B7. Employment Rate	71%	+2.2 pp	+3.7 pp WMCA +3.5 pp UK	Employment rate = 74.7% +3.7pp
	F1. Income & Exp. Balance	-£2.7bn	-5 bn	NA	To achieve no fiscal gap +£2.7 bn

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge
PEOPLE - Improved Life Chances for all	P1 – Reduce % of people in top 10% most deprived areas	£49,937	£49,937	£49,937	£49,937
	P2. – Better employment, health and wider outcomes for people with complex needs	Under development			
	P3. (i) Annual average earnings of full-time working residents	£27,574	+ £472	+£1,695 +6.55% WMCA +6.47% Eng	+1.1pp
	(ii) % of employees earning above UK living wage	75.7%	NA	NA	+1.1pp
SKILLS - Improved skill levels at all ages so that people have the skills and qualifications to access jobs. Ignite / Retune /Accelerate	P4. % of Working Age Population (WAP) with No Qualifications	11.4% 289,300 people	, - 1.7 pp - 40,500 people	- 3.2 pp - 73,900 people - 1.6pp UK	- 3.4pp - 86,036 people
	P5. % of WAP with NVQ1	11.4% 288,800 people	-0.6 pp - 14,200 people	- 1.1 pp - 22,900 people - 1.2pp UK	Ahead of UK % by + 0.7pp + 16,934 people
	P6. % of WAP with NVQ2	16.9% 428,300 people	+ 0.1pp + 4,800 people	- 0.4 pp WMCA - 2,300 people - 0.8pp UK	Ahead of UK % by + 0.9 pp + 21,772 people
	P7. % of WAP with NVQ3	17.5% 445,800 people	+ 1.3 pp + 34,600 people	+ 0.1 pp + 9,800 people +No change UK	Ahead of UK % by + 0.5 pp + 13,864 people
	P8. % of WAP with NVQ4+	31.1% 790,800 people	+ 0.4 pp + 14,600 people	+3.55 pp + 103,000 people +3.5pp UK	+ 7.3 pp + 184,867 people
	P9. No. of Apprenticeships starts	42,470	+ 400 + 1%	+ 6,460 + 17.9% WMCA +12.5 % Eng.	84,000 + 42,219 apprenticeships
	P10. Progress 8 Score	- 0.12 (Below Average)	NA	NA	-0.03 (National average) + 0.09 points
	P11. NEETs aged 16-17	5,040 (7.8%) (WM Met)	NA	NA	6% - 1,143 NEETs
	P12. % of children achieving a good level of development at the end of reception*	67.0%	+1.7%	+10.0% WM Met +10.3% England	+3.7%
	P13. Social Mobility*	191 st out of 326 LA's	+15 places		WMCA in the Top Quarter Ranking

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge
HEALTH - Better quality of life for all: improved health (inc. Mental health) and well being	P12. Healthy Life Expectancy (HLE) at Births – Males & Females	Males (M) = 59.6 years	+ 0.32 years	- 0.3 years WM Met + 0.1 years Eng.	63.3 years
		Females (F) = 60.3 years	- 0.6 years	- 0.9 years WM Met - 0.05 years Eng.	63.9 years
	P13. Reduced Inequality in HLE for Males & Females	Under development			
	P14. Health inequality gap by years between the most and least deprived areas	M = 7.4 years F = 9 years (WM Met)	M = + 1.2 F = - 0.9	M = + 1.3 F = - 1.3	No gap Reduce gap by 7.4 years for males and 9 years for females
	P15. Gap in employment rate for those in contact with secondary mental health services and the overall employment rate	58.9 %	- 0.6 pp	+ 1.5 pp WMCA + 5 pp Eng.	Ahead of England % by + 8.3pp (67.2%)
	P16 – Rates of suicide (per 100,000)	58.9 %	- 0.3	+ 1.5 WMCA + 0.3 Eng.	No suicides - 401 suicides - 401 suicides
	P17 - % Physically Active Adults*	57.0%	-23,400	NA	61.8%

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge
			-23,400 1.2%		+ 156,701 active people ⁵
CRIME - Reduced offending and re-offending	P18 – No. of offenders per year	32,008 7.9 offenders per 1,000 population (2014)	- 1,364 - 4.1%	- 7,170 - 18.3% ⁶	Below the national average
	P19 - Re-offending rates (per 100,000)	24.9% (2014)	+ 0.3 pp	- 0.1 pp WMCA - 1.2 pp Eng. ⁷	Ahead of England - 0.5pp
	P20 – No. of first time entrants to Youth Justice System	443	- 2.5%	- 10.4% WM Met - 27% Eng.	-116 first-time entrants
	P21. Youth Claimants aged 18 - 24	16,265	+1,155 +7.6%	- 17,140 - 51.3% WMCA - 55.1% UK	- 34% - 5,499 youth claimants
	P22. Claimant Count aged 18 - 64	83,485	+ 10,310 + 14.1%	- 42,145 - 33.5% WMCA - 39.5% UK	- 41% - 34,018 claimants
PLACE ACCESSIBILITY- Improved the connectivity of people to businesses to jobs and markets	PI1. Broadband Connectivity	95.6% 1.15m premises	+ 1.9 pp	+ 4.3 pp WM Met + 16 pp UK ⁸	100% +53,339 premises
	PI2. % residents able to access 3 or more strategic centres including Birmingham City Centre, accessible by public transport within 45 mins travel time in the am peak	41% (WM Met)	- 0.4 pp	- 3.6 pp	75% + 34pp
	PI3. Journey time reliability	Under development ⁹			

⁵ First Active Lives Survey was issued in 2017, therefore baseline data is unavailable.

⁶ Baseline is 2011.

⁷ Baseline is 2011.

⁸ Baseline is 2014.

⁹ Transport for West Midlands is in the process of developing an effective monitoring approach for journey time reliability.

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge
INFRASTRUCTURE - Improved the quantity of high quality readily available development sites	PI4. Mode Share of all Journeys: i). Mode Share of all journeys by car, public transport, cycling & walking ii). Percentage of car journeys single occupancy	i)Non-sustainable: Car (67%) Sustainable: Public Transport (10%) Walk (20%) Cycle (1%) Taxi (2%) ii) 82% (2014-2016)	NA	i)Non- Sustainable: Car +3% Sustainable: Public Transport -1% Walk – 2% Cycle No change Taxi No change ii) No change (2013 to 2015 – 2014 to 2016)	45% car mode share Car (- 22%)
	PI5. Total Dwelling Stock Estimates*	1,704,600	+11,480	+42,200 WMCA	+215,000 (by 2031)
	PI6. Total Additional Affordable Dwellings*	2,850 (2016/17)	+520	+15,550 WMCA (2012/13 – 2016/17)	
	PI7.Number of Additional Affordable Rented Dwellings*	1,590 (2016/17)	+320	5,830 WMCA (2014/15 – 2016/17)	
	PL8. Ratio of median house price to median gross annual residence-based earnings*	6.86 (2017)	+0.20	+1.00 WMCA +1.15 England	
SUSTAINABILITY - Resource efficient economy to stimulate new technology and business	E1. CO2 emitted within SEP area by transport, businesses and homes	21,696ktCO2 (2015)	-924ktCO2 -4.1%	-12.8% WMCA -12.7% UK	WMCA target: 40% reduction in carbon by 2030 from 2010 -5,756 ktCO2
	E2. No. of days poor air quality per year (rated 4 or higher on the Daily Air Quality Index) ¹⁰	25 days	-15 days	-55.4% WMCA ¹¹ -38.1% UK	WMCA target: 1 day by 2030 -24 days

¹⁰ Number of days is measured by region

¹¹ Baseline data is 2011

This report is produced by:



Economic Intelligence Unit

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State of the Region

Building a healthier, happier, better
connected and more prosperous
West Midlands



West Midlands
Combined Authority

Introduction

Welcome to the State of the Region 2018 – the second annual review of economic performance across the West Midlands. This is an important moment for the West Midlands Combined Authority (WMCA) and its partners in the region to take stock: to celebrate evidence of sustained economic success and cast a spotlight where the region's performance still falls short of fulfilling its potential as a driving force in the UK economy.

The headline metrics show welcome evidence of economic renaissance for the West Midlands. GVA per head is growing, record numbers of jobs are being created, exports are on the rise and skills are improving. Looking ahead, many economic fundamentals are expected to stay strong – with growth in other sectors expected beyond manufacturing, including real estate and business sectors. HS2 will improve productivity, connectivity, skills and join opportunities. Coventry City of Culture in 2021 and the Commonwealth Games in 2022 will bring investment in venues, transport, housing, jobs, and tourism, as the region's profile on the global stage is boosted.

Yet our optimism for the future must be tempered by headwinds that we know are ahead. Manufacturing looks most vulnerable to the impacts of Brexit, and the West Midlands is particularly exposed. Although headline productivity is moving in the right direction, it still lags behind the rest of the UK, as does the proportion of WMCA residents with qualifications and their healthy life expectancy. Without effective investment in productivity and skills, the region risks losing the ability to attract future investment. On many key metrics there is still a long way to go to meet our ambitions. Too many people remain left behind, unable to access or feel the full benefits of sustained economic growth.

This report provides a consistent reference point back to the headline goals set out in the WMCA Strategic Economic Plan (SEP), using the performance indicators it developed to ensure we are pursuing economic success in balanced economic and social terms that feel real to the people living and working in the region. But it is also a place to highlight new areas of emerging thinking, where new data is available and where we are developing new methodologies to enrich our understanding and inform new policy approaches to help us deliver our goals. Combined it forms a set of metrics that will build over time, laying new building blocks on the foundations of the SEP, and creating a robust evidence base that will continue to evolve to inform the approach of the WMCA and its partners across the region.

WMCA Board

Consistent with the WMCA Strategic Economic Plan the data related to the 'WMCA' in this report, unless otherwise stated, relates to the 3 LEP geography (Black Country LEP, GBSLEP and CWLEP).

Balance Outcomes

The WMCA is committed to pursuing and defining success in social and economic terms that feel real to citizens and bring benefits to all who live and work here. These principles are set out in the SEP and developed further in the performance management framework (as set out on page 50). For the purposes of this report we have separated key metrics into the following five pillars, that recognise the importance not only of growth and productivity improvements, but also the contribution of vibrant communities and resilient citizens in creating economic success and places that people want to live and work in.

The report is based on five sections, with each section exploring the following:

Economic growth - Developing the regional economy underpins our ambitions. As the export centre of the UK, our economic success is vital to Britain's future.	<ul style="list-style-type: none"> ✓ Improved GVA in line with the UK Average
Business Competitiveness & Productivity - Britain's businesses are facing considerable uncertainties because of Brexit, but in the West Midlands we are steadily rebooting our reputation.	<ul style="list-style-type: none"> ✓ Improved the productivity of our businesses focusing on our growth sectors; ✓ Improved competitiveness through energy and resource efficiency and stimulate new technology and business
Employment, Education and Skills - Building the right skills is key to delivering improved productivity and prosperity - enabling all groups to access jobs.	<ul style="list-style-type: none"> ✓ Improved skills levels so that people have the skills and qualification to access jobs
Health and Wellbeing - We want improved life chances for all residents, including those facing particular disadvantages or difficulties.	<ul style="list-style-type: none"> ✓ Improved life chances for all; ✓ To reduce our health inequalities and improve the health and wellbeing of our population including physical activity and mental health; ✓ To reduce offending and re-offending
Place - We will improve the connectivity of people and businesses to jobs, markets and housing - developing local places and communities.	<ul style="list-style-type: none"> ✓ Improved the connectivity of people and businesses to jobs and markets; ✓ improved the quantity of high quality, readily available development sites; turning brownfield sites to high quality locations that meet our housing and business needs

Key Trends

Growth Areas



The proportion of Working Age Population with No Qualifications (2016-2017) is falling faster than UK average but 86,036 people need to be upskilled to close the gap

▲ -1.7pp WMCA
▼ -0.3pp UK



11,500

11,500 net new homes in the WMCA area between 2016-2017



2m
Jobs across the WMCA in 2016

▲ 1.8% WMCA
▼ 1.7% UK

Since last year (2015-2016)



15

15 day reduction in poor air quality days across the West Midlands (2016-2017)



West Midlands is the fastest growing region in the UK for goods exports

▲ 27% WM (2015-17)



9,424

9,424 new jobs created from 171 FDI projects in the West Midlands region - highest created outside London in 2017/18



£4,178
GVA per Head is £4,178 lower than the UK but increasing at a faster rate

▲ 11.5% WMCA
▼ 9.1% UK

Between 2015-2016



West Midlands Region has had the highest increase in workforce jobs outside London

▲ +84,000 WM
(March 2017 - March 2018)



67
67 business births per 10,000 population (=14,000 new business starts) compared to UK average of 63 per 10,000 population in 2016



£3,137

Gross Disposal Household Income per Person is £3,137 lower than the UK but increasing at the same rate (2015-2016)

▲ +0.7% WMCA
▼ +0.7% UK

Challenges



Shorter Healthy Life Expectancy (2014-2016) than UK

▼ **Males: 59.6**

▼ -3.7 years

▼ **Females: 60.3**

▼ -3.6 years



43.8%

The five-year Business Survival Rate is 43.8% across the WMCA vs 44.1% UK (2011-2016)



42,470

2016/17 the number of Apprenticeships increased (+1%). However, latest trends predict decline in 2017/18



41%

Congestion is increasing meaning only 41% of the population can access 3 centres within 45mins by public transport.



16,265

Youth Claimants in the WMCA is remaining high at 16,265 (May 2018)



£16.9bn

The Output Gap is increasing, £16.9bn Unmet economic potential in 2016

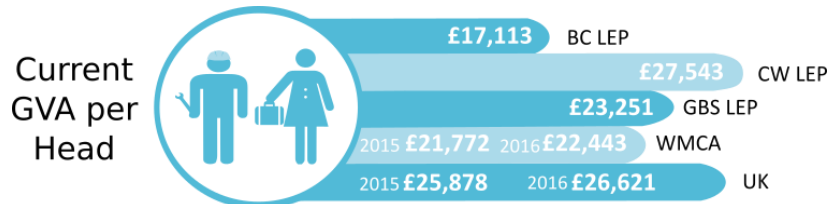
Section 3:

Economic growth

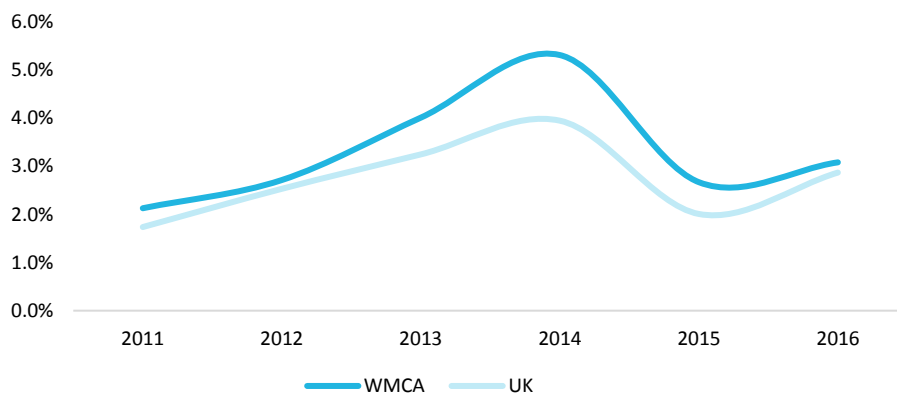
OUTCOME – Improved GVA for the region in line with the UK average

Productivity

- The WMCA total Gross Value Added (GVA) in 2016 was **£92bn**, contributing **5%** to the total UK GVA.¹
- WMCA's total GVA has increased by **14.2%** since 2013 exceeding the UK's growth rate by **2.4%**.
- GVA per head in the WMCA is currently **£22,443** and has grown by **11.5%** between 2013 and 2016 equating to an additional **£2,300 GVA per head**.
- Across the UK, GVA per head has increased by **9.1%** since 2013 and is currently **£26,621**.
- The WMCA GVA per head needs to increase by **£4,178** to be in line with the UK.



GVA per head Annual Growth Rates 2010 - 2016



- GVA per hour has increased by more than double the rate of the UK over the past year and is currently **£28.90** per hour worked.
- The WMCA GVA per hour needs to increase by **£3.70** to reach the UK level.

GVA per Hour Worked

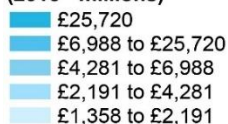


Source: ONS Subregional Productivity, 2018

¹Office for National Statistics (ONS) (2017) Balanced Gross Value Added (GVA) for Local Enterprise Partnerships (LEPs)

- The following map shows the change in GVA across the WMCA over the last year (2015 – 2016). The majority of areas experienced an increase in GVA with the highest quantum in Birmingham and the highest growth rate in Bromsgrove (15%).

**Total GVA per Local Authority
(2016 - millions)**

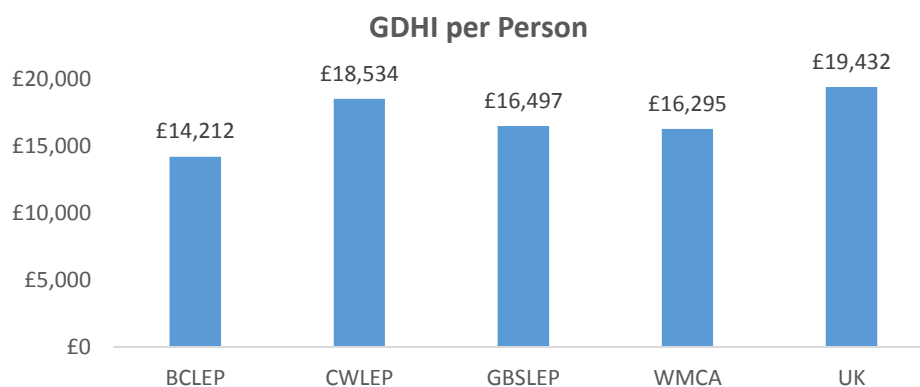


Figures on the map show the change in GVA from 2015 to 2016



Gross Disposal Household Income (GDHI) per Person

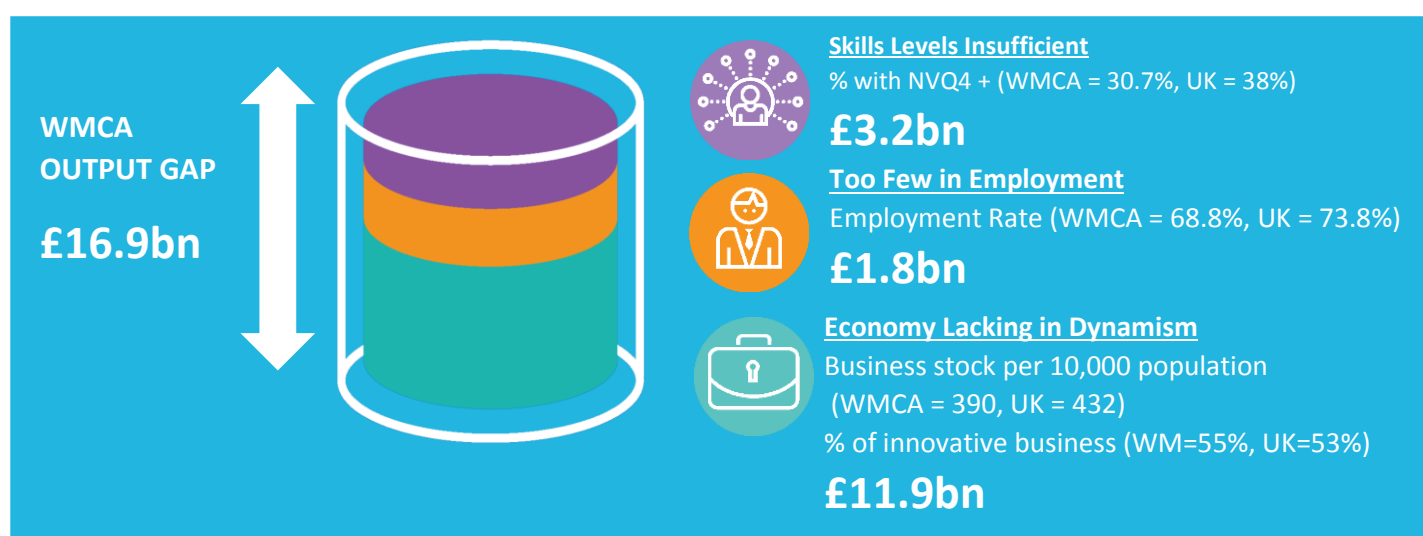
- GDHI is the amount of money available for an individual within the household sector for saving or spending after direct and indirect taxes have been deducted and any direct benefits has been received. In the WMCA, GDHI per person in 2016 was £16,295 and has grown by 8.6% since 2013. The UK GDHI per person is £19,430 and has increased by 8.5% over the same period. GDHI per person needs to increase by £3,137 in the WMCA to be in line with the UK.



Source: ONS (2017), Regional Gross Disposable Income

Productivity Challenge

- Since 2013, total WMCA GVA has increased year on year, £11.4bn overall. In the context of the UK average, despite the WMCA total GVA growing at a faster rate, there is still an output gap of **£16.9bn**.
- The figure below demonstrates the components of the output gap and outlines the impact on productivity.
- Insufficient skills levels and too few residents in employment account for **30%** of the overall £16.9bn output gap. The remaining £11.9bn can be attributed to an economy lacking dynamism which represents low performance in competition, and a lack of investment, enterprise and innovation despite WMCA business births exceeding UK rate. It's therefore important for the WMCA to support existing and new businesses in competitive industries to grow and diversify in their expertise in order to lead in innovation.

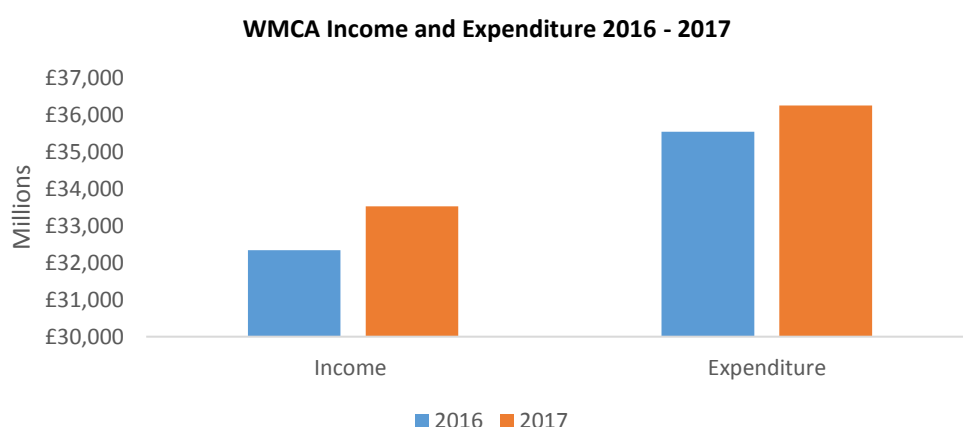


Addressing the Productivity Challenge

- The WMCA Productivity & Skills Commission has made significant progress since its initial call for evidence in April 2017. An array of sector “deep dives” have begun, aiming to understand the differing productivity and skills issues occurring within sectors and local geographies.
- Through this analysis we are revealing in more detail the specific contributors to particular issues within sectors. Work by the Commission is carried out with the five ‘foundations of productivity’ in mind: ideas, people, business environment, infrastructure and places. The Commission recently published a report recommending solutions for key sectors against these foundations which will help shape local policy.

Fiscal Gap

- Working closely with ONS, new methodologies were utilised when identifying the fiscal position of the WMCA. ONS already have a methodology in place and publish data on total public-sector receipts and public-sector net fiscal balance, at both a regional and national level which has been further analysed down to the WMCA level².
- The WMCA ambition is to become a net contributor to the national purse. The WMCA is currently a cost centre with a net deficit of approximately **£2.7bn**. Currently tax income is estimated at **£33.5bn** and public expenditure at **£36.2bn**. ONS include all expenditure including non-identifiable which if included would raise total expenditure to £42.8bn which would lead to a fiscal deficit of £9.3bn.
- The old methodology calculated the fiscal balance for last year at £4.4bn and, revisiting this figure with the new methodology now provides an estimated figure of a **£3.2bn** deficit.



Source: Economic Intelligence Unit

- There are ten streams of Identifiable Expenditure with the largest share at **45.3%** arising from social protection (16.4bn). This is followed by health at **24.9%** (£9bn) and education with **14.5%** (£5.3bn). In contrast, defence accounts for **0.01%** (£2.8m).
- Income Tax is the highest income stream for the WMCA at **22.5%** (£7.5bn), this is followed by VAT with **17.7%** (£5.9bn) and National Insurance Contributions, **17.3%** (£5.8bn).

Deepening our Evidence Base

- Qualitative measures can also provide important insight on economic success, especially in pursuing inclusive economic growth. We will work with partners to understand business perceptions and confidence. The quality and accessibility of jobs is central to delivering inclusive growth, therefore we will investigate developing metrics that identify better work in terms of pay, progression and security.
- We continue to work closely with the Office of National Statistics (ONS) on a range of data enhancement projects including refinement of the income and expenditure methodology to develop robust measures for sub-regional measures which currently are not in place.

² The main methodological changes include using income Tax data from the Survey of Personal Incomes which is proportioned out to calculate National Insurance Contributions, previously Annual Survey for Hours and Earnings was used. VAT was calculated by proportioning out four sectors (households, government, housing and organisations selling exempt goods and services) from the UK VAT refund value, previously household expenditure on vatiable items was used. There has also been a shift from certain income streams (tobacco, alcohol, betting and gaming and insurance premium tax) being based on employment to now be on purchases. A full detailed report is available.

Section 4:

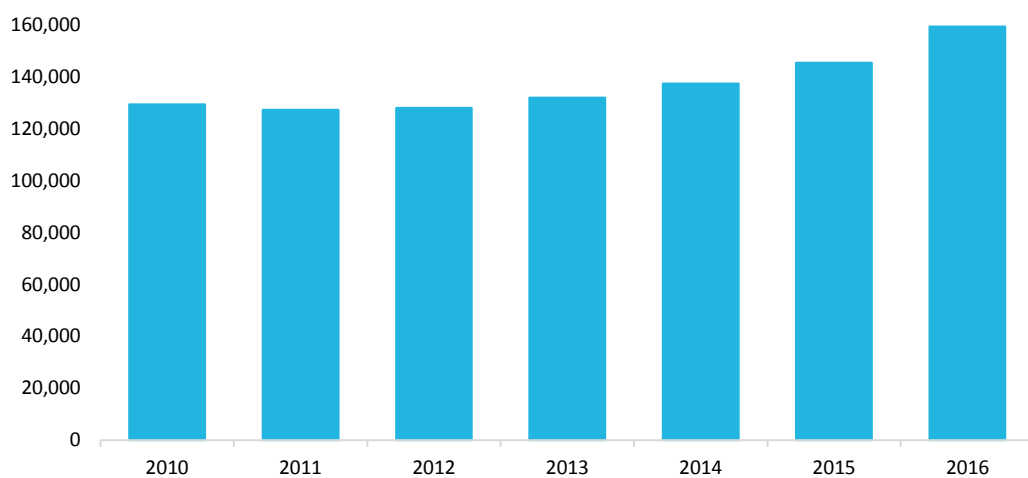
Business Competitiveness & Productivity

OUTCOME - Improved the productivity of our businesses focussing on our growth sectors

Business Base

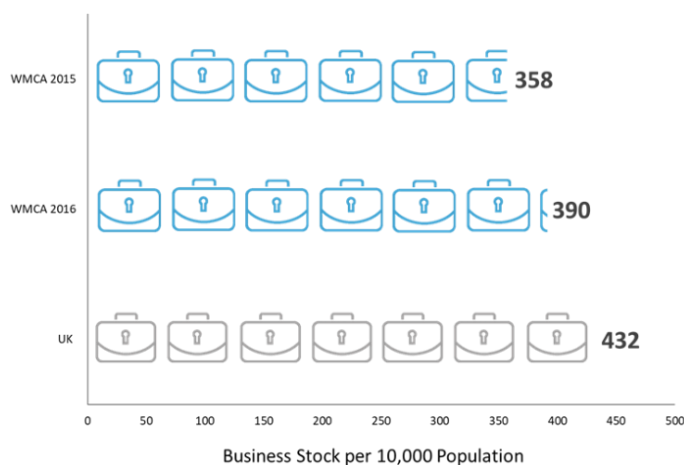
- There are currently **159,355** active companies in the WMCA. This is an increase of **13,945** businesses on the previous year. From 2013-2016, the business base has increased by **20.8%** compared to **15.7%** across the UK.³
- The Logistics and Transport Technologies sector saw the largest increase in number of enterprises with 3,160 additional enterprises (+33.7%), followed by Public Sector including Education (**+13.6%, +655** companies) and then Business, Professional and Financial Services (**+12%, +4,060** businesses).

WMCA Business Base 2010 - 2016



Source: ONS (2017) UK Business Demography, 2016

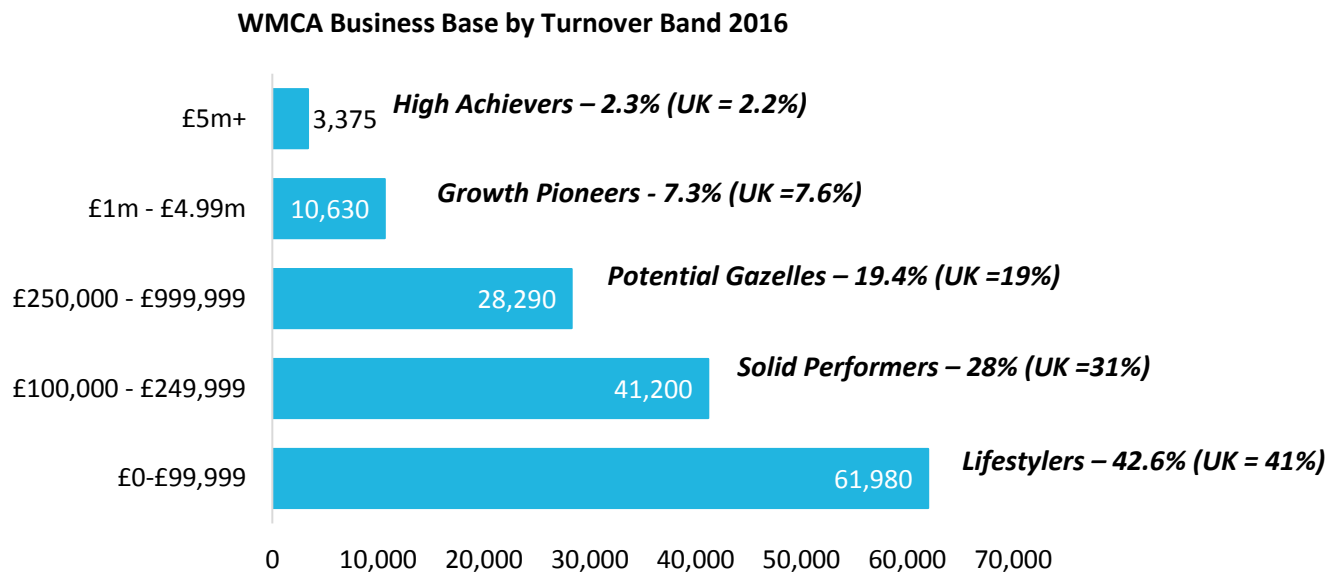
- There were **390** businesses per **10,000** population compared to **432** across the UK.



Source: ONS (2017) UK Business Demography, 2016

³ ONS Business Demography, UK: 2017

- The following graph illustrates the composition of the WMCA Business base by turnover band.⁴



Source: ONS (2017) UK Business – Activity Size and Location 2017

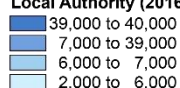
- The Black Country was second only to London in the proportion of UK businesses born in 2013 that went on to generate at least £1m in revenue after three years. The proportion of existing firms (businesses born before 2013) with a turnover of £1-2m per annum in 2013 growing to at least £3m turnover in 2016 was higher in the Coventry and Warwickshire LEP (7.1%) than the rest of the UK (6.7%).⁵

⁴ UK Business Counts – Enterprises by Employment Size Band and Industry. Currently the business demography dataset does not provide a breakdown by turnover of the 159,355 registered enterprises. However, this breakdown can be obtained via the UK Business Count dataset which is a snapshot (March 2017) of the Business Demography dataset. At the time of the snapshot there were 145,480 enterprises in the WMCA for breakdown analysis by industry, employment size band and turnover.

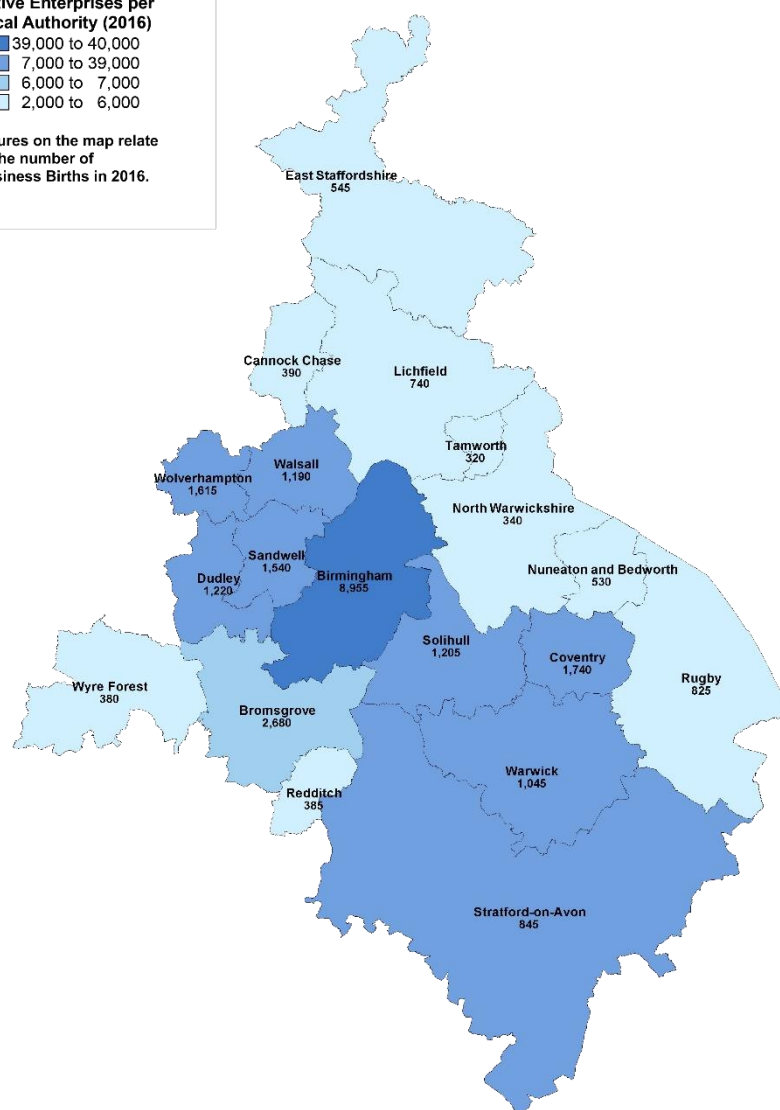
⁵ Enterprise Research Centre: Business Environment in the WMCA, 2018 report

- The map to the right shows the density of businesses across the 19 local authorities. Although Birmingham has the highest number of businesses (**42,640**), Bromsgrove has the highest number of businesses per 10,000 population (**751** per **10,000** population) and saw the largest growth over the last year (**+46%**) compared to a **14.6%** growth in businesses across Birmingham.

Active Enterprises per Local Authority (2016)



Figures on the map relate to the number of Business Births in 2016.



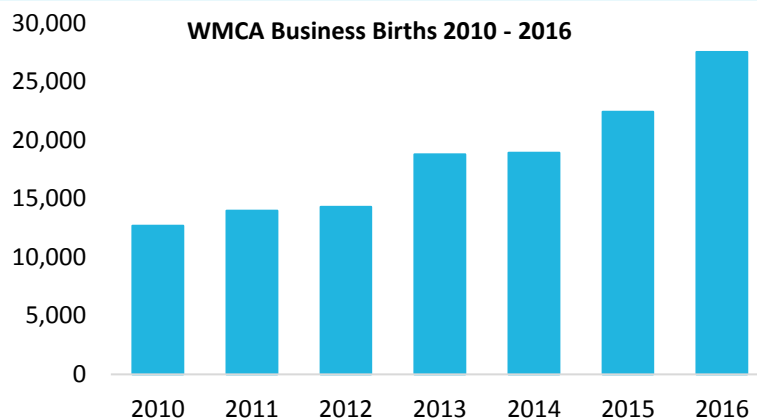
- Over **99%** of businesses are Small or Medium sized businesses – employing **0 – 249** people, **129,305 (88%)** were micro businesses with **0 – 9** employees.
- There are **2** companies in the WMCA that are in the FTSE100 index, GKN PLC based in Birmingham and Severn Trent PLC based in Coventry. In the FTSE250 Index there are **11** companies across the WMCA.
- The following table shows the make-up of WMCA's business base, turnover and employment by WMCA sector:

WMCA Sector	Business Base	Employment	Turnover
Business, Professional and Financial Services	26%	18%	18%
Retail	16%	17%	28%
Advanced Manufacturing & Engineering	12%	13%	15%
Construction (Building Technologies)	11%	6%	11%
Digital & Creative	10%	5%	5%
Logistics & Transport Technologies	9%	9%	8%
Cultural Economy inc. Sports	7%	9%	4%
Life Sciences & Healthcare	6%	12%	5%
Public Sector including Education	4%	10%	5%

- Low Carbon and Environmental Technologies is cross cutting across the sectors and has therefore not been included as an individual sector.

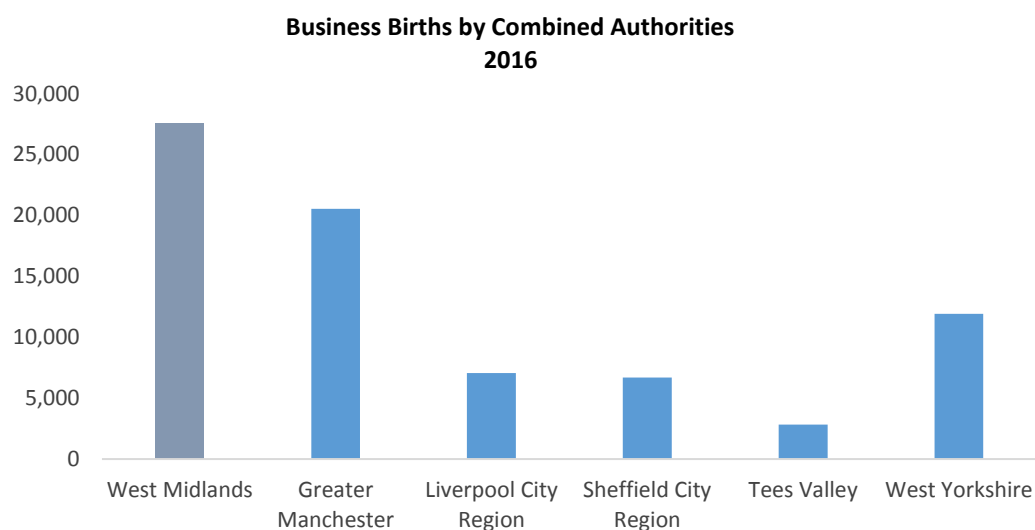
Business Births and Survival

- **27,550** new businesses were started across the West Midlands Combined Authority in 2016. This is **46.5%** more business births than in 2013 compared to just **19.6%** across the UK.
- The number of business births equates to **67** businesses per **10,000 population** compared to **63 per 10,000** population for the UK.



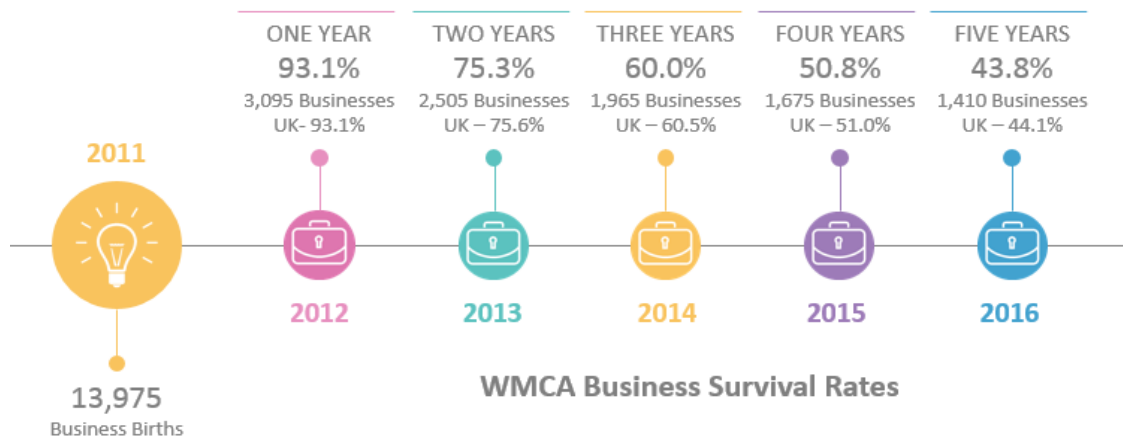
Source: ONS Business Demography, UK: 2017

- The WMCA had the highest business births in 2016 compared to other Combined Authorities



Source: ONS (2017) UK Business Demography, 2016

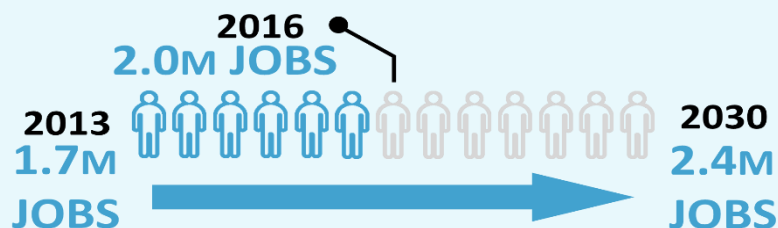
- Out of 13,975 business births in 2011, **93.1%** survived their first year, the same as the UK. The five-year survival rate (2011-2016) across WMCA was **43.8%** compared to 44.1% across the UK.



Source: ONS Business Demography, UK 2017

Business Sectors

- There are currently **2 million** people working the West Midlands Combined Authority area.⁶



- We have identified seven transformational sectors and three enabling sectors that will be the drivers of growth across the West Midlands.
- Our Economic Model sectoral analysis sets out the composition of jobs by sector. According to our Economic Model analysis there were **1.2m** people employed in our transformational sectors in 2016 and our ambition is to grow to **1,693,890** jobs by 2030. GVA growth is forecasted to increase from **£66bn** to **£113.3bn** in the same period.⁷
- There were **808,365** jobs in the enabling sectors. Our ambition is to grow jobs in these sectors by **221,009** net new jobs by 2030. GVA in the enabling sectors is expected to increase from **£26bn** to **£41bn**.



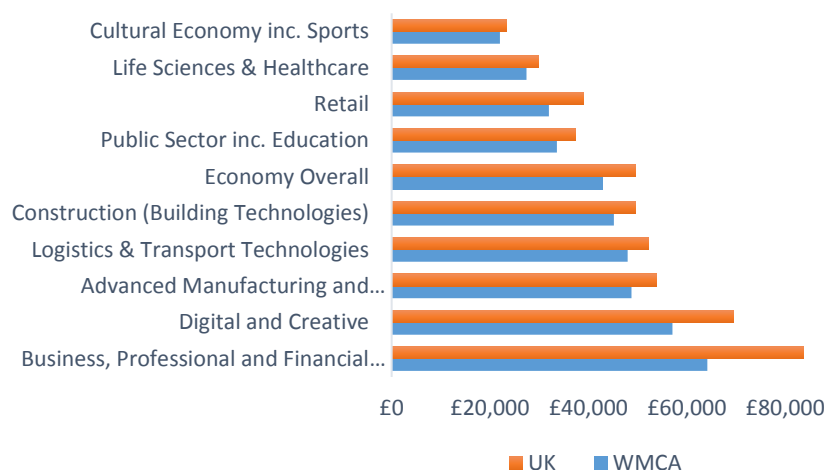
Figure: WMCA transformational and enabling sectors

⁶ Oxford Economic Model commissioned by the Black Country Economic Intelligence Unit

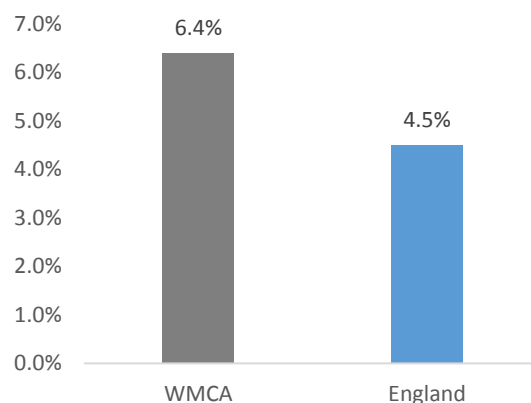
⁷ The level of detail required at industry level for GVA is not available from ONS therefore the EIU have applied the proportion of GVA by sector from the Oxford Economic Model and applied to the ONS GVA figures to provide an estimate.

- GVA per employee varies significantly across sectors in the WMCA. Our high productivity sectors are Business, Professional and Financial Services (£64,194), Advanced Manufacturing and Engineering (£48,728), and Digital and Creative (£57,112). In contrast, the enabling sectors have lower productivity - this includes Retail (£31,952) and Cultural Economy (£21,997).
- GVA per employee has increased by 6.4% in the WMCA since 2013, a higher increase than nationally at 4.5%.

GVA per Employee across Sectors in WMCA & UK



GVA per Employee % growth (2013-2016)



LOCAL INDUSTRIAL STRATEGY – SECTOR ACTION PLANS

- The second devolution deal confirmed the West Midlands as one of the first regions to develop a Local Industrial Strategy, following the Government publishing its Industrial Strategy in November 2017. The Local Industrial Strategy will build on the SEP by demonstrating how the region's global strengths and competitive sectors will continue to contribute to the West Midlands' success in a post-Brexit economy, and create opportunities for residents and businesses through genuinely inclusive growth. The West Midlands Industrial Strategy will be developed collaboratively between LEPs, businesses, universities and local authorities, led by the WMCA and the Mayor. The Strategy will be evidence based and focussed on the actions needed to boost productivity, earning power and competitiveness. Nationally it will make the case for ongoing investment and funding in the West Midlands as post-European Union funding systems are developed. The WMCA is working to develop initial proposals with Government by July 2018, and a more detailed Local Industrial Strategy and evidence base is currently being produced.
- Using a variety of sources and insight, we are now in a better position to understand and put across what gives us strength across the LIS sectors, whether it be excellent university assets in that area or a strong cluster of businesses within a certain industry. Evidence has been collated in the form of an extensive slide deck, representing each sector individually. Below is an example of our summary slides for the aerospace sector.
- These slides reflect our approach to look beyond the headline data and into the specificities that ensure the WMCA has a distinct aerospace cluster. Exploring deeper into the sector provided the detailed insight which informs our assessment of the WMCA's aerospace 'super-strengths'. Through research and discussions with local sector experts, these were agreed as electro-mechanical systems, highly-technical component manufacturing and a civil aircraft focus.

Aerospace Sector

Over 70 Midlands businesses supplied the Airbus A380, including many from the WMCA area...



Source: Midlands Aerospace Alliance

- Estimated **£305m aerospace GVA** & **4,500 jobs** in the WMCA – though this significantly understates the size of the sector locally, as evidenced by Midlands Aerospace (MAA) insight and research.



Super Strengths

Electro-mechanical systems

- Aerospace in the WMCA is mainly focused on the production of electro-mechanical systems.
- Control systems for engines (e.g. Rolls Royce & Meggitt), and aircraft wing controls (clustered in Wolverhampton with Moog & UTC Aerospace).

Highly-Technical Component Manufacturing

- 70 WM companies supply widely varying quality parts to latest passenger planes, from tyres and wing components to engine and flight control systems.
- Sector encompasses the supply chain down to the lowest level (metals/materials supply) through to OEM (Rolls Royce), ensuring a well-integrated supply chain.

Civil Aircraft Focus

- Aerospace in the Midlands is roughly 80% focused on civil aircraft (compared to 50/50 with military in UK).
- Civil sector is growing at a much faster rate which bodes well for future aerospace growth locally.

Source: Midlands Aerospace Alliance

Aerospace: Industry Profile

Black Country Consortium
Economic Intelligence Unit



Our Competitive Advantage

- 25% of UK aerospace sector is based in the Midlands** (7% of Europe's & 3% of the world's).
- Midlands Aerospace Alliance** (over 300 members) represents the **largest aerospace cluster in Europe**. **160 of the MAA's members are based in the WMCA**.
- High quality, sector focused **science & research facilities and institutes**.
- Unrivalled lead in component design** and manufacture of **composite materials**.
- Base of aerospace companies throughout a **well-integrated supply chain**.
- Close proximity to Rolls Royce** global HQ & production centre in Derby.
- Good connectivity** with well developed road and train network and international airport
- The WM region has **export expertise in machinery & transport goods** (71% of all goods exports compared to 41% nationally)



Products , Services & Brands

- UTC Aerospace Systems** – Specialise in wing and engine actuation and heat exchangers
- Meggitt** – focus on wheel and brake, fluid conveyance and heat exchangers.
- Rolls Royce** – Engine control systems and mechanical parts, defence engines repair and overhaul.
- Moog** – wing actuation, helicopter rotor actuation.
- Timet** – Titanium for aircraft engines.
- Alcoa** – aluminium for aircraft engines.
- Local manufacturers are focused on the development of **high technology systems, engines and motors, components and control systems**.
- Between 2014-17 there was **5 major aerospace FDI projects, creating 191 jobs & safeguarding 97**.
- Coventry & Warwickshire Aerospace Forum** – a grouping of advanced engineering businesses collaborating with leading UK universities and associations



Centres of Excellence/Assets

Innovation:

- The National Transport Design Centre, Coventry
- MIRA Technology Park (inc. Southern Extension with CWLEP investment)
- Advanced Propulsion Centre
- Wton Science, Technology & Prototyping Centre
- Rolls-Royce University Technology Centre, Birmingham
- National Battery Prototype Centre, Warwick
- Engineering and Computer Science Research Centre
- Centre for Manufacturing and Materials Engineering, High Temperature Research Centre, [UoB/Ansty](#).
- The Proving Factory, Coventry

Production:

- Institute For Advanced Manufacturing and Engineering
- Warwick Manufacturing Group
- Manufacturing Technology Centre

Training:

- EEF Technology Training Centre
- WMG Academy for Young Engineers
- Black Country Skills Factory
- The Aerospace Academy, Solihull College

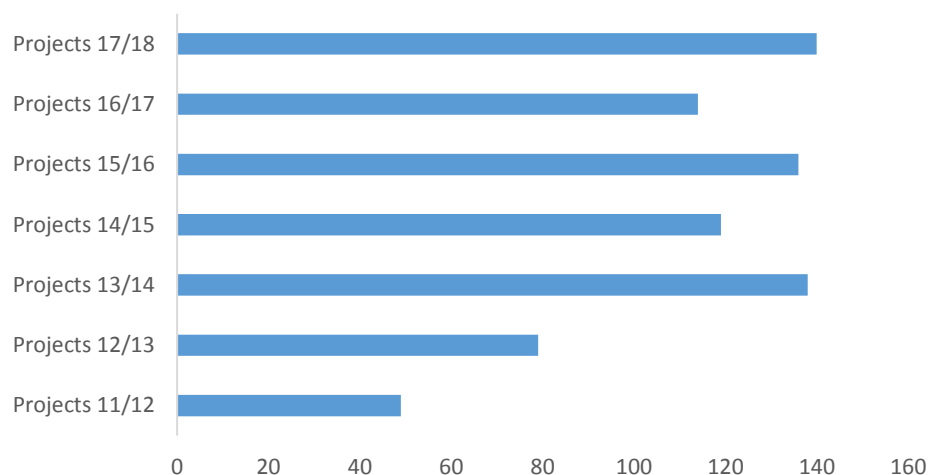
Super Strengths

Electro-Mechanical Systems, Highly-Technical Component Manufacturing , Civil Aircraft Focus

Foreign Direct Investment

- The WMCA has received **775** Foreign Direct Investment (FDI) projects since 2011/12. This has led to the creation of nearly 46,000 new jobs since 2011/12.⁸
- The number of FDI projects in the WMCA area has more than doubled from **49** in 2011/12 to **140** in 2017/18. This far exceeds the average growth rate for the whole of the UK which grew by **47.4%** in the same period.

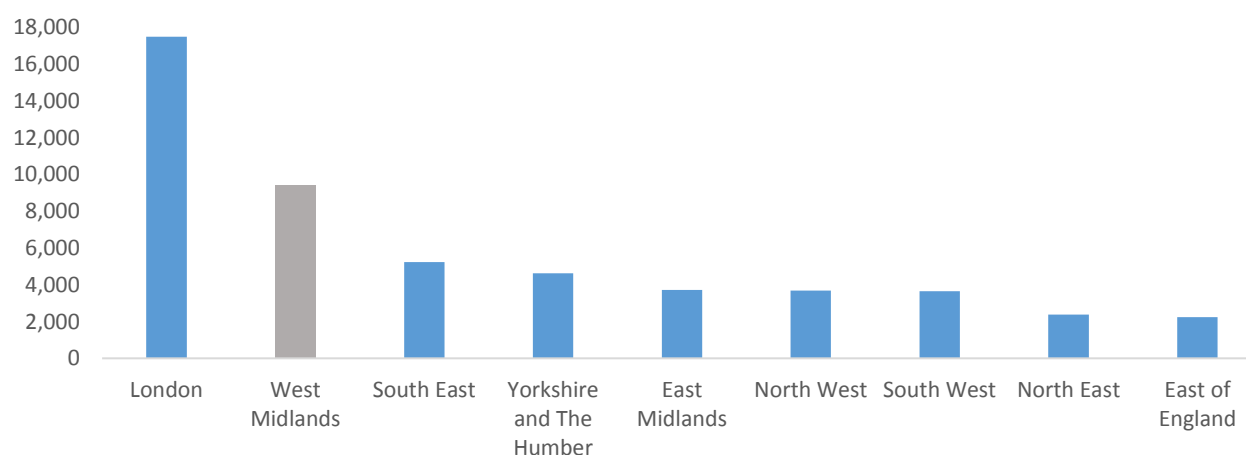
Total Number of FDI Projects



Source: Department of International Trade (2018) Inward Investment

- In 2017/2018 the West Midlands Region created over **9,424** new jobs from FDI projects – the highest level for any region outside of London.

FDI Projects by UK Region - New Jobs (2017/2018)



Source: Department of International Trade (2018)

⁸ Department of International Trade (2018) Inward Investment

- There have been many significant investments into the WMCA in 2016/17:

US automotive aftermarket supplier **Tenneco** has invested in its facility in Tyseley, Birmingham with an additional **75,000 sq. ft** expansion supplying products such as shock absorbers and emission control components.

United Arab Emirates-owned **Travelodge Group** opened a new hotel in West Bromwich creating up to **50** jobs.

Danish **Flying Tiger Group** opened a new store in Wolverhampton creating **15** jobs.

O&M **Movianto Europe**, part of US-based Owens & Minor Inc, has expanded into a new facility in Kidderminster distributing pharmaceutical products.

Advanced, the US-owned computer software company based in the Mailbox, Birmingham has expanded further since its opening in 2015 as it looks to recruit an additional **100** jobs.

Irish food processing machinery specialist **Marel GB** has opening a new UK HQ in Birmingham Business Park.



Holland and Barrett are expanding their UKHQ in Nuneaton adding **48,000** sq ft creating up to **350** new jobs.

750 new jobs from India owned **Jaguar Land Rover** for its new engine development facility in Whitley, Coventry. Jaguar Land Rover has also expanded its plant in Castle Bromwich employing **263** new staff.

US retail giant **Amazon** is expanding further and opening a distribution facility in Coventry that will create **1,650** new jobs.

US call centre operator **Sitel** is looking to recruit **800** new employees at its existing and new sites in Coventry.

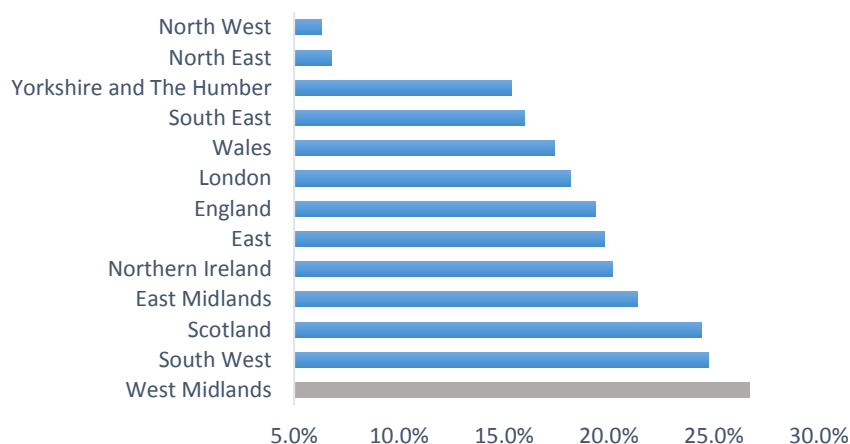
Chinese Automotive R&D company **Changan** has expanded into Birmingham Business Park transferring **100** staff from the East Midlands and recruiting **90** additional employees.

Spanish-owned **AC Hotels** has opened a new hotel at the Mailbox, Birmingham.

Exports

- West Midlands is the fastest growing UK region for goods exports (**27%** growth between 2015 and 2017) and is the export capital of the UK: outside of London & the South East it exports the most by value (over **£33bn** in 2017). Recent Centre for Cities research suggests that to raise regional productivity there needs to be a sharper focus on improving the performance of already highly-productive businesses. With 94% of UK businesses in the bottom third for productivity only serving local markets, the research identifies exporting firms as vital for productivity enhancement.

% Export Growth by Region (2015-2017)



Source: HMRC UK Regional Trade in Goods Statistics

Deepening our Evidence Base

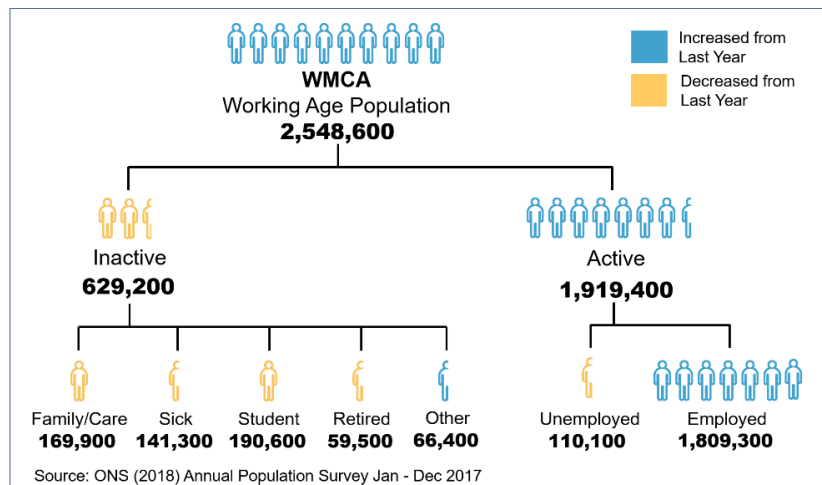
- The West Midlands is one of three trailblazer areas starting to develop a local industrial strategy, co-designed with government and underpinned by a strong evidence base. A partnership approach to evidence gathering has resulted in a large in-depth intelligence base across our LIS sectors, which will inform a suite of WMCA sector action plans. Beyond the headline data, we wanted to truly understand the nature of these sectors in the WMCA and their productivity challenges. Identifying our competitive advantages and genuine strength is key to unlocking the activities required that will catalyse growth productivity in the region

Section 5:

Employment, Education and Skills

Outcome - Improved skills levels so that people have the skills and qualifications to access jobs.

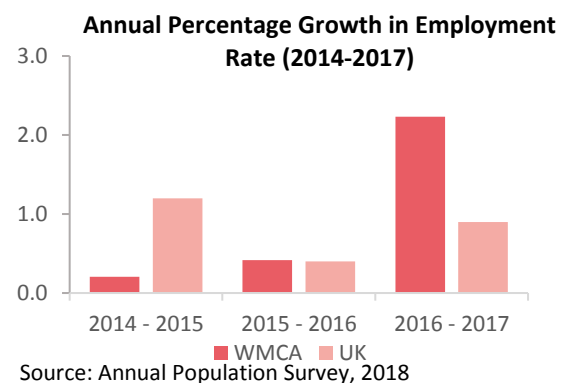
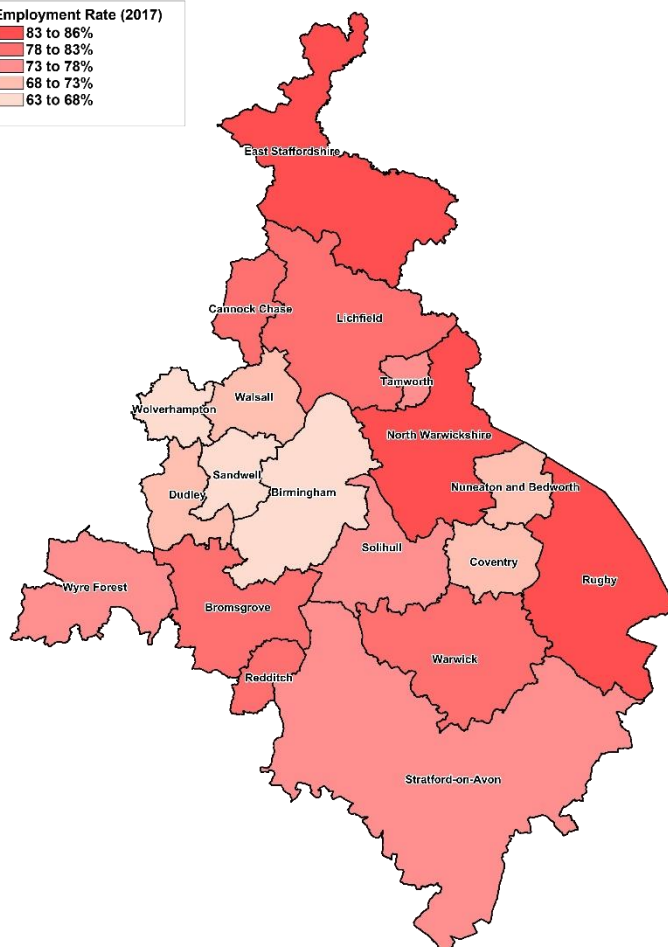
Employment



- The employment rate across the WMCA has risen year on year, increasing at a faster rate than the UK between 2016 and 2017. However, the WMCA ambition is to reach the national government target of **80%** by 2030 which requires an additional **285,160** people in employment.
- The below map also shows the employment rate across the 19 local authorities. North Warwickshire has the highest employment rate (**85.4%**), although overall 12 local authorities have a higher employment rate than the UK which is **74.7%**.

Employment Rate (2017)

- 83 to 86%
- 78 to 83%
- 73 to 78%
- 68 to 73%
- 63 to 68%



- In 2017, the employment rate across the WMCA was **71%**, **65.7%** for females (**+4.1pp** since 2016) and **76.3%** for males (**+0.3pp** since 2016).
- The following table shows the employment rate by ethnicity and gender across the WMCA. Overall there has been a **2.2%** (46,000 people) increase from 2016 to 2017.

	WMCA 2016		WMCA 2017	
	Employment Count	% of WAP in Employment	Employment Count	% of WAP in Employment
White	1,363,000	72.9%	1,444,100	75.1%
White males	738,300	78.9%	763,500	79.0%
White females	624,700	66.9%	680,700	71.2%
Mixed ethnic group	22,200	55.5%	23,700	59.7%
Mixed ethnic group males	8,100	51.6%	#	#
Mixed ethnic group females	14,000	57.9%	14,200	63.4%
Indian	116,500	69.6%	114,100	69.9%
Indian males	65,000	78.5%	61,900	80.3%
Indian females	51,500	60.9%	52,200	60.6%
Pakistanis/Bangladeshis	110,700	49.2%	101,700	50.9%
Pakistani/Bangladeshi males	77,700	65.1%	67,400	65.7%
Pakistani/Bangladeshi	33,100	31.3%	34,400	35.4%
Black or black British	78,000	59.5%	79,200	62.7%
Black or Black British males	37,400	63.5%	39,700	69.8%
Black or Black British	40,600	56.2%	39,300	56.5%
Other ethnic group	53,800	51.7%	45,000	48.6%
Other ethnic group males	34,700	65.7%	27,300	56.2%
Other ethnic group females	19,000	37.0%	17,800	40.5%
WMCA Total	1,744,200	68.8%	1,807,800	71.1%

Source: Annual Population Survey, 2017. Please note: # means the sample size is too small for a reliable estimate

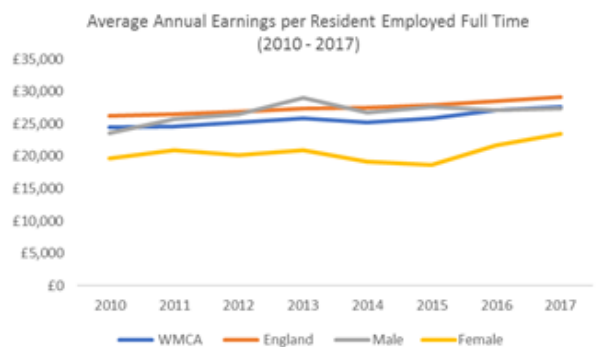
- The below table shows Economic Inactivity across the WMCA and the breakdown by reason. Overall economic inactivity has decreased from **26.6%** in 2016 to **24.7%** (**46,500** people) in line with the UK downward trend.
- A larger proportion of males are students (40.1%) compared to females (24.3%) and students has increased across both cohorts (**+0.6pp** for males and **+1.4pp** for females) as well as on the whole (**+1.1pp**) since 2016.
- Meanwhile, **38.9%** of females are economically inactive because of looking after their family/home compared to **7.4%** of males. Although, since last year there has been a slight reverse in the trend with females decreasing from **40.7%** and males increasing from 6.8%.

TOTAL	WMCA		UK	
	629,200	24.70%	9,139,800	21.80%
% of economically inactive student	190,600	30.3%	2,422,000	27.1%
% of economically inactive looking after family/home	169,900	27.0%	2,181,700	24.4%
% of economically inactive temporary sick	15,600	2.5%	190,500	2.1%
% of economically inactive long-term sick	125,700	20.0%	1,999,200	22.3%
% of economically inactive discouraged	#	#	35,500	0.4%
% of economically inactive retired	59,500	9.5%	1,175,900	13.1%
% of economically inactive other	66,400	10.6%	949,200	10.6%

Source: Annual Population Survey, 2017. Please note: # means the Sample size too small for reliable estimate.

Earnings

- The total average annual earnings for residents employed full-time across the WMCA rose by **£472** on the year before to **£27,574** in 2017. This is **4.1%** lower than the UK average of **£28,758**⁹.
- Between 2013 and 2016, total average annual earnings in the WMCA increased by **£1,695** equivalent to **6.55%** compared to **6.47%** across the UK.
- Across the WMCA **75.7%** of all employees earn above the UK living wage compared to **76.8%** across the UK.¹⁰
- Last year there were **592,000** men employed full time compared to **355,000** women. Men earned on average **£29,915** whilst women **£23,261** a difference of **£6,654**. However, women's pay increased slightly faster by **2.9%** compared to **2.8%** for men.
- Nationally the reverse was true, men's pay increased by **2%** while women's pay increased by **1.8%**. Women continue to be overrepresented in terms of part time employment accounting for **77%** of the workforce.
- Across the WMCA **75.7%** of employees are earning above the living wage compared to **75.3%** in 2015. **82%** of full-time workers earn above the living wage this has decreased from **84.2%** in 2015 whereas there are more part-time workers earning above the living wage than in 2015, up from **50.8%** to **52.2%**.¹¹



Qualifications

- In the WMCA **790,800** people are qualified to NVQ level 4 or above (**31.1%**). This is a **14,600** increase on the year before, resulting in an overall increase of **1.9%**.
- While the number of women with NVQ level 4+ increased by 18,400 or **1.3%**, the number of men with NVQ level 4+ fell by **0.4%**.
- Only **16.9%** of 16-24-year olds hold NVQ level 4+ compared to 31.1% of the wider WAP.
- Qualifications are key to progression, with people qualified to NVQ4+ estimated to earn significantly more than those with lower qualifications.
- Across the UK there are **15.8m** qualified to NVQ level 4+ with **221,000** more people at this level than in 2016. This equates to **38.4%** of the Working Age Population (WAP).
- To reach the national average of **38.4%** the WMCA requires a further **184,867** people to be qualified to this level.

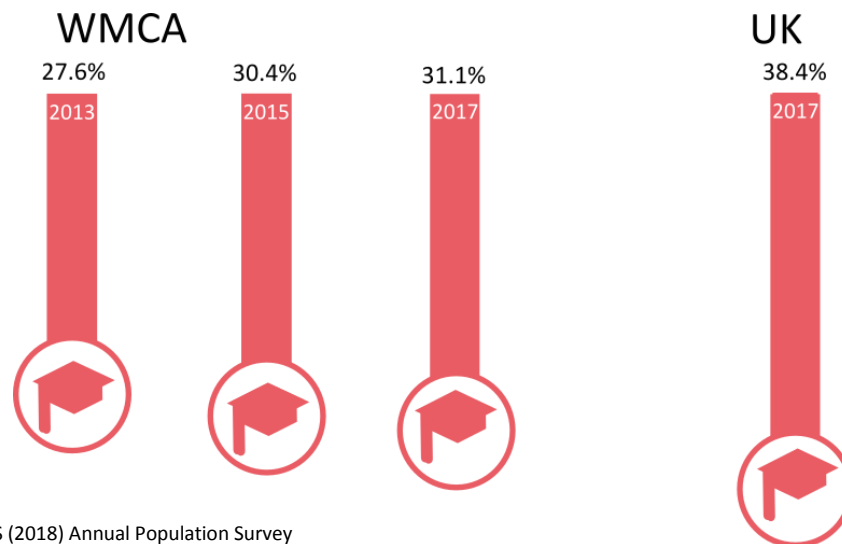


⁹ Nomis (2017) ONS Annual Survey of Hours & Earnings, 2017. Please note that earnings have been calculated by taking the average across three LEPs to allow for comparability over time.

¹⁰ ONS user requested data - Annual Survey of Hours and Earnings (ASHE) - Number and percentage of employee jobs with hourly pay below the National Living Wage, by local authority, UK, April 2016

¹¹ ONS Annual Survey of Hours and Earnings (ASHE) user requested data - Number and percentage of employee jobs with hourly pay below the living wage, by parliamentary constituency and local authority, UK, April 2015 and 2016.

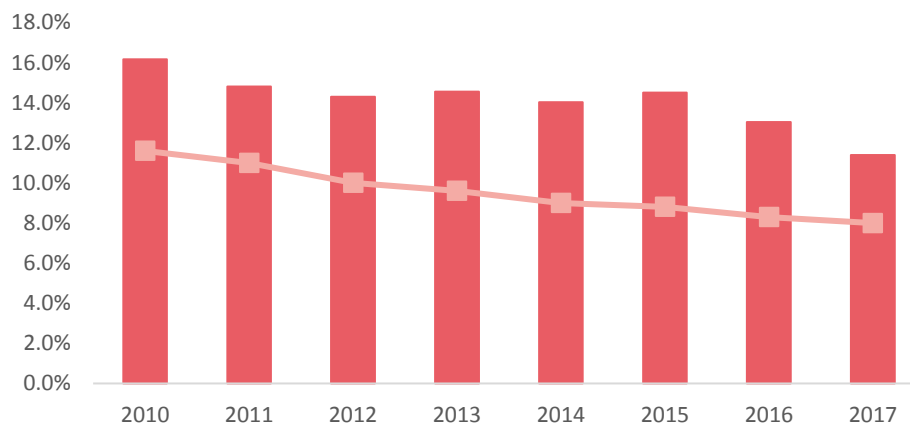
Percentage of people in the WMCA with degrees is below UK average but increasing year on year



Source: ONS (2018) Annual Population Survey

- The proportion of WMCA residents with no qualifications decreased from **13% (329,800)** in 2016 to **11.4% (289,300)** in 2017. A reduction of **40,500** people.
- The number of women with no qualifications fell faster than that of men. The number of women with no qualifications reduced from **166,100 to 145,300 (-14.3%)** while men fell from **163,000 to 144,100 (-13.1%)**.
- 9.1% of 16-24 year olds have no qualifications compared to the WMCA average (**11.4%**).
- To reach the current UK average (**8%**) it requires a further upskilling of **86,036** people.

Percentage of people with no qualifications (2010-2017)

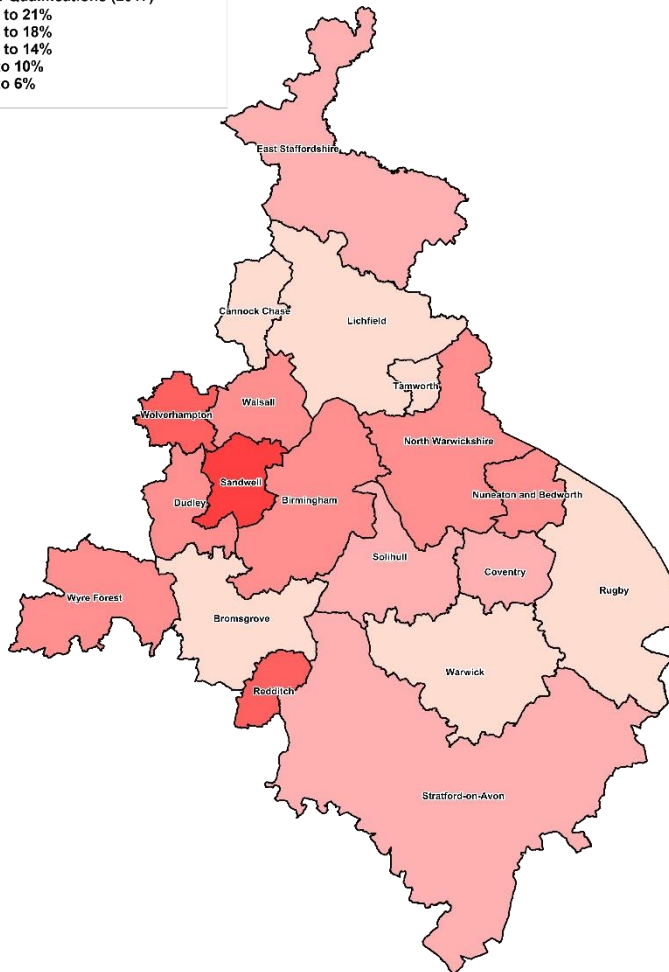


Source: ONS (2018) Annual Population Survey

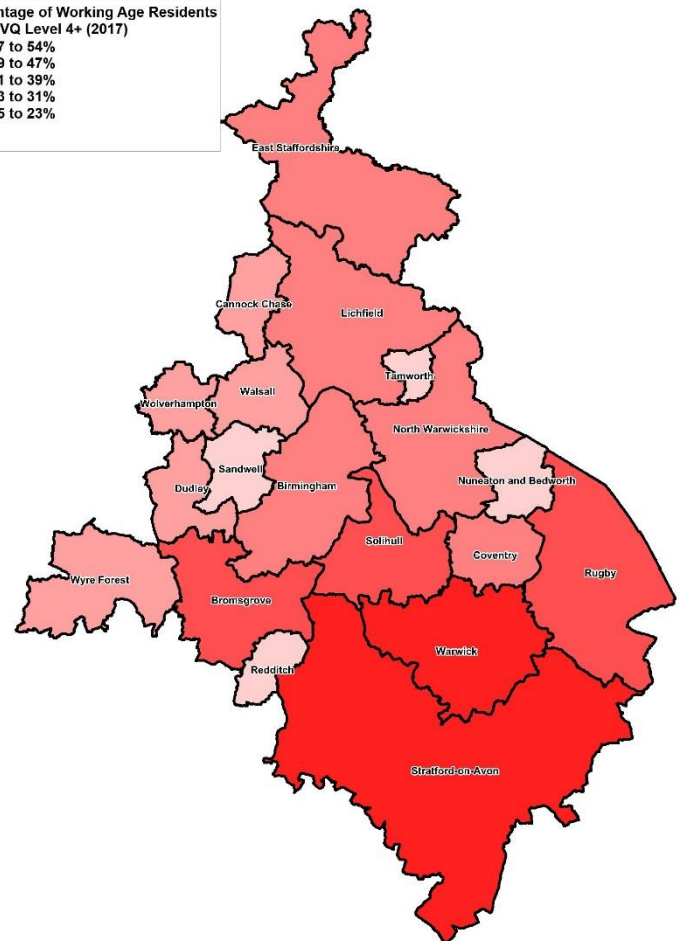
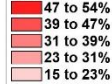
- The proportion of working age residents with no qualifications is falling faster than the UK average. More people are qualified to NVQ1, NVQ2 and NVQ3 in the WMCA. The percentage change in these qualifications over the last year are in line with national increase.

- The following maps show the percentage of Working Age population with degrees and subsequently no qualifications across the 19 local authorities. Warwick has the highest percentage of WAP with NVQ level 4+ (**53.6%**) and Lichfield has the lowest percentage of WAP with no qualifications (**2.9%**).

Percentage of Working Age Residents with No Qualifications (2017)



Percentage of Working Age Residents with NVQ Level 4+ (2017)



Apprenticeship Starts

- The number of apprenticeships across the WMCA area increased by **400** to **42,470** or **1%** against a national drop of **-2.9%** in 2016/17.
- 45%** of apprenticeship starts are in the 25+ age group and **30%** are delivered to 19-24-year olds with the remaining **26%** being provided to under-19s.
- Females are well represented in terms of learners when compared to the overall population. Females account for **53.8%** of all apprenticeships compared to **50.5%** of the overall population.
- The number of learners classified as BAME continues to increase year-on-year. In 2014/15 there were 7,205 learners classified as BAME equating to 23.8% of all learners. This has now increased to **7,807** or **26%** in 2016/17 – reflecting the **26.2%** of the overall population.
- The WMCA's ambition is to raise overall apprenticeship starts to **84,000** by 2030. To do this the WMCA needs to create nearly double the current number of apprenticeship starts per annum

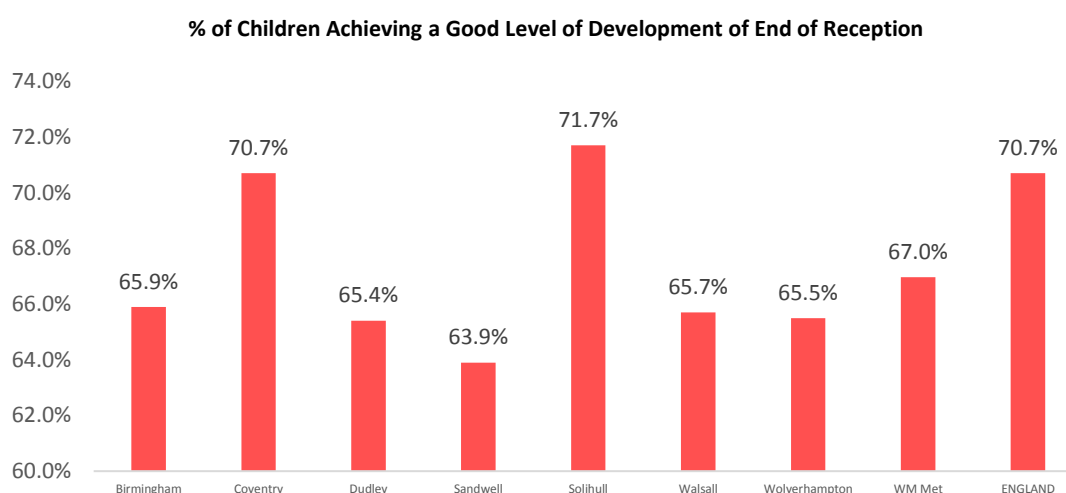
Year	Intermediate	Advanced	Higher	Total
WMCA 2016/17	22,890	16,480	3,100	42,470
WMCA 2015/16	24,720	14,730	2,620	42,070
Absolute Change	-1,830	1,750	480	400
Change	-7.4%	11.9%	18.3%	1.0%
England	-10.7%	3.5%	34.2%	-2.9%



Source: Department for Education (2017) Apprenticeships by geography, age and level: starts 2005/06 to 2016/17 reported to date

School's Performance

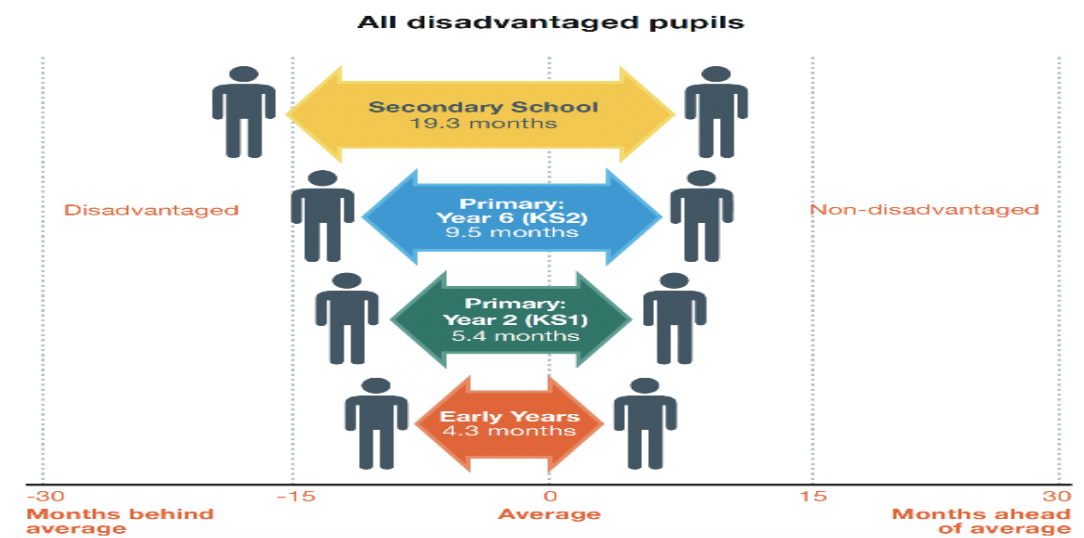
- School readiness at age five has a strong impact on future educational attainment and life chances. Children who don't achieve a good level of development aged 5 years struggle with social skills, reading, maths and physical skills.



Source: Public Health England Profiles, 2017

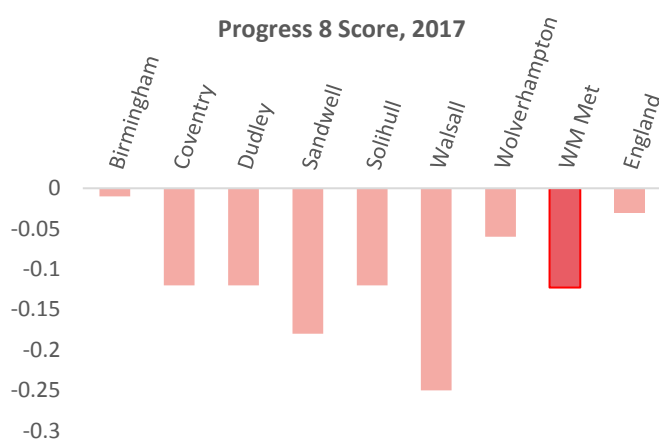
Social Mobility

- Poor performance in early years generally ensures weak social mobility. Across the WMCA the attainment gap is greatest for those from economically disadvantaged backgrounds and those assessed with special educational needs. In the WMCA area **33.5%** of pupils who have Free School Meals only achieve A*-C GCSEs in English and Maths, compared to **60%** for all other pupils - nationally 39% and 67%.

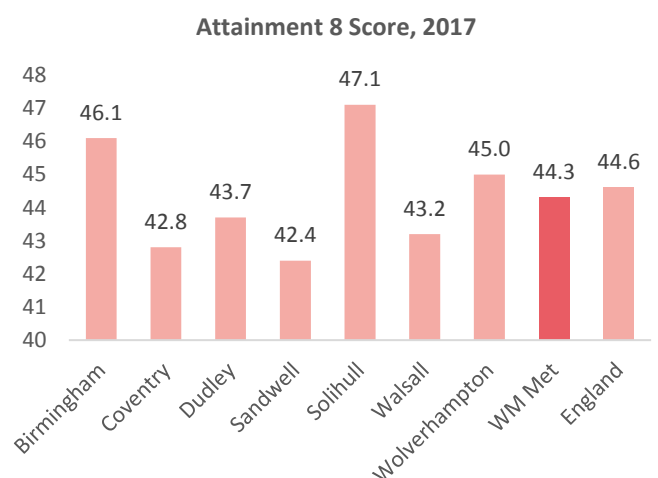


Source: Social Mobility Commission, 2018

- Progress 8, the new secondary school accountability measure aimed at measuring progress, found that **88.2%** of schools were rated 'Not Below the Floor Standard' compared to **88%** nationally (across England).¹²
- Across the WMCA Metropolitan area, the average Attainment 8 score (which measures a student's average grade across eight subjects) is **44.3** compared to the England average of **44.6**.
- Mirroring national trends girls perform better than boys. Girls on average scored 12 points more per pupil whereas nationally the average was 6.
- Chinese and Asian students were the best performing, with both scoring on average more points per pupil than the national average.
- In the WMCA, the percentage of pupils who achieved all components of the English Baccalaureate (including a strong 9-5 pass in English and maths) was **17.5** compared to **19.4** nationally and those that achieved a standard pass was **19.6** compared to **21.9** nationally.
- In terms of the percentage of pupils who achieved all components of the English Baccalaureate (including a strong 9-5 pass in English and maths) **17.5** compared to **19.4** nationally and those that achieved a standard pass **19.6** compared to **21.9** nationally.



Source: Department for Education Main National Tables, 2017

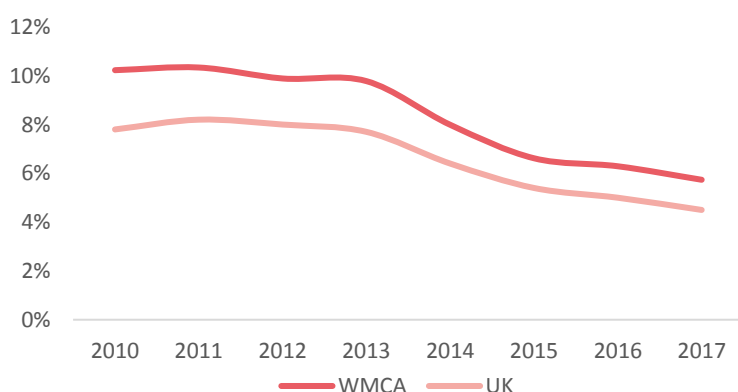


¹² Department for Education Main National Tables, 2017

Unemployment

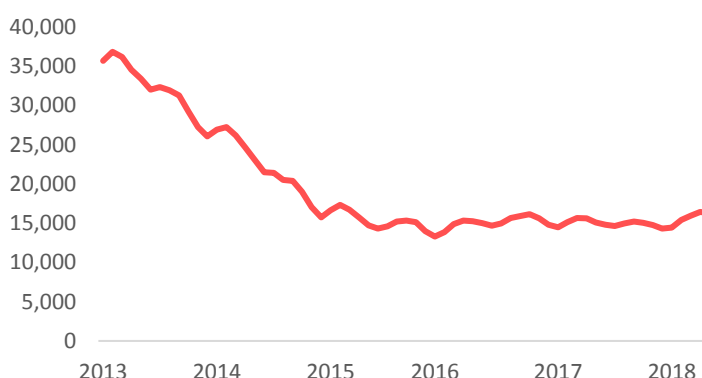
- **110,100** people were unemployed across the WMCA in 2017 (**5.7%** compared to **4.5%** across the UK).
- Of the **110,100** unemployed, **63,800** are men, which equates to **6.0%** of the male working age population compared to **5.3%** of females.
- The unemployment rate for ethnic minorities is **9%** compared to a national average of **7.8%**.
- **254,010** people aged 16-64 in the WMCA are classed as claiming key out of work benefits including Income Support and Child Benefit for which people in employment can also claim (November 2016). The figure fell by **5,460** from the previous year (**-2.1%**).
- There are **121,600** men and **132,410** women claiming key out of work benefits. In the last year the number of men claiming fell by **-8.8%** compared to **-3.3%** for women.
- Of the total **254,010** claimants, **28,640** are aged under 25 (**11.3%**) – this is a fall of **-17.2%** or **5,950** people in the last year.
- Jobs Seekers Allowance (JSA) claimants account for **18.5%** (figure excludes Universal Credit) of the **254,010** people claiming benefits - a decline of **3,410** people or **6.8%**.
- The latest figures show that there are **28,366 (60.3%)** men and **18,650 (39.7%)** women claiming JSA.
- ESA and incapacity claimants remain the largest cohort, although there was a small overall reduction in numbers (**-750 people**). These claimants account for **65.5%** of all benefit claims.
- Just **7.9%** of ESA and Incapacity claimants are aged Under 25.
- The number of Lone Parents continues to fall, now accounting for **13.7%** of all claimants, a reduction of **-2.4%** or **840** people.
- **34,010** of the 34,900 Lone Parents are female, with just over one in four being under 25 (**25.8%**).
- There were **83,485** claimants in the WMCA in May 2018. Reflecting national trends, this is **160** more claimants than the previous month and 10,310 claimants more compared to the same month last year (**73,175**).
- There were **16,265** youth claimants in WMCA in May 2018, **175** less than the previous month and **1,115** more than May 2017. Conversely, the proportion of Youth Claimants in the WMCA as a percentage of total claimants has reduced from **19.9%** to **19.5%** but remains slightly above the national average **19.3%**.
- Almost two in three (**62%**) of youth claimants are male.
- **5,040** people (**7.8%**) in the WMCA were classed as NEET (Not in Employment, Education and Training) in 2016, an increase of **620** or **3.4** percentage points. This is above both national (**6.0%**) and regional comparators (**7.3%**).
- Of the 5,040 NEETs, **41.9%** were female and **58.1%** were male, reflecting the national average.

Unemployment Rate (2010 - 2017)



Source: Annual Population Survey, 2017

WMCA Youth (18-24) Claimants



Source: Department of Work and Pensions, 2018

WMCA REGIONAL SKILLS PLAN

The **Regional Skills Plan** launched in June 2018 sets out to put skills at the heart of our drive for inclusive growth by delivering:

- More people in employment
- More people in higher skilled jobs
- More skilled employees to support business growth and productivity
- All communities benefit from the region's economic growth
- An agile and responsive skills system that is more aligned to the needs of business and individuals

Areas to Concentrate on:

- Prepare our young people for future life and work
- Create regional networks of specialist, technical education and training to drive up skills and productivity and underpin economic growth
- Accelerate the take-up of good quality Apprenticeships, across the region
- Deliver inclusive growth by giving more people the skills to get and sustain good jobs and careers
- Enable a more agile and responsive skills system

Deepening our Evidence Base

- Building on the evidence work from the WMCA Productivity and Skills Commission we will continue to develop a detailed understanding of the priority skills needs and gaps of key sectors such as digital, construction and automotive companies.
- We will examine the risk factors for youth unemployment and develop approaches to address these.
- We will analyse the take up of apprenticeships to test progress in improving access.

Section 6:

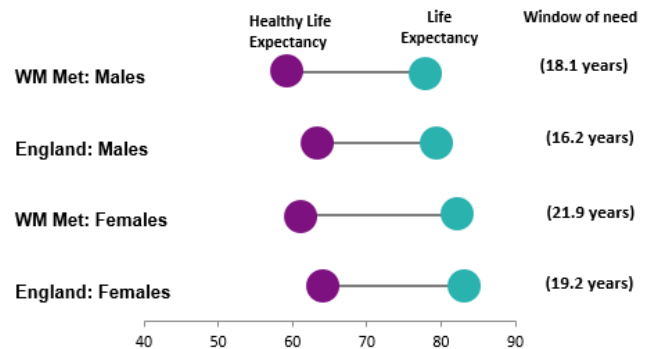
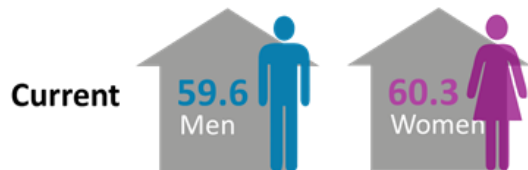
People - Health and Wellbeing

OUTCOME: Better quality of life for all: improved health physical/mental health and wellbeing

Health & Wellbeing¹³

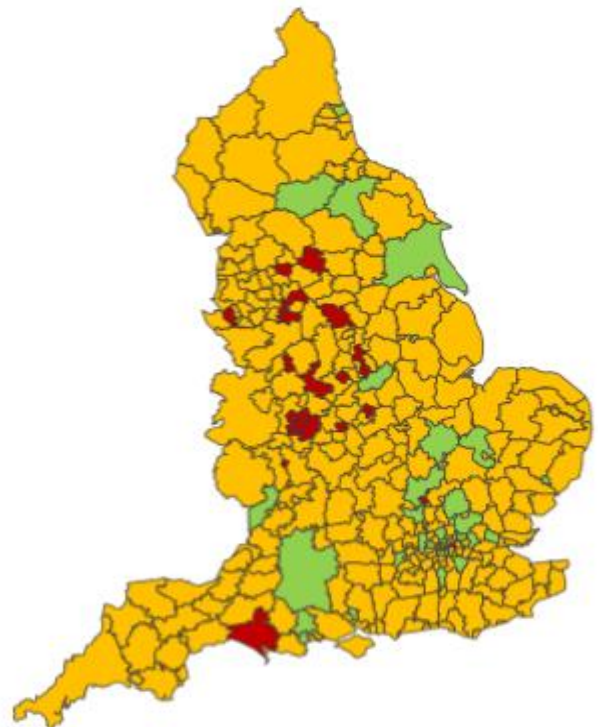
- In the WM Met Area, the average life expectancy (LE) is **77.8** years for males and **82.2** years for females. Wolverhampton has the lowest healthy life expectancy for males at **56.6** years while in contrast, Solihull is **64.6** years. Walsall has the lowest healthy life expectancy for females at **57.2** years and Solihull is highest at **66** years followed by Coventry at **62.9** years. In the WMCA overall the healthy life expectancy for males and females is **59.7** years and **60.3** years respectively. The difference between "life expectancy" and "healthy life expectancy" is known as the *window of need*.

Healthy life expectancy will rise to:
Ambition 63.3 years 63.9 years



Early Years

- The West Midlands is one of worst performing regions for infant mortality rate in England. The map opposite shows the infant mortality rate per 1,000 live births across England. At **6.6** deaths per **1000** live births, infant mortality rates in the WM Met area are significantly higher than the England average of **3.9** per **1000** live births. However, the number of infant deaths annually reduced from **270** to **260** between 2001/3 and 2014/16. For the WM Met area to be similar to England, there would have to be **105** less infant deaths across the WM Met area annually.
- Teenage conceptions (aged 15-17 years) have reduced significantly since 1998, although rates in the West Midlands Met area are still significantly higher than for England. In 2015, there were **1,389** births to teenage mothers. For the WM Met area to be similar to the England average, there would have to be **325** fewer teenage conceptions annually.
- During the period 2016/17, **10.4%** of mothers smoked during pregnancy. This is lower than the **15%** seen in 2010/11, and marginally lower than the England average of **10.7%**.



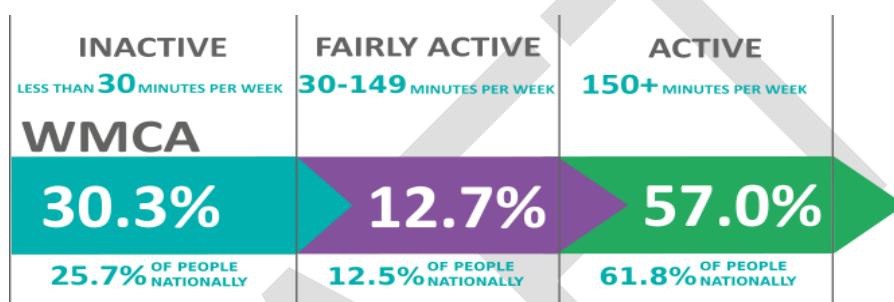
Source: Public Health England, Map data@2018 GeoBasis-DE/BKG Google

¹³ All based on the 7 met area geographies

Health

- The current smoking prevalence across the WM Met area is around **15.4%**, similar to the **15.5%** seen for England. However, this ranges from around **12%** in Solihull to **19%** in Sandwell.
- Across the WM Met area, **14.1%** of the households in the area (or **156,204** households) experienced fuel poverty in 2015. This is an increase from **12.7%** (**139,139** households) in 2014.
- During the period 2014-16, there were **15,410** deaths which are considered preventable, or around **5,130** deaths annually¹⁴. This is a reduction from **6,230** deaths annually between 2001 and 2003.
- Around **40%** of cancer diagnoses are preventable. With **6,845** cancer diagnoses in the WM Met area in 2015, improvements in lifestyles of people in the WM Met area could result in **2,738** fewer diagnoses annually. Around **15%** of cancers are caused by smoking. Eradicating smoking altogether could prevent over **1,000** fewer diagnoses of cancer alone.

Physical Activity



- Based on the Active Lives Survey (Sport England, 2017), **57%** of the WMCA's adult population are active, or participate in more than **150** minutes of physical activity each week, equivalent to **1,860,300** people. This is a decrease of **1.2%** or **-23,400** active people compared to last year. In order to reach the national average of **61.8%** activity, the WMCA requires an additional **156,701** participants achieving **150** minutes of sports or physical activity per week.

Deprivation

- For both males and females in the most deprived communities there is a shorter healthy life expectancy at birth and a longer period expected to be spent in 'not healthy' health. The health inequality gap between the most and least deprived areas across the WM met geography has increased among males from 6.2 years in 2014 to **7.4** years in 2015, whereas for females the gap has decreased from 9.9 years to **9** years.
- In 2015, **20%** of the WMCA population lived in the top **10%** most deprived areas.

Health inequality gap in years between the most and least deprived areas in the West Midlands



Source: Public Health England (2017)

Suicide Rates

- In 2016, the suicide rate for the WMCA was lower than England at **9.8** suicides per **100,000** compared to **9.9** across England.

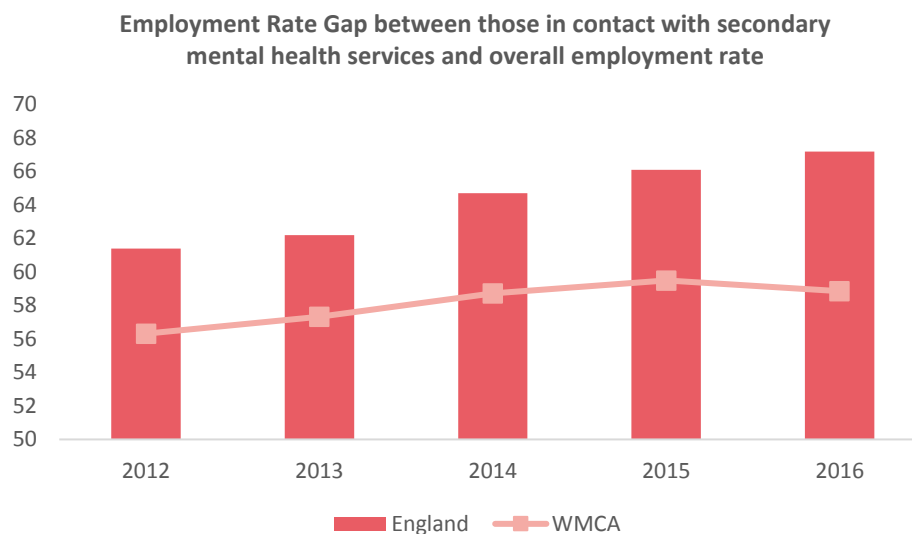
¹⁴ Preventable mortality includes conditions such as those as a result from lifestyle factors – alcohol, drug abuse and diabetes. For a full definition refer to the Public Health Outcomes Framework indicator 4.03

OUTCOME: Provide Education and employment opportunities for people out of work and disadvantaged to enable equal opportunities and equal access to jobs

CRIME OUTCOME: Reduce Crime

Employment Rate Gap

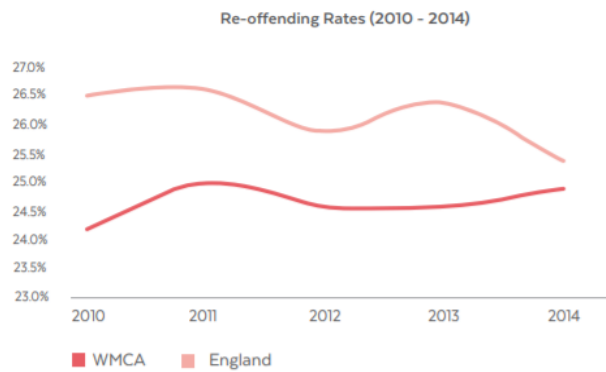
- The following chart shows the percentage point gap between the percentage of working age adults who are receiving secondary mental health services and in employment and the overall employment rate. The WMCA is ahead of England with a **58.9** employment rate gap compared to **67.2** across England. In 2016, only **6.7%** of adults in contact with secondary mental health services were in paid employment across England.¹⁵ The long term goal is to radically increase the number of people in contact with secondary mental health services in employment by 2030 and to narrow the gap between their employment rate.



Crime

- The total number of recorded crime (excluding fraud) in the West Midlands was **227,865** in 2017; **79.4** per 1,000 resident population. This is an increase of **27,353** more crimes recorded than the previous year.
- The number of offences per year has continued to decrease since 2010. **32,008** offences were committed in 2014 - **1,364** less than in 2013 and **7,170** less than in 2011. Re-offending rates across the WMCA has increased from **24.6%** in 2013 to **24.9%** in 2014. However, this is still lower than the re-offending rates for England where **25.4%** of offenders re-offend.
- In 2016, there were **1,234** first time entrants to the youth justice system (or **443** per **100,000** 10-17 year olds). This is a considerable decrease compared to **2,100** new entrants in 2010 (**730** per **100,000**). For the WMCA to be similar to England, there would need to be **320** fewer entrants to the youth justice system annually.

¹⁵ NHS Digital (2017) Dataset: 1F - Proportion of adults in contact with secondary mental health services in paid employment October 2016



Source: Public Health England, 2017

Deepening Our Evidence Base

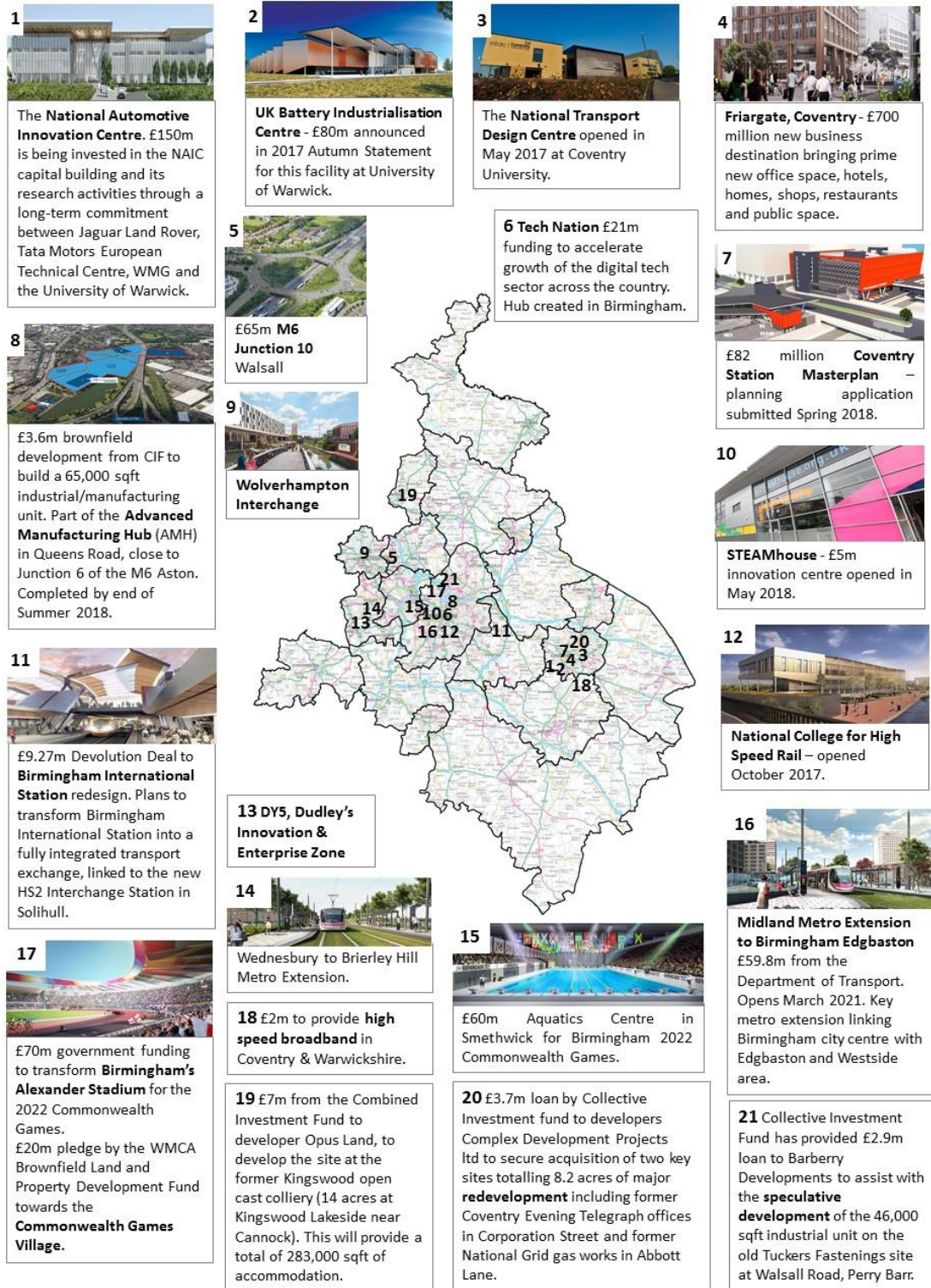
- Building a shared definition of inclusive growth is a collaborative process and we are establishing an Inclusive Growth Unit to be the engine that drives this ambition. Blending analysis, policy advice and practical action, the unit will promote inclusive growth outcomes with our Industrial Strategy and Public Service Reform programme across the range of our activities. The unit is a collaboration across different sectors of the economy and society blending academic rigour and citizen insight.
- From the findings of the Leadership Commission: we are building a Youth WMCA Board, to ensure that young citizens can influence how things work in the region. We are learning from the existing TfWM Youth Forum and local initiatives such as Birmingham City Council's Children in Care Council, to ensure we create the right spaces and the right opportunities for influence.

Section 7: Place

ACCESSIBILITY OUTCOME- Improved the Connectivity of People to Businesses to Jobs and Markets
INFRASTRUCTURE OUTCOME - Improved the quantity of high quality readily available developments
SUSTAINABILITY OUTCOME - Resource efficient economy to stimulate new technology and business

Infrastructure Investments

- 2017 has seen a large number of economic growth and infrastructure developments across the WMCA area. Funded from a variety of sources the following maps illustrate some of the infrastructure investments that have been delivered in 2018.

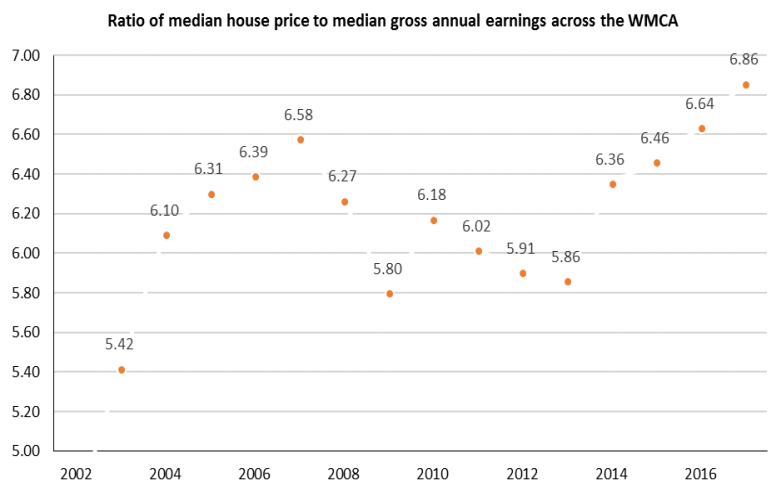
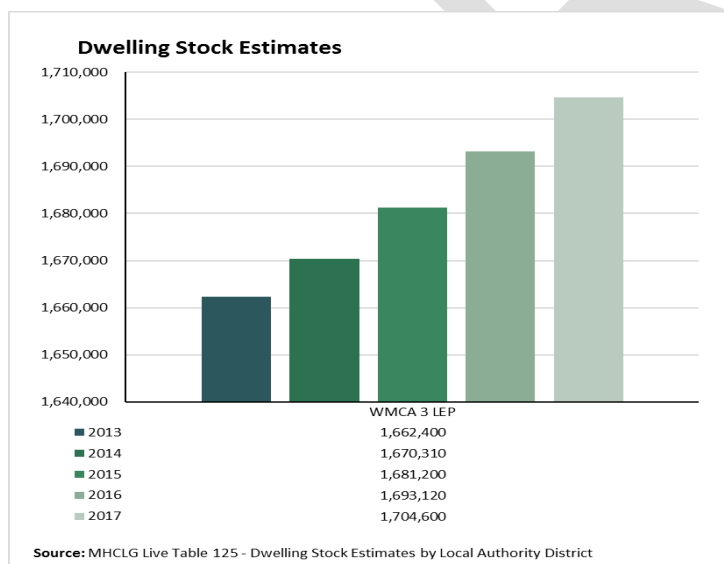


- The map below highlights some of the opportunity sites within the WMCA:



Housing

- One of the WMCA SEP aims is to expand the construction and renewal of housing stock. There are currently (2016) **1.7** million homes in the WMCA area whilst the housing deal between the WMCA and Government will deliver 215,000 additional homes by 2031. These additional dwellings are required to meet the demand created by a continued rise in population which currently stands at **4.1m people** in the WMCA. There were **11,500** net new homes in 2016-2017 compared to the previous year.



- The map below shows the average annual resident earnings per local authority within the WMCA and the adjacent map showing the median house prices:

EARNINGS PER LOCAL AUTHORITY

WMCA 3 LEP Geography

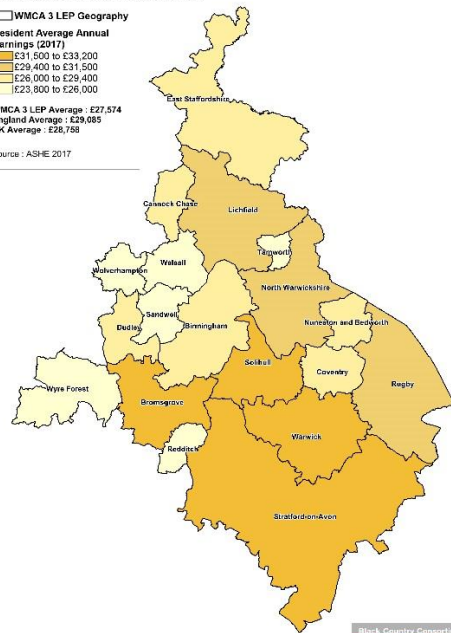
Resident Average Annual Earnings (2017)

WMCA 3 LEP Average: £27,574

England Average: £29,085

UK Average: £28,758

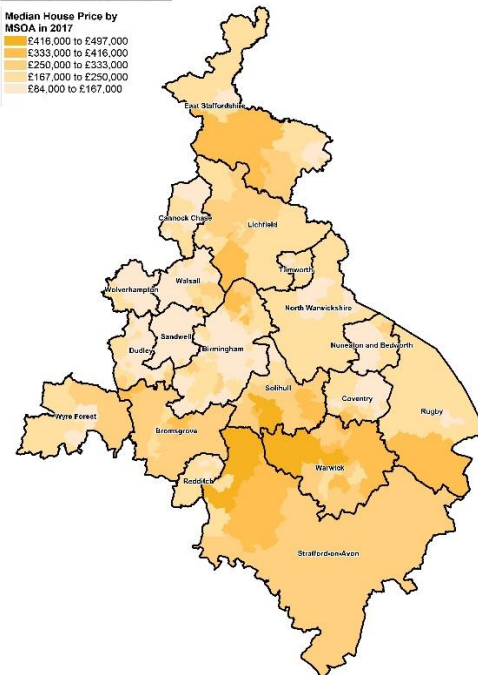
Source: ASHE 2017



MEDIAN HOUSE PRICE

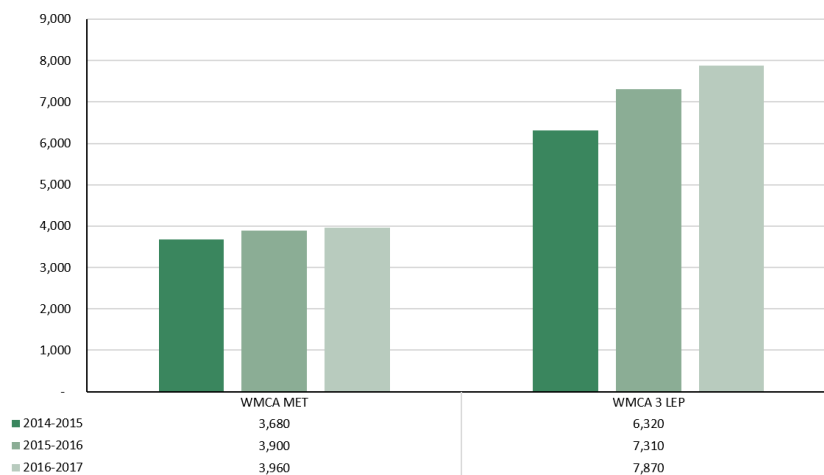
Median House Price by MSOA in 2017

£416,000 to £497,000
£333,000 to £416,000
£250,000 to £333,000
£167,000 to £250,000
£84,000 to £167,000

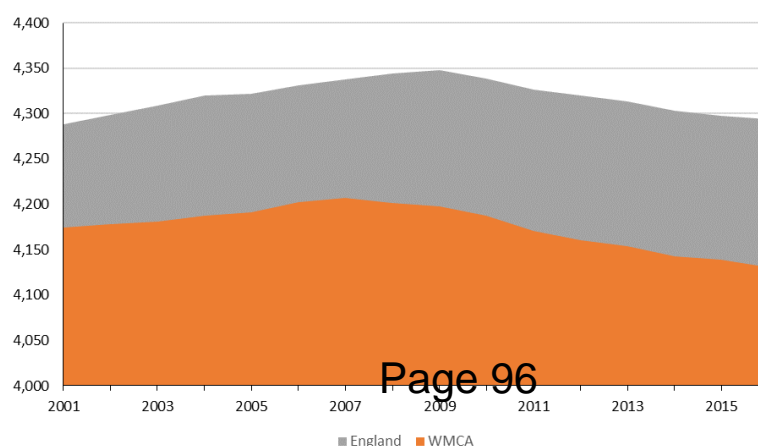


- The graph below shows the total number of completions over the last 3 years.

All Completions

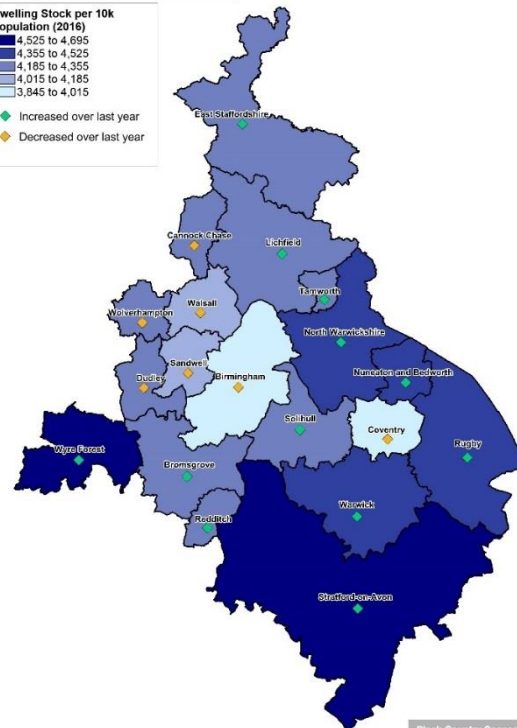
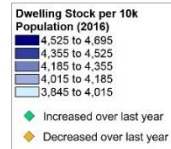


Residential Dwellings per 10k population WMCA vs England



- The current total number of dwellings and number of dwellings per 10k residents by district is illustrated in the following maps:

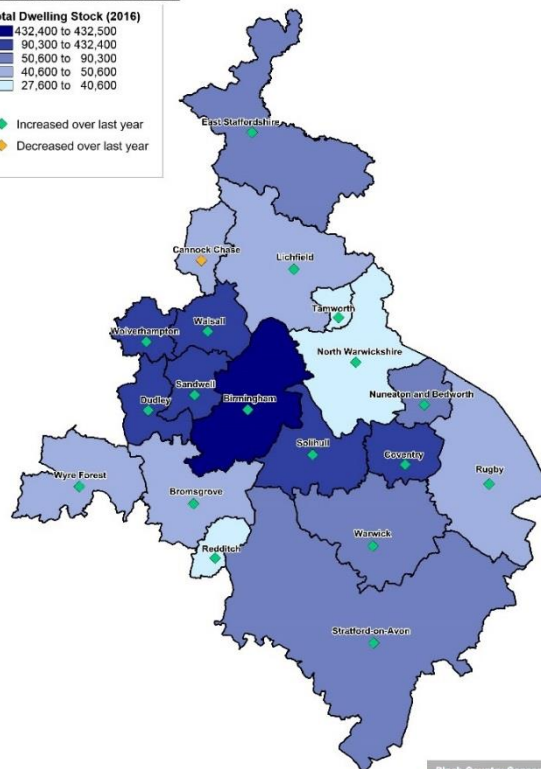
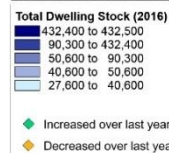
DWELLINGS PER 10K POPULATION



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Economic Intelligence Unit

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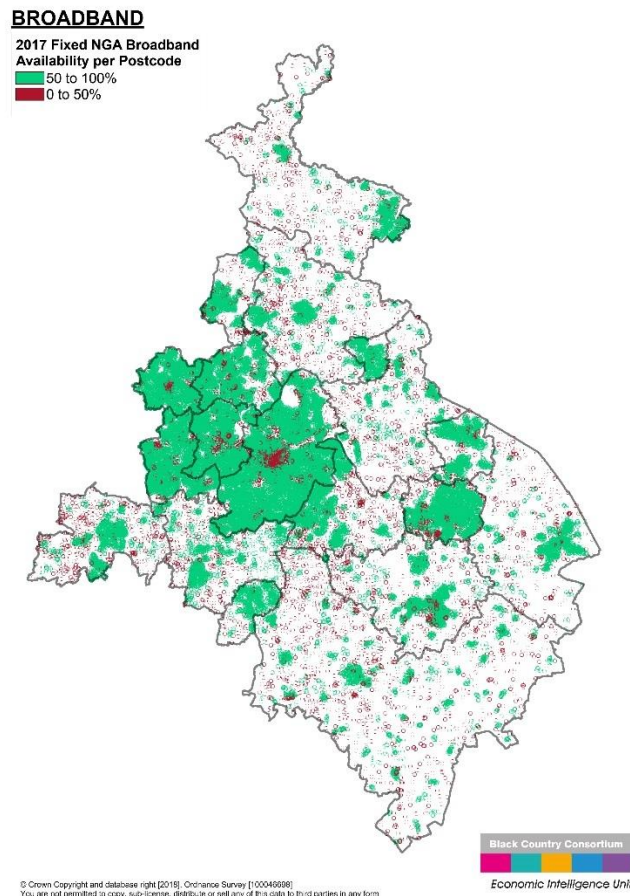
TOTAL DWELLING STOCK



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Economic Intelligence Unit

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- The map below shows the superfast broadband enabled postcodes (that have at least 50% of premises enabled) within the WMCA.



Environment Developments

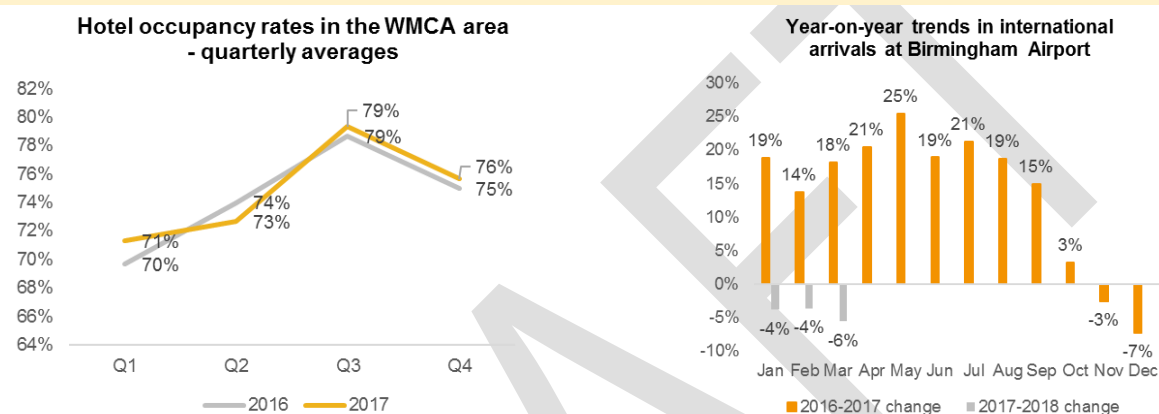
- A key aim of the area is to promote energy and resource efficiency to stimulate new technology and business.
- Our carbon dioxide equivalent (CO₂ e) produced from direct emissions by transport, business and housing based on a 2010 baseline will be **30%** less in 2020 and **40%** less in 2030. This will contribute over an **8%** improvement to GVA by 2030.

A Reduction of
5,765 ktCO₂

- The Natural Capital Round Table was recognised as the Natural Environment Workstream for the WMCA Environment Board.
- Continued work by the HS2 Environment and Landscape Board, which seeks the best outcomes for the natural environment of the West Midlands through investment in the HS2 Growth Strategy.
- The Birmingham and the Black Country Local Nature Partnership developed the Natural Capital Framework for the local delivery of the 25 Year Environment Action Plan which is currently being proposed to the WMCA. This will make the WMCA the first region in the country to develop its own 25-year Environment Plan, which will be delivered through an integrated approach and will put natural capital at the centre of the place making agenda within the WMCA.
- 60+ partners continue to deliver significant improvements to the natural environment of the West Midlands. Partnerships include the Birmingham and the Black Country Nature Improvement Area (NIA), Catchment Based Approach and the Black Country Geopark UNESCO proposal project.

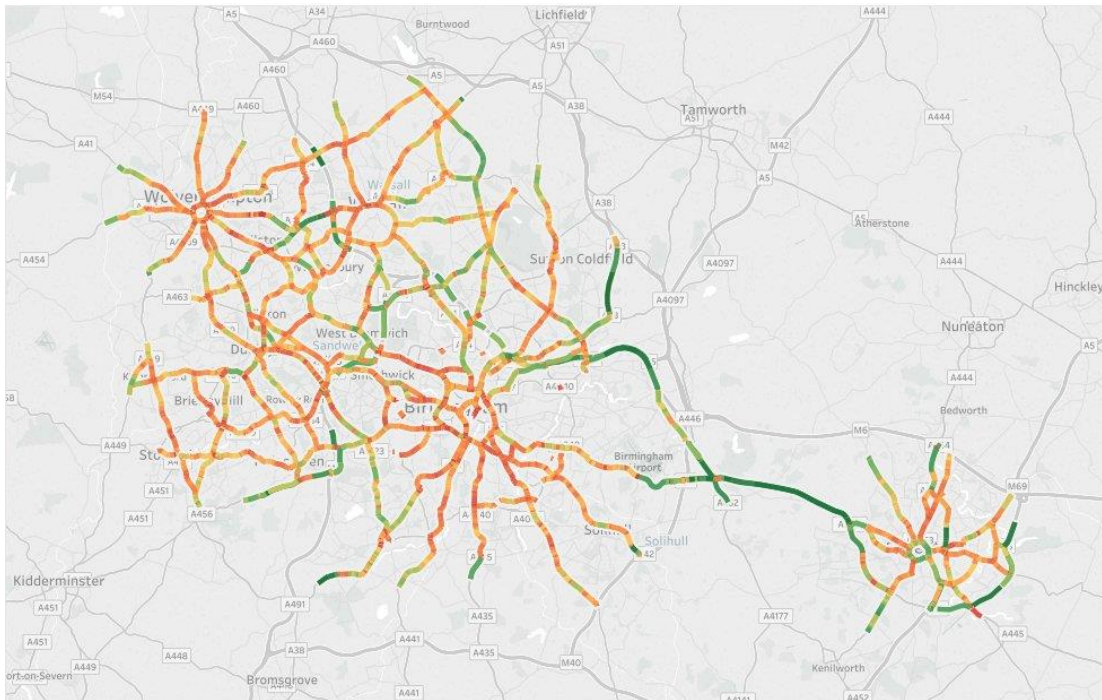
WMCA Visitor Economy

- After a particularly strong 2016 the WMCA area's visitor economy has continued to perform well. 2016 was a particularly good year for tourism as the fall in the value of Sterling after the EU referendum made the WMCA area, and indeed the UK as a whole, a very cost competitive destination for domestic and international tourists alike.
- Encouragingly the momentum has continued with hotel occupancy rates in the WMCA area matching or exceeding 2016 figures for most of the year. Although overseas visitor numbers have dipped since Autumn 2017.
- However, since Autumn 2017 it is likely that domestic rather than overseas tourists have been the principal driver of growth. From October 2017 onwards numbers of international arrivals at Birmingham Airport, the principal gateway into the WMCA area, have been down on the same month a year ago.
- This mirrors national trends. ONS International Passenger Survey data indicates a fall in overseas visitor volume and value in the final quarter of 2017, as a stronger pound began to reduce the cost competitiveness of the UK as a destination.

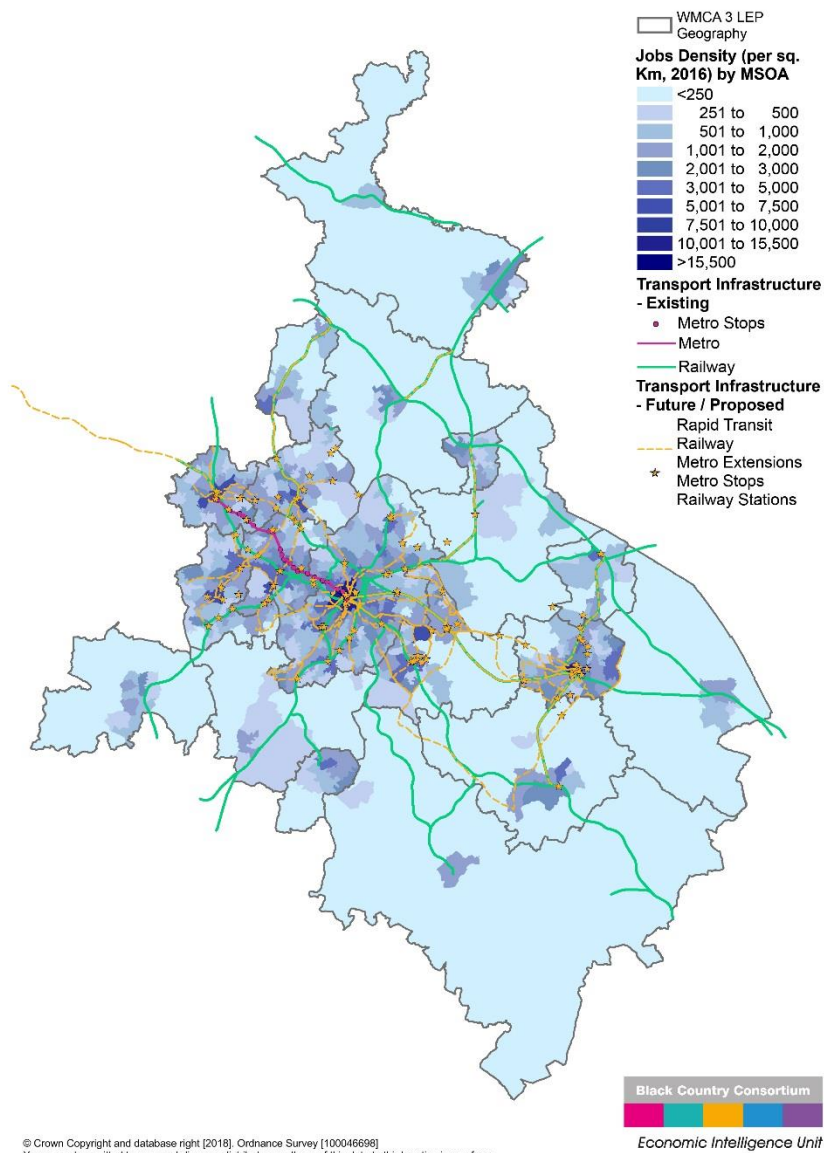


Transport

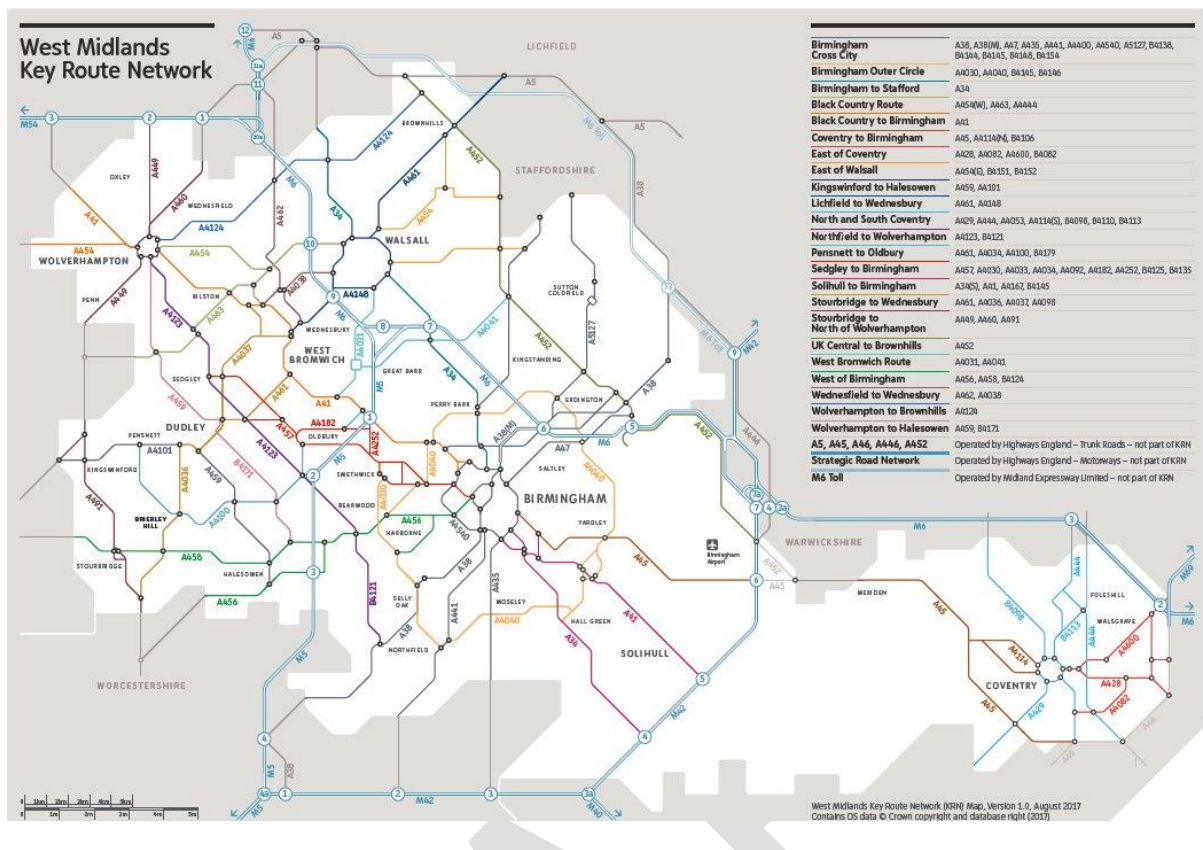
- Improve access to high quality employment areas and to local services and facilities for all residents.
- The map below shows congestion in the West Midlands. **41%** of WM met residents were able to access 3 or more strategic centres including Birmingham City Centre, accessible by public transport within 45 mins travel time in the am peak – some **34** percentage points lower than the WMCA ambition of 75%.



- Despite congestion increasing, there has been a **2.5%** reduction in all accidents and a **5.9%** reduction in fatal and serious accidents in the West Midlands in 2017.
- The map below shows a number of possible / proposed transport infrastructure projects that would allow increased connectivity of people and business to jobs and markets respectively.

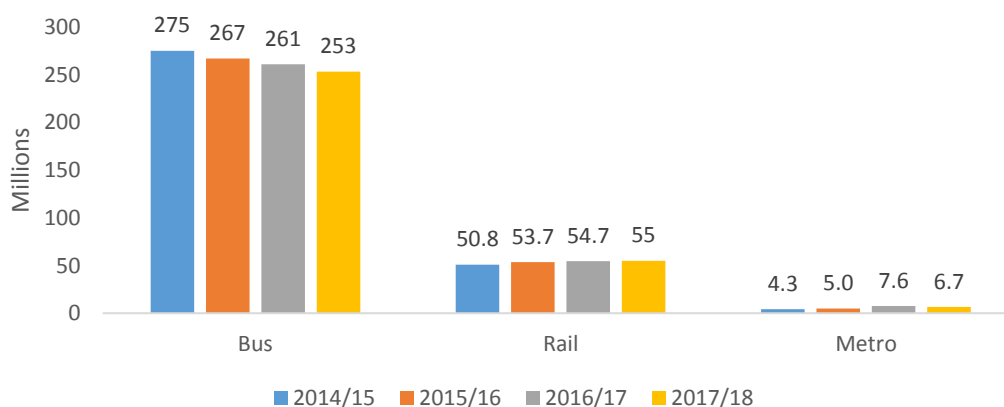


- The following map shows the West Midlands Key Route Network; a network of key local highways across the West Midlands essential for the following main purposes:
 - Serving the main strategic demand flows of people, goods and services;
 - Serving large traffic volumes; and
 - Providing connections to the national strategic road network.



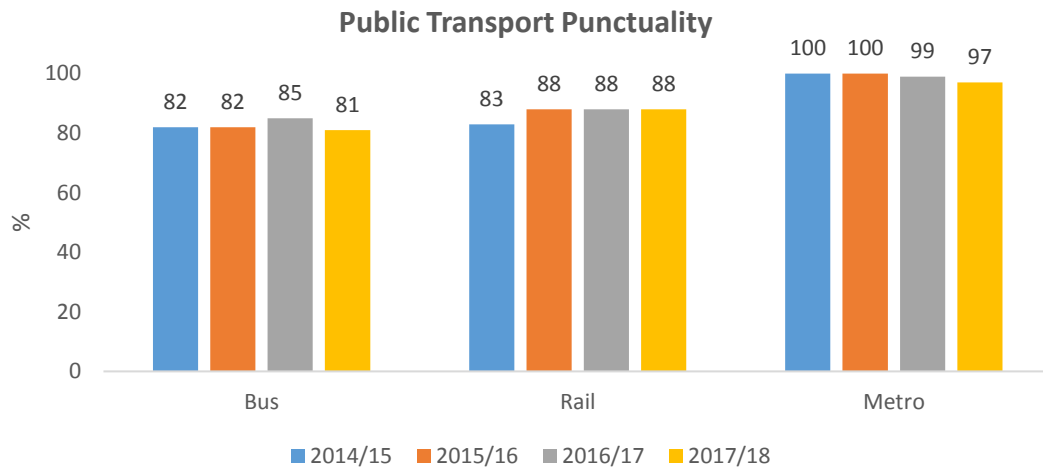
- Bus ridership has decreased over the past year (**-3.1%**), and matches the broader national trend, especially as older travellers continue to use their own private car more, but with note that trend for younger traveller bus travel is up as part of increased culture of non-car use in the under 30s.
- The metro ridership is generally positive with a slight decrease in the last year (**-11.8%**). This is suspected to be primarily because of significant service disruption during major line renewal work; but that bringing operations in-house to TfWM will enable better management of this going forward as the network is significantly increased.
- However, rail ridership experienced an increase by **0.5%** this can be down to the TfWM and the WMCA role in forming West Midlands Rail as the new franchise and with commitments for further improvements such as stations and rail lines which is likely to enable further rail growth and provide an alternative to the car.
- As of 2017/18, **62%** of passengers were satisfied with the value for money for buses, **63%** for rail and **68%** for the metro.

Public Transport Usage

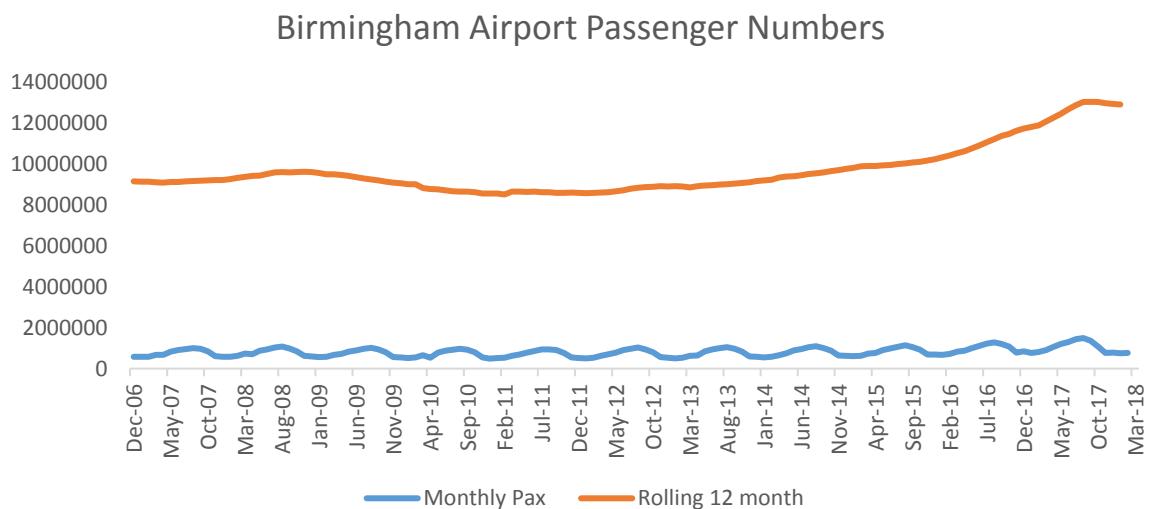


Source Transport for West Midlands, 2018

- Bus and metro are slightly below the target set for punctuality, 2017/18 shows an **81%** rate for bus (target of 82), and metro was **97%** (with a target of 98). Rail punctuality is above the 80% target at **88%**.



- Nearly **13 million** passengers passed through Birmingham airport in 2017 which lead it to experience the busiest year to date with an increase of **11.5%** (1.3m) in passengers compared to 2016.



2026 Delivery Plan for Transport

In September 2017, the WMCA approved the 2026 Delivery Plan for Transport. The plan comprises the Delivery Plan and two supporting sets of documents:

- The 2026 Delivery Plan for Transport document
- 16 Corridor Strategies
- Four Dashboards of Schemes

The delivery plan sets out the schemes which will deliver a large amount of the Movement for Growth strategy.

Deepening our evidence base

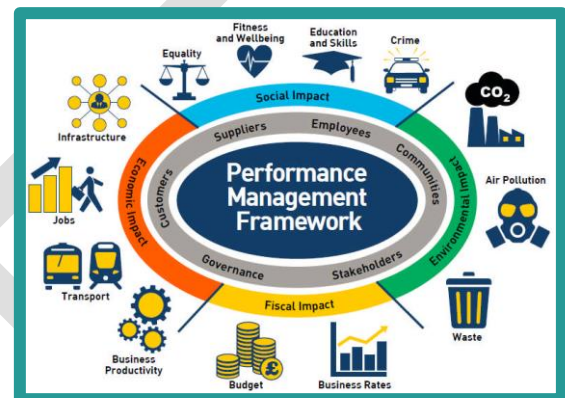
- We are focusing on some key development 'corridors' around HS2 and the associated connectivity package. This is to ensure that the investment made into hard infrastructure is connected to the assets in the places it touches. The work on building the data picture of these places has started, as have discussions around alignment of existing activities.
- We will establish rigorous assessment and evaluation of our investments and interventions to understand the impacts on local places and people, including disadvantaged groups, for example around access to employment and housing.

How we measure success

The WMCA Performance Management Framework

The WMCA Performance Management Framework (PMF) provides a clear framework against which success can be measured. The Vision for the area has a number of smart objectives with clear targets. The PMF is composed of a selection of strategic headline indicators, which measure the impact of the various programme areas of the West Midlands Strategic Economic Plan (SEP). These indicators span a wide range of themes including productivity, employment and skills, infrastructure, competitiveness, sustainability and inclusive growth and measure the economic, social, fiscal and environmental impact.

The PMF is maintained and updated by the Economic Intelligence Unit (EIU) of Black Country Consortium Ltd who provide in depth cross-thematic spatial analysis on the Black Country economy on behalf of the WMCA. Understanding the economic impact of current and planned activity in the context of the WMCA SEP is fundamental to the work of the EIU. They continue to be at the forefront of new techniques and are currently working with others on the WMCA Office for Data Analytics. The Office for Data Analytics (ODA) will be the network of analysts, products and resource that exists across the West Midlands, with new resource being used to facilitate and enable collaboration and sharing across the existing systems and organisations, including the tools required to achieve greater scale and impact.



The WMCA PMF is continuously reviewed and monitored in line with the WMCA's aims and objectives in the constantly changing economic and political landscape. Government launched its Industrial Strategy White Paper in November 2017 with the long-term aim of boosting productivity and 'earning power' of people across the UK. The EIU is providing the evidence base for the West Midlands Local Industrial Strategy and is working with government and local partners to develop the strategy itself. The EIU is also working with partners to develop an Inclusive Growth Monitor to reflect the broader WMCA inclusive growth agenda whilst following best practice for measuring Inclusive Growth from other leading organisations in the field such as the Department for Health, Joseph Rowntree Foundation and Centre for Regional Economic and Social Research.

The WMCA Performance Management Framework¹⁶

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge	Source
ECONOMIC GROWTH - Improved GVA for the region in line with the UK average	O1. GVA per Head	£22,443	+£671	+£2,308 +11.5% WMCA +9.1% UK	GVA per head £26,621 +£4,178 GVA per head	ONS (2017) Balanced Gross Value Added (GVA) for Local Enterprise Partnerships
	O2. GVA per Hour^{17*}	£28.90	+£1.10	+£2.10 +7.4% WMCA +6.0% UK	GVA per hour £32.60 +£3.70 per Hour	ONS (2018): Sub regional Productivity: GVA per hour worked by Local Enterprise Partnerships, 2004-2016
	O3. GDHI per Person*	£16,295	+£115	+£1,287 +8.6% WMCA +8.5% UK	£19,432 GDHI per Person +£3,137 GDHI per Person	ONS (2017): Regional Gross Disposable Household Income (GDHI) by Local Enterprise Partnerships, 1997 - 2016
BUSINESS - Improved the productivity of our businesses focussing on our growth sectors FISCAL - Secure better for less from our public services 	B1. GVA per employee	£49,937	+£1,077	+£3,022 +6.4% WMCA +4.5% Eng	GVA per employee = £56,783 +£6,846 GVA per employee	ONS Balanced Gross Value Added (2017) for Local enterprise Partnerships ONS Business Register and Employment Survey for years 2009-2016
	B2. GVA in transformational sectors	£66bn	+£2.6bn	+£9bn +15.9% WMCA +11.8% UK	£147bn WMCA SEP Ambition +£80.8bn GVA	EIU have applied the proportion of GVA by sector from the Oxford Economic Model and applied to the ONS GVA figures
	B3. No. of Business Births	27,550 business births 67 per 10,000 population	+5,120 business births	+8,745 business births +46.5% WMCA +19% UK	Ahead of UK 63 per 10k population +1,618 births per annum	ONS UK Business Demography, 2017
	B4. Five - year Business Survival Rate of businesses born in 2011*	43.8%	-6.9pp	-31.48pp WMCA -31.5pp UK	44.1%	ONS UK Business Demography 2017
	B5. Jobs in Transformational Sectors	1.2m	+24,646 jobs	+106,979 jobs +9.5% WMCA +8.1% Eng	1.5m WMCA Transformational SEP Ambition + 236,120 transformational jobs	Oxford Economic Model
	B6. Total Jobs	2m	+36,178 jobs	+131,457 Jobs +6.9% WMCA + 7% Eng	2.4m WMCA SEP Total Jobs Ambition +364,165 Jobs	Oxford Economic Model

¹⁶ The green shading illustrates indicators which have moved in a positive direction compared to the UK average or national (England) where UK averages are not available. The red shading indicates the reverse and orange indicates a growth rate in the right direction but less than the UK or national average.

¹⁷ * New PMF Indicator for 2018

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge	Source
	B7. Employment Rate	71%	+2.2 pp	+3.7 pp WMCA +3.5 pp UK	Employment rate = 74.7% +3.7pp	Annual Population Survey (2018) January – December 2017
	F1. Income & Exp. Balance	-£2.7bn	-0.5 bn	N/A	To achieve no fiscal gap +£2.7 bn	
PEOPLE - Improved Life Chances for all	P1 – Reduce % of people in top 10% most deprived areas	20%	+0.0007 pp	+0.002 pp WMCA	10% of people	Public Health England Profiles, 2017
	P2. – Better employment, health and wider outcomes for people with complex needs	Under development				
	P3. (i) Annual average earnings of full-time working residents	£27,574	+ £472	+£1,695 +6.55% WMCA +6.47% Eng	+ £1,184	Nomis: ONS Annual Survey of Hours & Earnings, 2017
	(ii) % of employees earning above UK living wage	75.7%	NA	NA	+1.1pp	ONS user requested data - Annual Survey of Hours and Earnings (ASHE) - Number and percentage of employee jobs with hourly pay below the National Living Wage, by local authority, UK, April 2016
SKILLS - Improved skill levels at all ages so that people have the skills and qualifications to access jobs. Ignite /Retune /Accelerate	P4. % of Working Age Population (WAP) with No Qualifications	11.4% 289,300 people	- 1.7 pp - 40,500 people	- 3.2 pp - 73,900 people - 1.6pp UK	- 3.4pp - 86,036 people	ONS Annual Population Survey, 2018
	P5. % of WAP with NVQ1	11.4% 288,800 people	-0.6 pp - 14,200 people	- 1.1 pp - 22,900 people - 1.2pp UK	Ahead of UK % by + 0.7pp + 16,934 people	ONS Annual Population Survey, 2018
	P6. % of WAP with NVQ2	16.9% 428,300 people	+ 0.1pp + 4,800 people	- 0.4 pp WMCA - 2,300 people - 0.8pp UK	Ahead of UK % by + 0.9 pp + 21,772 people	ONS Annual Population Survey, 2018
	P7. % of WAP with NVQ3	17.5% 445,800 people	+ 1.3 pp + 34,600 people	+ 0.1 pp + 9,800 people +No change UK	Ahead of UK % by + 0.5 pp + 13,864 people	ONS Annual Population Survey, 2018
	P8. % of WAP with NVQ4+	31.1% 790,800 people	+ 0.4 pp + 14,600 people	+3.55 pp + 103,000 people +3.5pp UK	+ 7.3 pp + 184,867 people	ONS Annual Population Survey, 2018
	P9. No. of Apprenticeships starts	42,470	+ 400 + 1%	+ 6,460 + 17.9% WMCA +12.5 % Eng.	84,000 + 42,219 apprenticeships	ONS Annual Population Survey, 2018
	P10. Progress 8 Score	- 0.12 (Below Average)	NA	NA	0 (average score) + 0.12 points	Department for Education Main National Tables, 2017
	P11. NEETs aged 16-17	5,040 (7.8%) (WM Met)	N/A	N/A	6% - 1,143 NEETs	Department for Education, 2017
	P12. % of children	67.0%	+1.7%	+10.0% WM Met	+3.7%	

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge	Source
	achieving a good level of development at the end of reception*			+10.3% England		Public Health England Profiles, 2017
	P13. Social Mobility Index*	Based on 326 Local Authorities Lowest Ranked: North Warwickshire: 307 Highest Rank: Bromsgrove 48			All the West Midlands Local Authorities in the Top Quarter Ranking	GOV UK – Social Mobility Commission, 2018
HEALTH - Better quality of life for all: improved health (inc. Mental health) and well being	P12. Healthy Life Expectancy (HLE) at Births – Males & Females	Males (M) = 59.6 years	+ 0.32 years	- 0.3 years WM Met + 0.1 years Eng.	63.3 years	Public Health England, 2017
		Females (F) = 60.3 years	- 0.6 years	- 0.9 years WM Met - 0.05 years Eng.	63.9 years	Public Health England, 2017
	P13. Reduced Inequality in HLE for Males & Females	Under development				
	P14. Health inequality gap by years between the most and least deprived areas	M = 7.4 years F = 9 years (WM Met)	M = + 1.2 F = - 0.9	M = + 1.3 F = - 1.3	No gap Reduce gap by 7.4 years for males and 9 years for females	Public Health England, 2017
	P15. Gap in employment rate for those in contact with secondary mental health services and the overall employment rate	58.9 %	- 0.6 pp	+ 1.5 pp WMCA + 5 pp Eng.	Ahead of England % by + 8.3pp (67.2%)	NHS Digital 2017 Dataset: 1F - Proportion of adults in contact with secondary mental health services in paid employment October 2016
	P16 – Rates of suicide (per 100,000)	9.8	- 0.3	+ 1.5 WMCA + 0.3 Eng.	No suicides - 401 suicides	Public Health England, 2017
	P17 - % Physically Active Adults*	57.0%	-23,400 -1.2%	NA	61.8% + 156,701 active people ¹⁸	Active Lives, Sport England, 2018
CRIME - Reduced offending and re-offending	P18 – No. of offenders per year	32,008 7.9 offenders per 1,000 population (2014)	- 1,364 - 4.1%	- 7,170 - 18.3% ¹⁹	Below the national average	Public Health England, 2017
	P19 - Re-offending rates (per 100,000)	24.9% (2014)	+ 0.3 pp	- 0.1 pp WMCA - 1.2 pp Eng. ²⁰	Ahead of England - 0.5pp	Public Health England, 2017

¹⁸ First Active Lives Survey was issued in 2017, therefore baseline data is unavailable.

¹⁹ Baseline is 2011.

²⁰ Baseline is 2011.

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge	Source
	P20 – No. of first time entrants to Youth Justice System	443	- 2.5%	- 10.4% WM Met - 27% Eng.	-116 first-time entrants	Public Health England, 2017
	P21. Youth Claimants aged 18 - 24	16,265	+1,155 +7.6%	- 17,140 - 51.3% WMCA - 55.1% UK	- 34% - 5,499 youth claimants	Department of Work and Pensions, 2018
	P22. Claimant Count aged 18 - 64	83,485	+ 10,310 + 14.1%	- 42,145 - 33.5% WMCA - 39.5% UK	- 41% - 34,018 claimants	Department of Work and Pensions, 2018
PLACE ACCESSIBILITY- Improved the connectivity of people to businesses to jobs and markets	PI1. Broadband Connectivity	95.6% 1.15m premises	+ 1.9 pp	+ 4.3pp WM Met + 16 pp UK ²¹	100% +53,339 premises	Ofcom Connected Nations, 2018
	PI2. % residents able to access 3 or more strategic centres including Birmingham City Centre, accessible by public transport within 45 mins travel time in the am peak	41% (WM Met)	- 0.4 pp	- 3.6 pp	75% + 34pp	Transport for West Midlands 2017/18
	PI3. Journey time reliability	Under development ²²				
INFRASTRUCTURE - Improved the quantity of high quality readily available development sites	PI4. Mode Share of all Journeys: i). Mode Share of all journeys by car, public transport, cycling & walking ii). Percentage of car journeys single occupancy	i) Non-sustainable: Car (67%) Sustainable: Public Transport (10%) Walk (20%) Cycle (1%) Taxi (2%) ii) 82% (2014-2016)	NA	i) Non-Sustainable: Car +3% Sustainable: Public Transport -1% Walk – 2% Cycle No change Taxi No change ii) No change (2013 to 2015 – 2014 to 2016)	45% car mode share Car (- 22%)	Transport for West Midlands, 2017/18
	PI5. Total Dwelling Stock Estimates*	1,704,600 (2017)	+11,480	+42,200 WMCA	+215,000 (by 2031)	MHCLG Live Tables, 2017
	PI6. Total Additional Affordable Dwellings*	2,850 (2016/17)	+520	+15,550 WMCA (2012/13 – 2016/17)		MHCLG Live Tables, 2017

²¹ Baseline is 2014.

²² Transport for West Midlands is in the process of developing an effective monitoring approach for journey time reliability.

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge	Source
	PI7.Number of Additional Affordable Rented Dwellings*	1,590 (2016/17)	+320	+5,830 WMCA (2014/15 – 2016/17)		MHCLG Live Tables, 2017
	PL8. Ratio of median house price to median gross annual residence-based earnings*	6.86 (2017)	+0.20	+1.00 WMCA +1.15 England		MHCLG Live Tables, 2017
SUSTAINABILITY - Resource efficient economy to stimulate new technology and business	E1. CO ₂ emitted within SEP area by transport, businesses and homes	21,696ktCO ₂ (2015)	-924ktCO ₂ -4.1%	-12.8% WMCA -12.7% UK	WMCA target: 40% reduction in carbon by 2030 from 2010 -5,756 ktCO ₂	Sustainability for West Midlands, 2017
	E2. No. of days poor air quality per year (rated 4 or higher on the Daily Air Quality Index) ²³	25 days	-15 days	-55.4% WMCA ²⁴ -38.1% UK	WMCA target: 1 day by 2030 -24 days	Sustainability for West Midlands, 2017

²³ Number of days is measured by region

²⁴ Baseline data is 2011

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West Midlands
Combined Authority

WMCA Board

Date	20 July 2018
Report title	Environment Portfolio Priorities - Progress Update
Portfolio Lead	Councillor Patrick Harley – Environment
Accountable Chief Executive	Jan Britton, Sandwell Metropolitan Borough Council email: jan_britton@sandwell.gov.uk tel: (0121) 569 3501
Accountable Employee	Patrick White, Director of Industrial Strategy email: patrick.white@wmca.org.uk tel: (0121) 214 7926 Dr Simon Slater, WMCA Sustainability Delivery Partner email:simon.slater@wmca.org.uk
Report has been considered by	WMCA Programme Board - 6 July 2018

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

- (1) Agree revised membership and remit of the WMCA Environment Board.
- (2) Note progress over the last nine months and emerging priorities.

1.0 Purpose

- 1.1 This paper needs to be considered by the Board to approve the strengthening of the WMCA Environment Board.

2.0 Background

- 2.1 The WMCA is committed to the delivery of clean, inclusive and resilient growth. To achieve this we seek to take a longer-term and integrated approach of delivering jobs, homes, and transport that will also improve our environment and communities. Overall sustainability reporting on economic, social and environmental progress built into the WMCA Strategic Economic Plan (SEP) and Performance Management Framework and delivered through the projects and programmes we fund.
- 2.2 To help provide independent advice, monitoring, and coordination and engagement with a diverse range of local networks and partners, the WMCA currently works with Sustainability West Midlands (SWM).
- 2.3 In September 2017 the WMCA Board agreed environment priorities, the ambition to become a 'best in class' Combined Authority in our approach to sustainability over the next 2 years, and the creation of an WMCA Environment Delivery Board to drive the work needed.
- 2.4 The workstreams are shown below. Progress will be reported through the Environment Board.
- Environment Delivery Board and Action Plan, Strategy and Monitoring, Benchmarking and Reporting
 - WMCA Internal Estates, Operations, Communications and Environmental Management
 - Green Energy and Carbon Emissions
 - Green Business and Finance Green Buildings and Retrofit
 - Natural Environment
 - Air Quality and Low Carbon Vehicle Opportunities
 - Commercial Waste
 - Brownfield Land - led by the Housing and Land Delivery Board.
- 2.5 The second national benchmark of CA 'best in class' approaches to sustainability will be out in October and progress will be considered by the Environment Board and reported to the CA Board. Appendix 3 sets out the priorities for the environment plan for the next two years.

Next steps

- 2.6 The WMCA Environment Delivery Board is driving progress on the workstreams above working with the portfolio holder and officers.

- 2.7 Given the strategic priority of improving air quality, the complexity of the issue and the role and duties of local authorities it is clear that to make the progress required we need to establish the Board with elected member representation. Many of the other issues that will have most impact on the environment of the West Midlands will also need the direct involvement and leadership of member local authorities, who also have most of the statutory duties and powers.
- 2.8 We are therefore proposing to expand the Board so that it operate on a similar model to other WMCA Boards, chaired by the WMCA Portfolio holder for Environment, and membership will be the Councillors who are the Cabinet members for Environment or recommended from the 7 constituent authorities, and 3 representatives of the sub-regional geography recommended from the non-constituent group. The current officer and partners group will continue to meet as a working group to support the Board and continue to coordinate a range of workstreams. Officer support and secretariat will be provided from within the CA.
- 2.9 The first meeting of the new WMCA Environment Board on 10th September in 2018 will include an opportunity to review progress on:
- The development of a regional low emissions strategy
 - Annual update on progress on the environmental priorities plan
 - Approval of future two year environment priorities plan.

3.0 Wider WMCA Implications

This proposal helps strengthen the WMCA delivery of the environment and the delivery of key Manifesto, SEP, and annual plan commitments.

4.0 Financial Implications

The WMCA will provide support to the new Environment Board.

5.0 Legal Implications

None at this stage.

6.0 Equalities Implications

Part of the sustainability review and benchmarking focused on the health inequalities agenda between the gap between the worst and best performing areas with the WMCA SEP area, and by gender. It is the intention of the work programme to indirectly contribute and support the work carried out by other parts of the WMCA within this area, for example by improving air quality and the inclusive growth unit.

Appendices

Appendix 1: Highlights of WMCA progress on the Environment 17/18 (extract from WMCA Annual Plan 2018/19)

- Overall good progress on clean growth showing a 24% increase in economic productivity whilst achieving a 18.3% decrease in carbon emissions in the WMCA area (2010-2015 which is the latest comparable data in April 2018).
- The UK's first annual benchmark of Combined Authorities on overall sustainability performance around areas such as leadership, strategy and delivery by SWM ranked the WMCA second. The WMCA has committed to become 'best in class' within two years.
- The creation of a new Environment Portfolio lead and agreed set of priorities, developed at a summit with the Mayor and the Climate Change Committee, supported by an Environment Delivery Board of local partners coordinated and monitored by SWM.
- Working with SWM business club networks and other partners, the WMCA has improved the coordination of existing business support and funding, promoting over £510m of accessible low carbon funding for local businesses and communities.
- The West Midlands Science and Innovation Audit launched by the Mayor identified international strengths in low carbon transport, buildings, and energy. This was reflected later in the year within the UK Government Clean Growth and Industrial Strategies and a successful bid to host the £80m UK battery research centre in Warwick.
- The second devolution deal contained a commitment to recognise the existing regional Energy Capital partnership, support a WMCA- wide energy strategy, and support a regional energy commission to explore potential innovation zones to pilot new regulation and investment in order to stimulate new energy companies, products and services.
- The WMCA held a roundtable with industry and local partners on air quality to begin to develop a longer-term roadmap to go beyond short- term compliance on a single pollutant, and tackle a wider range of pollutants to meet the SEP 2030 targets and stimulate local economic opportunities.
- Research was commissioned by the Sustainable Housing Action Partnership and the West Midlands Housing Officers Group to identify good sustainability practice for new build standards for housing, planning policies, and methods of construction.

Appendix 2: Developing a Strategic Approach to Air Quality for the WMCA

Informal consultation with internal and external stakeholders including local authorities shows that there is clear appetite for the West Midlands to develop a strategic approach on Air Quality and a low emissions strategy and delivery plan, – similar to the approach used by Greater Manchester, West Yorkshire, and partly by London in their new Environment Strategy. This is emerging good practice for our major urban areas.

We are proposing that this strategic plan will be steered by the new Environment Board and agreed by the CA board.

Emerging principles for a West Midlands approach to Air quality will be considered by the board but could include:

- Build on existing powers and duties of individual local authorities, who remain responsible for delivery and direction in their areas.
- Keep a strategic approach to improving air quality by continuing to measure an overall basket of air quality indicators, and greenhouse gases, not just Nitrogen Dioxide.
- Develop a grand challenge to address clean growth and mobility as part of WMCA Local Industrial Strategy and bid for Government funding.
- Develop a Low Emissions Strategy to help coordinate monitoring, grand challenge actions, and scale up local good practice.
- WMCA to use Environment Board Delivery Plan to lead by example, through building standards, transport contracts etc.

Appendix 3: Highlights of WMCA Environment Priorities 18/19 (extract from WMCA Annual Plan 2018/19)

- The Environment Delivery Board will publish an action plan and report progress on moving the WMCA to become 'best in class' within two years. The WMCA will address capacity gaps identified within the organisation and partners to deliver the plan.
- The WMCA will improve internal and external communication on WMCA activities around sustainability to help identify and promote good practice, enable constructive challenge and help local partners to engage and work together more effectively.
- The WMCA will work to ensure local strengths in clean growth sectors of transport, buildings and energy, as well as the importance of the natural environment, form a key part of the new Local Industrial Strategy, with the ambition to become the UK's first Combined Authority Clean Growth Industrial Strategy.
- The WMCA will work with natural environment partners, businesses, and Government to develop a long-term natural capital investment strategy to help coordinate and attract investment to improve the state and use of natural assets.
- The WMCA will work towards a longer-term roadmap supported by business and local partners to tackle overall air quality issues within the next 10 years, while working with local authority partners on shorter-term priorities.
- The WMCA will consider recommendations from Energy Capital and the Regional Energy Commission on innovation zones.
- The WMCA will promote key sustainability opportunities within WMCA key investment sites to lever local partners' expertise and innovation opportunities to maximise benefits.
- The WMCA will review, and if required, update current sustainability criteria within WMCA funding and monitoring system and building standards.



**West Midlands
Combined Authority**

WMCA Board

Date	20 July 2018
Report title	Financial Monitoring Report 2018/19
Portfolio Lead	Councillor Bob Sleight - Finance & Investments
Accountable Chief Executive	Deborah Cadman, West Midlands Combined Authority email: deborah.cadman@wmca.org.uk tel: (0121) 214 7552
Accountable Employee	Sean Pearce, Director of Finance email: sean.pearce@wmca.org.uk tel: (0121) 214 7936
Report to be / has been considered by	WMCA Programme Board - 6 July 2018

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

- (1) Note the financial position as at the end of May 2018.

1.0 Purpose

- 1.1 To provide an update of the West Midlands Combined Authority finances as at the end of May 2018.

2.0 Financial Monitoring

- 2.1 This is the first financial monitoring report of the year. A summary of the revenue and capital financial positions against the approved budget are attached at appendices 1-5. A summary of the Investment Programme along with current commitments is included in appendices 6 and 7.
- 2.2 Appendix 1 shows the overall consolidated revenue position for the West Midlands Combined Authority. The full year position at the end of May shows a £0.365 million favourable variance from budget largely due to variances within the Transport and Operational budgets due to the timing of activity across a number of areas and recruitment to vacant posts.
- 2.3 The position also shows that a number of devolution grants have not been utilised in line with budgeted profile to date. In particular, within the Operational budget (specifically Productivity and Skills where the budget profile was set prior to detailed delivery plans being in place), expenditure will be re-profiled to reflect planned spend relating to the Employment Support Pilot and £5m Construction Fund now that delivery plans have been confirmed.
- 2.4 There has been no change in the forecast position at this early stage in the year, the first re-forecast of the year will take place during July and be reported as part of the July position to August boards.
- 2.5 Note that a balance sheet will not be produced until the end of the first quarter following finalisation of the statutory accounts.
- 2.6 The 2017/18 statutory accounts and audit is now complete. A report were presented to Audit, Risk & Assurance Committee on 21 June recommending approval of the 2017/18 annual statutory accounts of the West Midlands Combined Authority (WMCA) noting the unqualified audit report, as the meeting was not quorate these will now be reported for approval to 20 July WMCA board.

3.0 Transport

- 3.1 Appendix 2 sets out the position on the Transport Revenue Budget as at the end of May 2018, showing a favourable variance of £0.136 million against budget.
- 3.2 The year to date variances are primarily due to the timing of activity and vacant posts which have not yet been recruited to. Further details of variances from budget are set out in appendix 2.
- 3.3 Note that the annual 2018/19 English national concession scheme payment to NX has now been agreed and is in accordance with policy and regulations and within budget.

4.0 West Midlands Combined Authority Operational Budget

- 4.1 Appendix 3 sets out the position on the West Midlands Combined Authority Operational budget as at the end of May 2018.
- 4.2 There is a favourable year to date variance of £0.225 million which is primarily due to a delay in the start-up of planned activity and vacant posts across a number of areas.
- 4.3 As mentioned above there has been a lower than budgeted draw down of Devolution grants to date largely against the Employment Support Pilot grant (£0.305m) and Construction Skills funding (£0.278m). Contracts for the delivery of the Employment Support Pilot were awarded in June with delivery commencing at the end of June as planned. Delivery of the first training courses to be funded through the Construction Skills fund has commenced and expenditure will now be re-profiled to reflect this.
- 4.4 Within Housing and Land where there is currently an under-spend to date of £0.064m, however, recruitment to several posts is currently in progress and so the expenditure rate will increase as we move through the year along with the Industrial Strategy area where recruitment plans are currently being firmed up.

5.0 Mayor's Office

- 5.1 Appendix 4 details the Mayor's office spend, which shows an underspend of £0.033 million to date, largely due to vacant posts yet to be recruited to.

6.0 Funding and Priorities

- 6.1 A review of current expenditure to date across all devolution grant funded budgets will take place following May month end with a view to a possible re-prioritisation of funding to support the current key areas of delivery.
- 6.2 As noted the first reforecast of all spend for the full year will be undertaken during July.
- 6.3 In the interim £0.365 million is underspent year to date. Of this the £0.136m relating to transport is a phasing of activity and is therefore expected to catch up. The £0.225m on the operating budget however has mainly accrued due to timing of recruitment to vacancies and therefore collective consideration is required to assess priorities and whether this one off balance of funding saved to date can be used to meet any gaps in priority requirements and risks.

7.0 Transport Delivery Capital Programme

- 7.1 Appendix 5 sets out the position on the Capital Programme as at the end of May 2018. Overall there is an underspend of £7.5m against the Budget. This is primarily contained within the TfWM Investment Programme (£7.4m) and primarily relates to Metro schemes.

- 7.2 More specifically, the Metro Edgbaston Extension is £1.9m below budget due to a delay in commencing complimentary Highway works (until July 2018), as statutory orders have not yet been obtained. In addition the Metro Wednesbury to Brierley Hill Extension (£1.4m) Programme has slipped, owing to a delay in completing survey and investigation work and as a consequence delaying the start of preliminary design work. Metro Wolverhampton City Centre Extension (£1.3m) has experienced delays in completion of design submissions, and the purchase of the NCP Car Park (£0.8m) originally planned in quarter 1, will not now conclude until later in the year. The Metro East Birmingham to Solihull is also behind programme due to slippage in completion of surveys and modelling works.
- 7.3 As expected at this time of the year, the forecast assumes overall spend aligned to budget, with the exception of Metro Edgbaston Extension, where an underspend of £3.6m has been reflected in May 2018. This is primarily due to early year slippage in highway works and the Canal Bridge where a change in the delivery solution has been agreed, with a knock on impact to deliverables in 2018/19. The Metro Wolverhampton City Centre Extension (£0.4m) has been reduced marginally to reflect a revised construction Programme following early year slippage in preliminary design. The SPRINT Programme has also been reduced (£0.2m), owing to delays in securing land with respect to the Hagley Road scheme, which has prevented the commencement of utility diversion works. It is anticipated the land negotiations can be resolved by the end of August 2018, allowing the utility work to commence in October 2018, with a revised completion date of July 2019.

8.0 Investment Programme

- 8.1 The financial results for the Investment Programme run one month behind the regular Management Accounts due to the requirement to consolidate out-puts across the Metropolitan area. The April results are shown in Appendix 6.
- 8.2 Due to the magnitude of the financial changes across the programme in 2017/18, a re-base exercise is currently being undertaken to the costs to completion. The numbers contained in Appendix 6 include re-based budgets as follows:
- £415m Decrease: UK Central Interchange, following changes agreed during 2017 / 2018 to remove elements of cost and funding from the programme.
 - £629m Increase: UK Central Infrastructure in relation to the significant uplift in value funded by the private sector, consistent with Strategic Outline Business Case Two.
 - £32m Increase: Coventry UK Central Plus in relation to the addition of scope to be funded from the Housing Innovation Fund for Kings Hill.
 - £32m Increase: For Wolverhampton Interchange following the agreement between WMCA and City of Wolverhampton Council to meet the cost pressure associated with the scheme.
 - £2m Decrease: Representing a minor amendment consistent with the 2018/19 returns from Coventry City Council.
- 8.3 The direct WMCA funding into the above programmes is not affected by these amendments to the project totals. WMCA are continuing to work with Project Sponsors to confirm the base-line financial targets for the current financial year.

- 8.4 The financial summary continues to highlight increased spend against the Wednesbury to Brierley Hill and Birmingham to Solihull Interchange Metro extensions. An exercise is ongoing via the Metro Delivery Board to review and verify the costs to completion for the Metro Programme and the results will be reported in due course.
- 8.5 The cost to completion against UK Central Interchange remains red in status due to the funding gap of £205m which Solihull MBC are looking to resolve.
- 8.6 Appendix 7 details the commitments made against the Investment Programme which totalled £469m to the end of May 2018.
- 8.7 Following government approval to grant the WMCA non-transport borrowing powers, work is underway to transfer the existing CIF commitments from Birmingham City Council. Also the June investment board has agreed to re-admit Sandwell MBC into the scheme and increase the fund back up to the original £70m from the temporary £60m limit.

9.0 Legal implications

- 9.1 There are no legal implications.

10.0 Equalities implications

- 10.1 There are no equalities implications.

11.0 Appendices

- Appendix 1 – WMCA Consolidated Summary – May 2018
- Appendix 2 – WMCA Transport Revenue Summary – May 2018
- Appendix 3 – WMCA Operational Revenue Summary – May 2018
- Appendix 4 – WMCA Mayor Revenue Summary – May 2018
- Appendix 5 – WMCA Capital Transport Delivery Programme – May 2018
- Appendix 6 – WMCA Investment Programme Summary – May 2018
- Appendix 7 – WMCA Investment Programme Commitments – May 2018

Appendix 1

WMCA Consolidated Summary – May 2018

		May 2018 YEAR TO DATE			FULL YEAR 2018/19		
		ACTUAL £'000	BUDGET £'000	VARIANCE £'000	FORECAST £'000	BUDGET £'000	VARIANCE £'000
INCOME							
1	Transport Levy	19,120	19,120	0	114,720	114,720	0
2	Devolution Deal grant (IP)	36,500	36,500	0	36,500	36,500	0
3	Devolution Deal grants (Other)	250	1,017	(767)	6,116	6,116	0
4	Adult Education Funding	20	33	(13)	200	200	0
5	Business rates growth*	750	750	0	4,500	4,500	0
6	Grants from Constituent members	774	774	0	4,644	4,644	0
7	Grants from Non Constituent members	71	71	0	425	425	0
8	Investment Income	100	82	18	494	494	0
9	Use of Reserves	0	12	(12)	767	767	0
Total income		57,585	58,359	(774)	168,366	168,366	0
EXPENDITURE							
Operating expenditure:							
10	Transport delivery	19,101	19,237	136	114,720	114,720	0
11	Operational budget	885	1,871	986	11,823	11,823	0
12	Investment Programme Governance	340	777	437	4,659	4,659	0
13	Mayoral Office	106	139	33	823	823	0
Capital Financing:							
14	Revenue finance of capital expenditure	36,927	36,474	(453)	36,341	36,341	0
Total expenditure		57,359	58,498	1,139	168,366	168,366	0
Net		226	(139)	365	0	0	0

* note that full year budget has been revised from £8.1m (as per the 2018/19 budget report approved in February 2018) to £4.5m. This adjustment relates to £3.6m of business rates growth income now included in the 2017/18 final accounts.

The year to date position at the end of May shows a favourable variance of £0.365m against budget. This is largely due to the timing of recruitment and activity within the Transport and the Operational budgets where there are net favourable variances of £0.136m and £0.225m respectively.

Note that there is a significant underspend against utilisation of devolution grants (3) to date. This largely sits within the Operational budget (12) and specifically the Productivity and Skills area where the Employment Support Trial is due to go live during June and also within Construction skills where the first training courses have recently been delivered and recruitment of a Project Manager is underway. The lower utilisation of grants within income is fully offset by lower expenditure.

Within the Investment Programme (13) there is a favourable variance against planned expenditure of £0.437m mainly associated with budgeted loan interest relating to borrowing to fund the Investment Programme which to date has not been necessary due to higher cash balances than anticipated because of delayed re-imbursements. This has resulted in a higher than budgeted transfer into the IP reserve (15).

A full re-forecast of expenditure will take place during July across all WMCA budgets.

Appendix 2
Transport Revenue Budget – May 2018

FINANCIAL SUMMARY AS AT MAY 2018	MAY 2018 YEAR TO DATE			FULL YEAR 2018/19			VARIANCE EXPLANATION(S)
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
TRANSPORT FOR WEST MIDLANDS							
INCOME Specific resources: Transport Levy	19,120	19,120	() 0%	114,720	114,720	0%	<div>Minor favourable variance due to phasing of some infrastructure costs</div> <div>Due to phasing on Subsidised Bus survey costs</div> <div>Favourable due to phasing of monitoring activity with less activity taking place year to date than anticipated in the budget profile</div> <div>Favourable due to Metro Concessions contract performance deduction (due to underperformance) and minor phasing on other costs (less costs year to date than anticipated in budget profile)</div> <div>Minor favourable variance due to phasing of some infrastructure costs</div> <div>Favourable due to vacant posts (which now have now been recruited to) and some phasing on Marketing and External Advice activity. Variance mostly due to lower recovery against 16 Summer Lane building income target and phasing related to purchase of ICT equipment Adverse variance due to some phasing of expenditure with some activity taking place earlier than anticipated in the budget profile</div>
TOTAL INCOME	19,120	19,120	() 0%	114,720	114,720	0%	
EXPENDITURE							
Concessions							
National Bus Concession	8,708	8,720	12 0%	52,241	52,241	0%	
Metro / Rail	755	758	4 0%	4,588	4,588	0%	
Child Concession	1,607	1,608	1 0%	9,581	9,581	0%	
Bus Services	11,070	11,086	16	66,410	66,410		
Bus Stations / Infrastructure	564	579	15 3%	3,306	3,306	0%	
Subsidised Network	1,397	1,403	6 0%	8,498	8,498	0%	
Tendering / Monitoring	77	112	35 31%	683	683	0%	
Accessible Transport	1,209	1,210	1 0%	7,261	7,261	0%	
Rail and Metro Services	3,247	3,304	57	19,748	19,748		
Metro Services	217	255	38 15%	1,561	1,561	0%	
Rail Services	327	334	7 2%	2,253	2,253	0%	
Integration	544	590	46	3,814	3,814		
Safety and Security	135	131	(5) 4%	819	819	0%	
Passenger Information	832	836	4 0%	5,123	5,123	0%	
Sustainable Travel	39	40	2 4%	253	253	0%	
Network Resilience	1,006	1,007	1	6,195	6,195		
	94	134	40 30%	831	831	0%	
Business Support Costs	555	544	(11) 2%	3,285	3,285	0%	
Strategic Development	389	372	(17) 5%	2,240	2,240	0%	
Elected Members	44	46	1 3%	271	271	0%	
Capital Finance Charges	2,152	2,155	3 0%	11,927	11,927	0%	
TOTAL EXPENDITURE	19,101	19,237	136 1%	114,720	114,720	0%	
NET	19	(117)	136 116%			0%	

Appendix 3
WMCA Operational Budget – May 2018

FINANCIAL SUMMARY AS AT MAY 2018	MAY 2018 YEAR TO DATE			FULL YEAR 2018/19			WMCA OPERATIONAL BUDGET
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
Contribution - 7 Met Council's	774	774	0	4,644	4,644	0	<p>As at the end of May 18 there is a favourable variance of £225k within the operational budget against member fee income. Specific key variances are explained below:</p> <p>Economic Growth: The overspend within Industrial Strategy relates to an under accrual last financial year for interim cover costs of the Director of Strategy post plus an earlier than budgeted return to work for the Director of Strategy (following maternity leave). Vacant Senior Policy advisor posts within Funding for Growth and Industrial Strategy are offset by lower utilisation of grant income.</p> <p>PSR: There is currently an underspend due to a vacant Lead Economist post within the Inclusive Growth area. Revised plans have led to the recruitment of a policy advisor to replace this role delivering some savings that will be utilised elsewhere. In addition there is a further vacant policy advisor post.</p> <p>Health and Wellbeing: An underspend within the Mental Health area has occurred due to a number of vacant posts which are now in the process of being recruited to.</p> <p>Housing and Land: The underspend is due to several vacant posts which are currently being recruited to. Expenditure is expected to pick up during the year once vacant posts have been filled.</p> <p>Productivity and Skills: The underspend to date largely relates to the Employment Support trial where the trial is due to go live in June and so there has been minimal spend to date. Also there has been no activity relating to the Construction skills area of work to date although recruitment of a project manager is now underway.</p> <p>Leadership: An over-spend due to unbudgeted administrative costs is offset by an unbudgeted grant contribution from the LGA towards the costs of the Executive Business Manager post.</p> <p>Corporate Support: The year to date underspend is due to vacant posts. Lower draw down of funds due to not recruiting to a digital officer post and a policy advisor posts within industrial strategy.</p>
Non-Constituent Members	63	63	0	375	375	0	
Associate Members / Official Observers	8	8	0	50	50	0	
Investment Income	82	82	0	494	494	0	
Members Fees and Investment Income	927	927	0	5,563	5,563	0	
Economic Growth							
Mayoral Capacity Funding	61	93	(32)	388	388	0	
Devo Office of Data Analytics	20	20	0	200	200	0	
Total Income	81	113	(32)	588	588	0	
Culture and Tourism Commission	0	0	0	(60)	(60)	0	
Funding for Growth	(117)	(147)	30	(880)	(880)	0	
Industrial Strategy	(96)	(63)	(33)	(308)	(308)	0	
Office of Data Analytics	(20)	(20)	0	(201)	(201)	0	
Black Country Economic Intelligence Unit	(38)	(40)	2	(240)	(240)	0	
Total Expenditure	(271)	(270)	(1)	(1,689)	(1,689)	0	
Economic Growth Net Total	(190)	(157)	(33)	(1,101)	(1,101)	0	
Public Service Reform							
Other Grants	0	17	(17)	100	100	0	
Mayoral Capacity Funding	0	17	(17)	100	100	0	
Total Income	0	34	(34)	200	200	0	
Public Sector Reform	(65)	(82)	17	(490)	(490)	0	
Inclusive growth	0	(33)	33	(200)	(200)	0	
Total Expenditure	(65)	(115)	50	(690)	(690)	0	
Public Service Reform Net Total	(65)	(81)	16	(490)	(490)	0	
Health & Wellbeing							
Mental Health Commission	(6)	(73)	67	(435)	(435)	0	
Well Being	(29)	(32)	3	(242)	(242)	0	
Total Expenditure	(35)	(105)	70	(677)	(677)	0	
Health & Wellbeing Net Total	(35)	(105)	70	(677)	(677)	0	
Housing & Land							
Devolution Housing & Land	38	103	(65)	1,000	1,000	0	
Total Income	38	103	(65)	1,000	1,000	0	
Housing and Land Commission	(63)	(128)	65	(1,150)	(1,150)	0	
Total Expenditure	(63)	(128)	65	(1,150)	(1,150)	0	
Housing & Land Net Total	(25)	(25)	0	(150)	(150)	0	
Skills & Productivity							
Devolution Productivity & Skills	14	628	(614)	3,770	3,770	0	
Adult Education Funding	20	33	(13)	200	200	0	
Total Income	34	661	(627)	3,970	3,970	0	
Productivity and Skills Commission	(64)	(133)	69	(464)	(464)	0	
Employment Support Pilot Skills	(12)	(305)	293	(1,829)	(1,829)	0	
HS2 Skills	0	(29)	29	(175)	(175)	0	
Gatsby Skills	(2)	(17)	15	(100)	(100)	0	
Construction Skills	0	(278)	278	(1,666)	(1,666)	0	
Adult Education	(20)	(30)	10	(179)	(179)	0	
Careers	0	0	0	0	0	0	
Total Expenditure	(98)	(792)	694	(4,413)	(4,413)	0	
Skills & Productivity Net Total	(64)	(131)	67	(443)	(443)	0	
Leadership							
Other Grants	7	0	7	0	0	0	
Total Income	7	0	7	0	0	0	
Leadership	(69)	(64)	(5)	(381)	(381)	0	
Total Expenditure	(69)	(64)	(5)	(381)	(381)	0	
Leadership Net Total	(62)	(64)	2	(381)	(381)	0	
Corporate Support							
Programme, Policy and Support	(261)	(319)	58	(2,061)	(1,914)	(147)	
Communications	(23)	(68)	45	(260)	(407)	147	
Total Expenditure	(284)	(387)	103	(2,321)	(2,321)	0	
Corporate Support Net Total	(284)	(387)	103	(2,321)	(2,321)	0	
TOTAL RETURN	202	(23)	225	0	0	0	

	MAY 2018 YEAR TO DATE				FULL YEAR 2018/19			
	ACTUAL £000	BUDGET £000	VARIANCE £000		FORECAST T £000	BUDGET £000	VARIANCE £000	
MAYORAL OFFICE								
Mayoral Capacity Fund*	106	139	(33)	24%	558	558	0	0%
Use of Reserves	0	0	0	0%	265	265	0	0%
TOTAL INCOME	106	139	(33)	24%	823	823	0	0%
Staff Costs	(82)	(117)	35	30%	(692)	(692)	0	0%
Agency Staff	(8)	0	(8)	0%	0	0	0	0%
Travel & Subsistence	0	(2)	2	100%	(10)	(10)	0	0%
Other	(1)	(7)	6	86%	(40)	(40)	0	0%
Direct Recharges	0	0	0	0%	(2)	(2)	0	0%
Indirect Recharges	(2)	0	(2)	0%	0	0	0	0%
Indirect Recharges	(13)	(13)	0	0%	(79)	(79)	0	0%
TOTAL EXPENDITURE	(106)	(139)	33	24%	(823)	(823)	0	0%
NET	0	0	0	0%	0	0	0	0%

As at the end of May 18 the Mayoral budget has a favourable variance of £33k against budgeted expenditure this is largely due to vacant posts which have not yet been recruited to.

* note that this is only part of the Mayoral Capacity Fund granted to WMCA for 2018/19 with the balance being used to support the WMCA Operational budget.

Appendix 5
WMCA Transport Delivery Capital Programme – May 2018

Financial Summary Month Ending May	YEAR TO DATE			FULL YEAR 2018/19			
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
TFWM Directly Delivered Investment Programme Schemes							
<u>HS2 Connectivity Programme:</u>							At the end of May 2018, actual expenditure was £7.4m below budget
Bilston Road Track Replacement Phase 2	(14)	0	(14)	(262)	(250)	(12)	The main variances are contained within the Metro Programme. The Metro Edgbaston Extension was £1.9m below Budget, due to delays in obtaining Statutory Orders, which has pushed back the commencement of Complimentary Highway works until July 2018. The Metro Wednesbury to Brierley Hill Extension is below budget (£1.4m) due to minor slippage in completion of Survey work and site investigations. As a consequence Preliminary Design work has been delayed. The Metro Wolverhampton City Centre Extension has commenced Construction but on a lesser scale to anticipated due to delays in design submissions. In addition the purchase of the NCP Car park (£0.8m) expected in Q1 18/19, will not now be concluded until later in the year. The main Construction works have also been pushed back to November 2018 due to delays in completion of detailed Design. The Metro East Birmingham to Solihull Extension was also behind Budget (£1.2m) due to delays in completion of Surveys and Modelling works, and as a consequence pushing back the commencement of Preliminary Design.
Sprint Network	(156)	(562)	406	(4,994)	(5,227)	233	
Investment Programme Rail Programme	(135)	(135)	0	(135)	(135)	0	
Metro Centenary Square Extension	(2,354)	(3,013)	659	(17,422)	(17,422)	0	
Metro Wolverhampton City Centre Extension	(1,588)	(2,858)	1,270	(13,196)	(13,593)	397	
Metro Edgbaston Extension	(1,481)	(3,385)	1,904	(13,737)	(17,289)	3,552	
<u>Other TFWM Investment Programme Schemes</u>							The Annual Forecast is £4.2m below Budget.
Metro Birmingham Eastside Extension	(864)	(1,425)	561	(22,859)	(22,859)	0	The main variance relates to Metro Edgbaston Extension (£3.5m), reflecting delays to the current Programme. Also the Metro Wolverhampton City Centre Extension has been reduced by£0.4m to reflect the Design delays, which have pushed back the commencement of the construction schedule until November. The SPRINT Programme underspend is reflective of advance Utility work on the Hagley Road Scheme, which cannot commence until land agreements have been secured. As a consequence some of the Construction work expected to start in Q4 18/19 will slip into 2019/20.
Metro East Birmingham to Solihull Extension	(1,513)	(2,730)	1,217	(13,273)	(13,273)	0	
Metro Wednesbury to Brierley Hill Extension	(1,471)	(2,903)	1,432	(34,510)	(34,510)	0	
TOTAL TFWM INVESTMENT PROGRAMME	(9,576)	(17,011)	7,435	(120,388)	(124,558)	4,170	
TFWM Other Major Schemes							
Longbridge Connectivity Package	(15)	(20)	5	(3,557)	(3,557)	0	At the end of May 2018, there is a minor underspend against Budget
Connected and Autonomous Vehicles	(27)	(67)	40	(1,100)	(1,100)	0	
TOTAL TFWM INVESTMENT PROGRAMME	(42)	(87)	45	(4,657)	(4,657)	0	
TFWM Minor Works Programme							
TFWM Minor Works Programme	(636)	(643)	7	(10,534)	(10,532)	(2)	At the end of May 2018, there is a minor underspend against Budget
TOTAL TFWM INVESTMENT PROGRAMME	(636)	(643)	7	(10,534)	(10,532)	(2)	
TFWM Administered Programme							
TFWM Administered Programme	(27)	(30)	3	(4,777)	(4,762)	(15)	At the end of May 2018, there is a minor underspend against Budget
TOTAL TFWM INVESTMENT PROGRAMME	(27)	(30)	3	(4,777)	(4,762)	(15)	
GRAND TOTAL TFWM CAPITAL PROGRAMME	(10,281)	(17,771)	7,490	(140,356)	(144,509)	4,153	

Note: The Year to-date variance attributable to timing amounts to 99%

Appendix 6
WMCA Investment Programme Financial Summary period ending 30th April 2018

	2018 / 2019 YEAR TO DATE			2018 / 2019 FULL YEAR			COST TO COMPLETION					
	ACTUAL	BUDGET	VARIANCE	BUDGET	FORECAST	VARIANCE	PRIOR YEAR SPEND	2018/19 FORECAST	FUTURE YEARS FORECAST	TOTAL FORECAST OUTTURN	TOTAL BUDGET	VARIANCE
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
UK CENTRAL : HS2 INTERCHANGE	51	51	0	12,718	12,718	0	3,947	12,718	587,946	604,612	604,612	0
UK CENTRAL : HS2 INFRASTRUCTURE	90	90	0	13,425	13,425	0	2,155	13,425	1,262,426	1,278,006	1,278,006	(0)
CURZON STREET STATION MASTERPLAN	0	0	0	4,406	4,406	0	0	4,406	551,894	556,300	556,300	0
METRO BIRMINGHAM EASTSIDE	399	399	0	22,859	22,859	0	6,217	22,859	108,123	137,200	137,200	0
METRO BIRMINGHAM TO SOLIHULL INTERCHANGE	688	688	0	13,273	13,273	0	4,102	13,273	717,626	735,000	675,000	(60,000)
HS2 WIDER CONNECTIVITY PACKAGE	4,562	5,896	1,334	112,197	108,027	4,170	106,997	108,027	887,440	1,102,465	1,102,465	0
BRIERLEY HILL METRO EXTENSION	498	498	0	34,510	34,510	0	7,368	34,510	301,722	343,600	310,000	(33,600)
NATIONAL COLLEGE FOR HIGH SPEED RAIL	0	0	0	78	78	0	25,431	78	0	25,509	25,233	(276)
HS2 GROWTH STRATEGY PROGRAMME MANAGEMENT	20	20	0	239	239	0	615	239	3,547	4,400	4,400	0
HIGH SPEED SUPPLY CHAIN & BUSINESS SUPPORT	0	0	0	TBC	TBC	-	11,270	TBC	TBC	350,000	350,000	0
HS2 GROWTH STRATEGY TOTAL	6,307	7,641	1,334	213,706	209,536	4,170	168,102	209,536	4,420,724	5,137,092	5,043,216	(93,876)
COVENTRY UK CENTRAL PLUS CONNECTIVITY	167	167	0	8,922	8,922	0	2,341	8,922	492,867	504,130	504,130	0
COVENTRY CITY CENTRE REGENERATION	679	679	0	25,394	25,394	0	5,821	25,394	326,556	357,771	357,771	0
COLLECTIVE INVESTMENT VEHICLE	0	0	0	20,000	20,000	0	20,785	20,000	959,215	1,000,000	1,000,000	0
LAND RECLAMATION	0	0	0	20,000	20,000	0	0	20,000	180,000	200,000	200,000	0
COMMONWEALTH GAMES	0	0	0	25,000	25,000	0	0	25,000	0	25,000	25,000	0
DEVOLVED TRANSPORT INVESTMENT	0	0	0	0	0	0	0	0	1,299,000	1,299,000	1,299,000	0
EZ EXPANSION EXCLUDING CURZON	0	0	0	0	0	0	0	0	20,000	20,000	20,000	0
EMPLOYMENT EDUCATON & SKILLS	0	0	0	0	0	0	0	0	20,000	20,000	20,000	0
BUSINESS INNOVATION	0	0	0	0	0	0	25	0	49,975	50,000	50,000	0
OTHER INVESTMENT PROGRAMME SCHEMES	846	846	0	99,316	99,316	0	28,972	99,316	3,347,613	3,475,901	3,475,901	0
GRAND TOTAL	7,153	8,487	1,334	313,022	308,852	4,170	197,074	308,852	7,768,337	8,612,993	8,519,117	(93,876)

The financial results for April are shown above. Due to the magnitude of the financial changes across the programme during 2017/18, a re-base exercise is currently being undertaken. The numbers contained in the report above include re-based cost to completion budgets as follows:

- 1) £415m Decrease : UK Central Interchange, following changes agreed during 2017 / 2018 to remove elements of cost and funding from the programme.
- 2) £629m Increase : UK Central Infrastructure in relation to the significant uplift in value funded by the private sector, consistent with Strategic Outline Business Case Two.
- 3) £32m Increase : Coventry UK Central Plus in relation to the addition of scope to be funded from the Housing Innovation Fund for Kings Hill.
- 4) £32m Increase : For Wolverhampton Interchange following the agreement between WMCA and City of Wolverhampton Council to meet the cost pressure associated with the scheme.
- 5) £2m Decrease : Representing a minor amendment consistent with the 2018/19 returns from Coventry City Council.

The financial allocations into these projects funded by WMCA are not affected by these amendments to the project totals. WMCA are continuing to work with Project Sponsors to confirm the base-line financial targets for the current financial year.

The report above does however continue to highlight forecast increases in spend against the Wednesbury to Brierley Hill and Birmingham to Solihull Interchange Metro extensions which are currently being reviewed by TfWM and the MMA with funding options being reviewed.

The cost to completion against UK Central Interchange remains red due to the funding gap of c.£205m which Solihull MBC are looking to resolve.

WMCA Investment Programme Commitment Profile

			FORECAST COMMITMENT PROFILE															TOTAL APPROVALS	
Scheme (s)	Total Expected WMCA Funding into Programme	WMCA Funding Approved to be Released	2018/19					2019/20				Post 2019/20					Timescale to be Confirmed		
			May	June	July to September	October to December	January to March	April to June	July to September	October to December	January to March	2020/21	2021/22	2022/23	2023/24	2024/25			
Approved Investment WMCA Management Board & Assurance Framework:			£	£	£	£	£	£	£	£	£	£	£	£	£	£	£'000		
Coventry City Centre South			98,753,985														98,753,985		
Coventry Friargate			51,200,000														51,200,000		
Innovation CDS			50,000,000				250,000		3,825,000			11,383,000	12,884,000	11,383,000	5,000,000	4,803,500	50,000,000		
Black Country Strategic Brownfield Land Programme			150,000,000										32,500,000	32,460,000	32,000,000		150,000,000		
Brownfield Land & Property Development Fund			50,000,000		620,000	4,566,000	5,000,000	5,000,000									50,000,000		
Sprint Birmingham to Sutton			27,100,000				4,990,000		21,810,000								27,100,000		
Sprint - A34 Walsall to Birmingham			27,700,000				3,600,000		23,800,000								27,700,000		
Sprint - Birmingham to Longbridge			38,400,000						4,100,000			34,000,000					38,400,000		
Sprint - Hagley Road (Phases 1 & 2)			74,600,000				7,460,000			64,240,000							74,600,000		
Sprint - Half Green to Interchange via Solihull			26,900,000									26,600,000					26,900,000		
Sutton Coldfield Gateway (Rail)			20,900,000			20,533,000											20,900,000		
HS2 Connectivity (Rail)			90,440,000			86,820,000											90,440,000		
UK Central Interchange Programme	Land Valuations	50,000															50,000		
	Car Park Strategy	30,000															30,000		
	Utilities Investigations	100,000															100,000		
	UGC Business Plan	10,061,000															10,061,000		
	HS2 Change Request	260,000,000						260,200,000									260,000,000		
UK Central Infrastructure Programme	Bham Int Station hub redevelopment	81,000,000									71,730,000						81,000,000		
	Interchange - remaining projects	46,359,000									46,359,000						46,359,000		
	UKC Infrastructure Programme - Phase 1	62,600,000							49,441,000								62,600,000		
UKC Infrastructure Programme - Phase 2		225,840,000							225,840,000								225,840,000		
Edgbaston Metro Extension (HS2 CP)			58,900,000														58,900,000		
Coventry UKC Plus	Country South - A46 Link Road	81,300,000		1,325,000					31,225,200	2,675,000		43,874,800					81,300,000		
	Coventry South - Binley & Walgrave Junction	50,000,000									50,000,000						50,000,000		
	Coventry South Interchange	18,000,000					1,500,000				2,200,000	13,900,000					18,000,000		
	Coventry South - Tile Hill Station Improvements	7,200,000			500,000	6,500,000											7,200,000		
	Coventry Station Masterplan (CC First)	39,400,000															39,400,000		
	Coventry North	22,700,000					3,861,000				18,639,000						22,700,000		
Very Light Rail		55,000,000									42,795,179						55,000,000		
Wednesbury Brierley Hill Metro			103,000,000			103,000,000											103,000,000		
Wolverhampton Interchange			27,400,000														27,400,000		
HS2 Programme Governance			3,023,270						280,738			283,546	286,380	288,244	292,136	593,067	3,023,270		
Commonwealth Games			25,000,000														25,000,000		
Sub Total - Approvals to Date and Forecast Based on Approved SOCs			1,882,957,255						612,521,938	-	64,240,000	120,764,000	159,300,725	116,145,180	58,032,244	37,292,136	5,396,567	-	1,882,957,255
Projects Yet to Enter Assurance Process:																			
HS2 Connectivity - Sprint Programme (Routes not Detailed above)			18,110,000														18,110,000		
HS2 Connectivity - Rail Programme			74,760,000														74,760,000		
Coventry UKC Plus Coventry Ring Road Imp. & remaining funding			10,450,000														10,450,000		
Metro - Bilston Road Track Replacement			15,985,000														15,985,000		
Employment Education & Skills			20,000,000														20,000,000		
Sub Total - Projects Yet to Enter Assurance			139,305,000														123,320,000	139,305,000	
Total Potential Commitment Against Devolution Grant			2,022,262,255						612,521,938	-	64,240,000	120,764,000	159,300,725	116,145,180	58,032,244	37,292,136	5,396,567	123,320,000	2,022,262,255



WEST MIDLANDS COMBINED AUTHORITY

Investment Board

Monday 4 June 2018 at 10.00 am

Minutes

Present

Councillor Izzi Seccombe (Chair)
Councillor Robert Hulland
Nick Abell

Gary Taylor

Sue Summers

Warwickshire County Council
Solihull Metropolitan Borough Council
Coventry & Warwickshire Local
Enterprise Partnership
Greater Birmingham & Solihull Local
Enterprise Partnership
Finance Birmingham

In Attendance

Gerald Gannaway
Carl Craney
Sean Pearce
Kauser Agha

Finance Birmingham
West Midlands Combined Authority
West Midlands Combined Authority
City of Wolverhampton Council, Dudley
MBC, Sandwell MBC and Walsall MBC

Item Title No.

105. Apologies for Absence (if any)

Apologies for absence had been received from Councillor Jim O'Boyle (Coventry City Council), Councillors Sean Coughlan and Adrian Andrew (City of Wolverhampton Council, Dudley MBC, Sandwell MBC and Walsall MBC), Councillor Majid Mahmood (Birmingham City Council) and Paul Brown (Black Country Local Enterprise Partnership).

Apologies for absence had also been received from David Cockroft (Coventry City Council), Sarah Middleton (Black Country Local Enterprise Partnership), Nick Oakley (Finance Birmingham) and Gareth Bradford (West Midlands Combined Authority).

106. Chair's Announcement

The Chair welcomed those present to the meeting including Tom Dare, a reporter from the Birmingham Mail.

107. Nomination of Substitutes (if any)

No substitutes had been nominated.

108. Declarations of Interests (if any)

No declarations of interest were made in relation to items under consideration at the meeting.

109. Minutes of last meeting

Resolved:

That the minutes of the meeting held on 30 April 2018 be confirmed as a correct record and signed by the Chair.

110. Matters Arising

There were no matters arising from the minutes of the meeting held on 30 April 2018.

111. Investment Board Programme Update

Sean Pearce presented a report on the status of the Investment Programme to help to set the context for any investment decisions made by the Board.

Gary Taylor questioned whether the necessary work had been carried out with regard to the West Midlands Combined Authority Board being recommended to increase the value of the Collective Investment Fund from £60 million to £70 million following the WMCA acquiring the necessary borrowing powers as detailed in the report. Sean Pearce reported that the Finance Directors of the seven Metropolitan authorities had been consulted on this matter and agreed with the proposal.

Nick Abell questioned the source of the additional borrowing. Sean Pearce reported that the Public Works Loans Board would be the likely source unless more preferential terms could be sourced. Nick Abell enquired as to the source of the original £60 million. Sean Pearce explained that this sum had been underwritten by six of the seven Metropolitan Authorities and the sum had been borrowed on that basis.

Councillor Robert Hulland drew to the attention of the Board the number of new jobs created and the increase in Business Rates available as a result of the investments made.

Resolved:

That the West Midlands Combined Authority Board be recommended to:

- 1 Note the reduction of £8.3 million in relation to Investment Programme commitments made by West Midlands Combined Authority as detailed in Section 3 of the report.
- 2 Note the out-turn against the Investment Programme for 2017/18 as detailed in Section 5 of the report.
- 3 To revoke its previous decision to exclude Sandwell MBC from the Collective Investment Fund following WMCA acquiring the necessary borrowing powers as detailed in Section 6 of the report.
- 4 To recommend an increase in the value of the Collective Investment Fund from £60 million to £70 million following WMCA acquiring the necessary borrowing powers as detailed in Section 6 of the report.

- 5 Agree the principle of applying the Investment Programme Assurance Framework to Investment Programme schemes only as detailed in Section 7 of the report.
- 6 Note the Investment Programme related revenue expenditure for 201/17 as detailed in Section 5.4 of the report.

112. 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).

113. Tatton Hall Homes Ltd. - Residential Development - W H Marren Site, Harper Street, Willenhall - Brownfield Land and Property Development Fund (BLPDF)

Gerald Gannaway presented a report which sought approval, subject to conditions, of £620,000 Land Remediation / Visibility Grant in respect of additional costs relating to the element of contamination and issues with ground conditions due to the former use as a scrap yard, derelict buildings and shallow mine workings on land at the W H Marren site, Harper Street, Willenhall, WV13 1SW for the creation of 52 homes. He responded to various questions raised by the Board in respect of surety and security of the grant, potential scenarios, the ability of the Board to grant assist works associated with piling and possible alternative use of the land.

Resolved:

That subject to the conditions contained in the report and the WMCA retaining first charge on the land until such time as it was developable, a grant of £620,000 from the Brownfield Land and Property Development Fund be approved.

114. WMCA CIF Dashboard

Gerald Gannaway presented the Collective Investment Fund (CIF) Dashboard as at 21 May 2018. Sue Summers drew to the attention of the Board that the loan to Goold Estates Ltd. had been repaid some 15 months ahead of schedule.

Resolved:

That the Dashboard be received and noted.

115. WMCA BLPDF Dashboard

Gerald Gannaway presented the Brownfield Land and Property Development Fund (BLPDF) Dashboard as at 21 May 2018.

Resolved:

That the Dashboard be received and noted.

The meeting ended at 10.31 am.



WEST MIDLANDS COMBINED AUTHORITY

Transport Delivery Committee

Monday 11 June 2018 at 1.15 pm

Minutes

Present

Councillor Richard Worrall (Chair)	Walsall Metropolitan Borough Council
Councillor Phil Davis (Vice-Chair)	Birmingham City Council
Councillor Timothy Huxtable (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 David Stanley	Dudley Metropolitan Borough Council
Councillor David Welsh	Coventry City Council

Item Title No.

151. Apologies for absence

Apologies for absence were received from Councillors Andrew and Linnecor.

152. Chair's Remarks

The Chair welcomed Councillors Keith Allcock (Sandwell MBC) and Celia Hibbert (City of Wolverhampton Council) as observers to the meeting; both councillors would formally be joining the committee from the next meeting.

The Chair, Councillor Worrall, reported that this was his last meeting as he would be replaced by Councillor Ditta as the Labour Group representative for Walsall MBC on Transport Delivery Committee for the new municipal year.

Councillor Worrall expressed his appreciation to colleagues, officers and all parties who had supported him during his two years as Chair. He also expressed his sadness that Councillor Hanif would not be returning to the committee as Dudley MBC had decided not to appoint in accordance with a proportional system of governance.

The Majority Vice-Chair, Councillor Davis, thanked Councillor Worrall for his leadership, good humour, support and for chairing the committee. He added that it was a personal pleasure working with Councillor Worrall, noting that he was a great campaigner and thanked him on behalf of all the committee for his work.

The Opposition Vice-Chair, Councillor Huxtable, endorsed the comments made by Councillor Davis, thanked Councillor Worrall for his impartiality in chairing the meetings and for introducing a proportional system of governance which he hoped would continue so the committee could work together for better transport across the West Midlands.

The Managing Director of TfWM, Laura Shoaf thanked Councillor Worrall on behalf of the WMCA and team at TfWM for all his work and conveyed her thanks to all councillors who would not be returning to TDC for the new municipal year and added that the Mayor would also like to say thank you to the Chair.

The Mayor of the West Midlands, Andy Street, joined the meeting at this point in the proceedings to convey his thanks to Councillor Worrall and expressed his appreciation on behalf of the WMCA for Councillor Worrall's hard work.

153. Minutes of the last meeting

The minutes of the meeting held on 14 May were agreed and signed by the Chair as a correct record.

154. Matters Arising

(i) Matters Arising (*Minute no.137 refers*)

In relation to finding a better location for service 89 in Balsall Common, Jon Hayes, Head of Network Delivery advised Councillor Richards that the matter was still on-going and he would continue to keep Councillor Richards updated on the matter.

(ii) Bus Alliance Update (*Minute no. 144 refers*)

In relation to Councillor Lal's enquiry as to whether an area bus ticket for Birmingham could be introduced, it was agreed that that the Head of Network Delivery would explore the matter with National Express.

(iii) Rail Business Report (*Minute no. 145 refers*)

In relation to the Virgin Partnership Agreement, Councillor Horton, Lead Member for Rail and Metro, advised the committee that dates are still to be agreed for partnership meetings.

(iv) Bus Rationalisation – Next Steps (*Minute no. 146 refers*)

In relation to a review being undertaken of the Pershore Road and a request from Councillor Huxtable to receive a briefing note on the matter following the outcome of the review, Councillor Hartley, Lead Member for Putting Passengers First, asked that the briefing note be considered by the Lead Member Reference Group for Putting Passengers First in the first instance as she had raised the issue.

155. Clarification of National Express West Midlands' consultation process on network reviews

The committee considered a report from National Express that was submitted to provide clarification of the company's consultation process on network reviews.

Ali Bell, Head of Communications, National Express, presented the report and explained the reasons why National Express would not accept petitions from the public or councillors that are subject to a live National Express West Midlands (NXWM) consultation process.

Councillors Horton and Welsh reported that they are obliged to pass on a petition to the company that relates to National Express bus services if received from members of the public and reported of the need for National Express to explain the consultation process they are undertaking to councillors.

The Director of Integrated Transport Services, Pete Bond, reported that the process outlined was a National Express petitions process and did not affect TfWM's process on petitions as TfWM would continue to liaise with bus operators and seek their response as part of the process.

Councillor Richards considered that questions asked as part of consultation process should be clear and should not mislead the public in anyway.

In relation to a comment from Councillor Huxtable regarding the need for TfWM to take into account the accessibility of a service and have advance knowledge of the issues concerned, the Director of Integrated Transport Services advised that when a network review is undertaken, TfWM does take into account the service provision around the network.

In relation to the petitions process, Councillor Alden enquired as to the most accessible way for members to have their say on a review and also considered consultations need to be more accessible for people.

Ali Bell, National Express, concurred with Councillor Alden and the comments made that general reviews produce vague/general responses and there needs to be clear and agreed channels of communications that are accessible to people. Additionally, she considered the company would need to talk to those individuals who are struggling to submit a response.

The Chair reported that this was topic that required further discussion and proposed that National Express attend a pre-TDC policy briefing session.

Ali Bell, National Express, agreed to the proposal.

Resolved: That National Express be invited to attend a pre-TDC policy briefing to discuss their policy regarding the petitions and consultation process on network reviews.

156. Metro Operations Business Update Report

The committee considered a report from the Metro Operations Manager that provided an update in relation to performance, operation and delivery of Metro services in the West Midlands.

The Metro Operations Manager, Sophie Allison, introduced Anthony Stanley from National Express Midland Metro and reported that it was the lasting meeting the company would be attending as Metro would be operated by Midland Metro Limited from 24 June 2018. The Metro Operations Manager expressed her appreciation to Anthony Stanley and National Express Midland Metro for their work and support over the years on behalf of TfWM.

The Lead Member for Rail and Metro, Councillor Horton conveyed his thanks to all Metro staff at National Express on behalf of TDC members.

In relation to an enquiry from Councillor Davis regarding driver availability and whether TfWM envisaged there would be any issues as the network expanded, the Metro Operations Manager advised that recent staffing difficulties related to long-term sickness but following a recent recruitment exercise undertaken jointly with National Express Midland Metro, it was expected the posts would be filled shortly.

In relation to the recent delays caused to Metro due to the delay in repairing the overhead lines, Anthony Stanley, National Express reported that consideration was being given to putting service level agreements in place with contractors moving forward.

With regards to a comment from the Chair regarding the work being undertaken by rail operators on suicide prevention and whether Midland Metro would also focus on this area, the Metro Operations Manager reported that Midland Metro could work with the WMCA's Mental Health Implementation Director and undertook to look into the matter.

Councillor Horton, Lead Member for Rail and Metro, thanked Anthony Stanley and Sophie Allison for presenting the report.

Resolved: That the contents of the report be noted.

157. Midland Metro Conditions of Carriage

The committee considered a report of the Metro Operations Manager that sought approval of the proposed Conditions of Carriage for Midland Metro Limited.

It was noted that on 24 June 2018 Midland Metro Limited would commence the operation of Midland Metro tram service, under the terms of the public service contract awarded by the West Midlands Combined Authority and new Condition of Carriage would come into effect on this date to reflect the change of operator.

The Metro Programme Director, Phil Hewitt reported that there no material changes to the Conditions of Carriage ; approval was required in advance of the operator Midland Metro Limited commencing operation.

Resolved:

1. That the contents of the report be noted; and
2. That the proposed Conditions of Carriage for Midland Metro Limited be approved.

158. Presentation : Metro Public Service Contract

The Metro Programme Director, Phil Hewitt presented an overview of the public service contract for Midland Metro Limited.

The presentation outlined how Midland Metro Limited would operate, the public service contract, the PSC contractual structure and its key features including specifications, performance, payments and network development.

In relation to an enquiry from Councillor Stanley as to when Midland Metro Limited could expect to be in a profit position, the Metro Programme Director advised that he envisaged profits would be realised within 2-3 years but this could be earlier dependent on front end costs. He added that he hoped Metro would be carrying around 30 million people when the network is fully expanded and is up and running.

The Chair thanked Phil Hewitt for his informative presentation.

159. Midland Metro Wednesbury to Brierley Hill Extension Update

The committee considered a report of the Metro Programme Director that provided an update on progress with the Wednesbury to Brierley Hill Extension.

The Metro Programme Director, Phil Hewitt, outlined the key aspects of the report.

In relation to the remaining 18 objections to the draft Transport and Works Act Order which are being negotiated with the relevant parties, Councillor Stanley reported that he would be happy to help in this matter so that the objections could be progressed as quickly as possible.

The Metro Programme Director thanked Councillor Stanley for his offer of assistance and undertook to contact him if required.

In relation to the project risk that relates to Network Rail, notably the level of passive provision required for future rail use and the request for more information on the matter, the Chair proposed that the matter be discussed in detail at a Rail and Lead Member Reference Group meeting.

The Metro Programme Director confirmed that he was happy to attend such a meeting to report on this item.

Resolved: That the contents of the report be noted.

160. Customer Services Performance Report

The committee considered a report of the Head of Customer Services that updated them on matters relating to the performance of the Customer Relations and Ticketing Teams which included changes to the Customer Services delivery arrangements, Customer Contact performance, ticketing performance and future developments.

The Head of Customer Services, Sarah Jones, outlined the report and referred to the creation of two new teams; the Ticketing Services Team that brings together all activities related to the customer's 'ticketing journey' and the new Customer Relations Team to deal with all non-ticketing related customer contact so that the teams could provide dedicated and specialist support in these areas

Councillor Hartley, Lead Member for Putting Passengers First, added that the teams have moved into a new office suite on 4th Floor in 16 Summer Lane and it would be good for a small group of members to see the new teams in action.

Resolved: That the report be noted.

161. West Midlands Cycling Charter Progress

The committee considered a report of the Cycling and Walking Development Manager that provided an update on progress with the West Midlands Cycling Charter Action Plan.

The Cycling Charter Coordinator, Hannah Dayan, outlined the report focusing on the Cycling Charter Action Plan.

Councillor Akhtar reported of the need to work more with schools to encourage children to use bicycles more in order to embed cycling as mode of transport for future generations.

Councillor Richards reported that he supported increasing cycling and walking but considered work was needed to get the balance right on cycling measures as ill- conceived cycle routes could create congestion and cause an increase in air pollution resulting in poor public perceptions of cycle routes.

Councillor Alden noted the issue of safety for cyclists and the need to use canal tow paths more.

The Chair considered that a connected cycle network was required across the West Midlands in order to get people to change their travel habits.

The Cycling Charter Coordinator thanked members for their comments and reported that an integrated approach was being undertaken to link cycling with other transport modes, to Metro and Sprint schemes for example, where consideration is being given to the planning of journeys around routes and the infrastructure that would be needed.

Resolved: That progress to date with the West Midlands Cycling Charter Action Plan be noted.

162. West Midlands Stations Alliance Update

The committee considered a report of the Strategic Lead, Rail Policy Manager, West Midlands Rail that provided an update on recent progress with developing the West Midlands Stations Alliance concept between Network Rail, West Midlands Railway and the West Midlands Rail partnership of local authorities (which includes WMCA and its constituent authorities).

The Strategic Lead, Rail Policy Manager, Toby Rackliff, outlined the report which included the issues the West Midlands Stations Alliance (WMSA) concept was seeking to address, the reasons for the concept of WMSA and the WMSA Station Master Planning Pilot.

Councillor Davis reported that he welcomed the report but sought assurances that Network Rail had named individuals committed to taking forward the West Midlands Stations Alliance.

The Strategic Lead, Rail Policy Manager confirmed that Network Rail has shown commitment to WMSA and undertook to provide Councillor Davis with the names of Network Rail Officers involved outside of the meeting.

Resolved:

1. That the recent progress with developing the West Midlands Stations Alliance concept between Network Rail, West Midlands Railway and the West Midlands Rail partnership of local authorities be noted;
2. That progress with the pilot stations master planning work which has been undertaken at local stations on the Stour Valley and Chase Lines be noted and
3. That the proposed next steps of the West Midlands Stations Alliance and Station Master Planning workstreams be noted.

163. Park and Ride Update

The committee considered a report of the Head of Park and Ride that provided an update relating to the delivery and development of park and ride sites in the TfWM area since the committee considered the previous report on 9 October 2017.

The Head of Park and Ride, Babs Spooner, outlined the report and informed the committee that she was part of a new specific Park and Ride Team of two which also included the Park and Ride Development Manager, Guy Craddock, supported by the wider TfWM Team to take forward the various workstreams.

Councillor Huxtable reported that he welcomed the setting up of the Park and Ride Team but would have liked to have seen more progress on some of the park and ride projects.

In relation to the funding approach to park and ride, Councillor Huxtable noted that the management and operation of car parks is partially funded by West Midlands tax payers via the levy and proposed that contributions are sought from other district authorities such as Warwickshire and Worcestershire councils towards the operational costs and enquired whether the Swift card could be considered as means of charging non-West Midlands residents for parking at TfWM park and ride sites.

Councillor Stanley commented that the report did not refer to park and ride for Coseley Station and reported that research has been undertaken locally on possible sites for expanding park and ride in the area and undertook to provide the Head of Park and Ride with further details on the matter.

The Head of Park and Ride undertook to meet with Councillor Alden regarding park and ride for Erdington.

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
3. That progress with Longbridge Park and Ride where charging will be introduced on opening from next Spring be noted.

164. Notices of Motion

None submitted.

165. Questions

None submitted.

166. Forward Plan

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

Resolved: That the report be noted.

The meeting ended at 3.50 pm.



WEST MIDLANDS COMBINED AUTHORITY

Audit, Risk & Assurance Committee

Thursday 21 June 2018 at 10.00 am

Minutes

Present

David Lane (Chair)

Councillor Craig Collingswood (Vice-Chair) City of Wolverhampton Council

Councillor Kerrie Carmichael

Sandwell Metropolitan Borough Council

Councillor Alexander Phillips

Shropshire Council

Councillor Ian Robertson

Walsall Metropolitan Borough Council

Councillor June Tandy

Nuneaton & Bedworth Borough Council

Sarah Windrum

Coventry & Warwickshire LEP

In Attendance

Councillor Joe Roberts

Dudley Metropolitan Borough Council

Councillor Jackie Taylor

Sandwell Metropolitan Borough Council

Item No.

75. Inquorate Meeting

Please note that in accordance to the WMCA Constitution, this meeting was inquorate. However, the recommendations contained within the minutes were submitted to the WMCA Board on 20 July 2018 for formal approval and adoption.

76. Apologies for Absence

Apologies for absence were received from Councillor Keith Chambers (Walsall Metropolitan Borough Council), Councillor Steve Clark (Dudley Metropolitan Borough Council), Sean Farnell (Coventry & Warwickshire LEP), John Fisher (Redditch Borough Council).

77. Declaration of Interest

Councillor Alexander Phillips declared a personal interest in minute no. 84 in respect of his membership of the Shropshire Fire & Rescue Authority.

78. Minutes of the meeting held on 16 March 2018

The minutes of the meeting held on 16 March 2018 were agreed and signed by the Chair as a correct record.

79. Matters Arising

(a) Data Security Arrangements 2017-18

The Director of Finance confirmed that all relevant information security documentation was now ratified and published on the West Midlands Combined Authority's Sharepoint Intranet Policies and Procedures page specifically Information Security Policy, Information Classification Policy, Information Security Acceptable Use Policy and Security Operating Procedure, Mobile Device Security Operating Procedure, Internet and Email Use Policy, Information Risk Management Policy and Information Risk Management Procedure.

80. Forward Plan

The committee considered the plan of items to be reported to future meetings of the committee.

With regard to Wolverhampton Interchange Project, the Chair requested that the committee received the recommendations of the Investment Board together with the findings from the City of Wolverhampton Council at its next meeting.

The Chair asked the Director of Finance to extend an invitation to the Mayor to attend a question and answer session with Audit, Risk & Assurance Committee. The Director of Finance agreed to take this forward.

Resolved

(1) That the report be noted.

81. Strategic Risk Register

The committee considered a report of the Director of Finance that supported the committee with its responsibility of providing oversight of risk management within the West Midlands Combined Authority.

Councillor Craig Collingswood enquired about resources and the number of outstanding vacancies within the West Midlands Combined Authority. The Director of Finance clarified the number of vacancies within the organisation and assured the committee that the Authority's Leadership Team monitored the number of vacancies on a regular basis and its impact on the outputs of the organisation. The WMCA's HR Team had a plan to manage key recruitment requirements to meet 2018/19 expectations.

In addition to monitoring and addressing the risk of growth, Councillor Alexander Phillips added that the WMCA also needed to consider the risk of a recession to enable it to be in a good place to address the issues that may arise.

Resolved

(1) That the content of the strategic risk register be noted.

(2) That the risk register be presented to the next meeting of the committee for further review.

82. WMCA Constitution Review Update

The committee received an update of the Head of Governance on the review of the WMCA Constitution.

The Head of Governance indicated that a draft version of the revised constitution would be available in the autumn and would be presented to the WMCA Board for adoption. The Chair asked for any changes relating to governance be presented to Audit, Risk & Assurance.

The Chair agreed to send a formal letter to the Head of Governance regarding the secondary legislation that required the Audit, Risk & Assurance Committee to have two thirds attendance of its nominated membership to be quorate. The letter was to be used by the Head of Governance in his discussions with the Ministry of Housing Communities & Local Government.

It was noted that member's attendance information was available via the WMCA's website.

Resolved

- (1) That the update be noted.

83. Review of Arrangements for Standards and Conduct in the Combined Authority

The committee considered a report of the Clerk and Monitoring Officer on the review of the arrangements that had been put in place at the inception of the Combined Authority to discharge the responsibilities for standards and conduct.

The Localism Act required the appointment of an Independent Person to be consulted in the case of a complaint being considered both by the Authority and by the subject Member in the complaint. The Independent Person would assist and offer advice. The Monitoring Officer proposed that the selection of an Independent Person be made in consultation with the Chair and Vice-Chair of the committee.

There were also individuals working within the WMCA who were not covered by the Code of Conduct for elected members and therefore it was proposed that a document was to be produced that reflected the basic Code of Conduct, in which these individuals would have to sign up to. Councillor Craig Collingswood enquired about these appointments and how they were appointed on to boards. The Head of Governance agreed to provide an update at the next meeting.

Resolved

- (1) That the information within the report be noted.
- (2) That the Monitoring Officer be authorised to make arrangements for the selection of an Independent Person(s) in consultation with the Chair and Vice-Chair of the committee.

- (3) That the Monitoring Officer finalise the arrangements for a Code of Conduct to cover individuals working within and contributing to the WMCA governance structures who were not covered by the Code of Conduct for Elected Members.
- (4) That an update on the actions agreed be provided at the next meeting of the committee.

84. Devolution Deal - Update on Changes to Fire Service Governance

The committee considered a report that provided an update on the changes to the governance model for the fire service.

The Head of Governance provided further information concerning the TUPE transfer arrangements and discussions that had been held regarding the significant changes that were currently taking place within the fire service.

With regard to the funding for the West Midlands Fire & Rescue Authority, the Chair highlighted that if there were any changes to this the Audit, Risk & Assurance Committee needed to receive an update during the process to ensure that there was no risk involved. The Director of Finance proposed that this be reflected within the risk register.

[Councillor Alexander Phillips declared a personal interest in this item as he was a member of Shropshire Fire & Rescue Authority]

Resolved

- (1) That the updated be noted.

85. Internal Audit Update

The committee considered a report of the Chief Audit Executive that provided an update on the work completed by the internal audit so far this financial year.

Resolved

- (1) That the contents of the latest internal Audit Update report be noted.

86. Investment Portfolio Governance Audit Update 2018

The committee considered a report of the Director of Finance on the progress being made against the original recommendations in the Internal Audit review of Investment Portfolio Governance Arrangements for Programme Approval & Appraisal.

The Director of Finance provided an update on the work undertaken by Arcadis and the developments to date. The Chair proposed that a further conversation was to be had with himself and the Vice-Chair concerning the process and governance changes.

Resolved

- (1) That the progress made to date against the original actions in the Internal Audit findings, detailed in the report, be noted.
- (2) That the timescales for completion of recommendations from Arcadis review within section 3 of the report be noted.
- (3) That the detailed review of Investment Portfolio governance and control processes undertaken by Arcadis be noted.

87. Annual Accounts 2017/18 for West Midlands Combined Authority

The committee considered a report of the S151 Officer to the Combined Authority on the Annual Accounts of the West Midlands Combined Authority and the West Midlands Integrated Transport Authority Pension Fund for the financial year ended 31 March 2018.

In addition to the WMCA Annual Accounts and Pension Fund Accounts, the committee also received a summary of the Audit Findings, the Audit Findings for both the WMCA and the Integrated Transport Authority Pension Fund and letter of representations.

The Director of Finance thanked Grant Thornton and colleagues within the WMCA Finance Team on the work undertaken on the accounts in such a short period of time and noted that the speed and quality of the accounts was excellent. The Head of Finance added that the Authority would continue to work within these timescales in the future and explained that a lessons learnt exercise would be undertaken to improve the process going forward.

It be recommended to the WMCA Board that:

- (1) The Director of Finance sign the letter of representation for WMCA and the West Midlands Integrated Transport Authority Pension Fund.
- (2) The annual accounts of the WMCA and the West Midlands Integrated Transport Authority Pension Fund be approved.
- (3) The Audit Findings report presented by Grant Thornton be noted.
- (4) Grant Thornton propose to issue an unqualified audit opinion on these accounts be noted.
- (5) Subject to there being no further issues raised by Grant Thornton, the Mayor and the Director of Finance be authorised to sign the accounts on behalf of the West Midlands Combined Authority.

88. Exclusion of the Public and Press

Resolved that in accordance with section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following item of business as it involved the likely disclosure of exempt information as specified in paragraph 5 of the Act.

89. Health & Safety Governance Structures

The committee considered a report of the Director of Integrated Network Services that provided an overview of the current Governance Structure of health and safety within the West Midlands Combined Authority in addition to the boards and committees that were responsible for the effective administration of health and safety within the organisation.

The Internal Auditor explained that an audit on health and safety was currently underway and provided further details on the different elements of the audit. The Chair sought assurances from the Internal Auditor as to whether health and safety issues were being monitored at the appropriate level within the organisation, and whether the committee could release its responsibility in this area. The Internal Auditor undertook to look into this further.

The Chair requested that the proposals on how the WMCA would absorb the health and safety agenda in respect of the fire authority to be presented to its January 2019 meeting.

Resolved

- (1) That the information regarding the West Midlands Combined Authority health and safety governance structures be noted.

The meeting ended at 12.05 pm.



West Midlands Combined Authority

Strategic Economic Plan Board Meeting

Wednesday 4 July 2018

Minutes

Present

Jonathan Browning (Chair)
Councillor Ian Courts
Councillor Matthew Dormer
Ninder Johal
Councillor Ian Kettle
Councillor John Reynolds

Coventry & Warwickshire LEP
Solihull Metropolitan Borough Council
Redditch Borough Council
Black Country LEP
Dudley Metropolitan Borough Council
City of Wolverhampton Council

In Attendance

Paula Deas
Delma Dwight
Tom Fletcher
Julia Goldsworthy
Sarah Middleton
Sean Pearce
Patrick White

Coventry & Warwickshire LEP
Black Country LEP
Greater Birmingham & Solihull LEP
West Midlands Combined Authority
Black Country LEP
West Midlands Combined Authority
West Midlands Combined Authority

Item No.

1. **Apologies for absence**

Apologies for absence were received from Councillors George Duggins, Paul Moore and Izzi Seccombe and Stuart Croft, Matthew Hammond, Tim Pile, Stewart Towe and Graham Wynn.

2. **Notes of the Strategic Economic Plan Board Meeting held 7 April 2018**

The Chair advised that a number of items from the last meeting were being reported back to the Board – State of the Region and Local Industrial Strategy. With reference to 26/18 – Regional Energy Strategy he advised that this had been added to the Forward Plan and would be reported back to a future meeting.

Reference was made to LEP 'branding' and the Chair advised that this would be a separate meeting with the West Midlands Growth Company.

Resolved:

That the notes of the meeting held on the 7 June 2018 be approved as an accurate record.

3. SEP Board Tracker Log

Resolved:

That the SEP Board Tracker Log be noted.

4. Forward Plan

The Chair advised that the Forward Plan would be populated further when the 2018/19 schedule of meetings was finalised.

Resolved:

That the Forward Plan be noted.

5. Re-naming Board and Terms of Reference

The Terms of Reference were submitted.

The Chair advised that the suggested name change was to the Strategic Economic Development Board, which would capture the strategic economic plan and industrial strategy programmes plus any other economic related activities the WMCA required the Board to consider.

Reference was made the abbreviation of SED (Strategic Economic Plan Board), which had replaced some of the references to the Strategic Economic Plan (SEP) and it was asked that this be rectified.

The Chair advised that an issue of membership had been highlighted to him, in that currently the Terms of Reference allowed for two Non-Constituent Members (NCM), one from Greater Birmingham & Solihull LEP NCM local authorities and one from Coventry & Warwickshire LEP NCM local authorities. At the NCM meeting, Coventry & Warwickshire LEP NCMs had requested that they had a county council and a district council representative. The Mayor had been in attendance and had agreed to this change.

It was commented that this had potential to affect the balance of the Board and it was requested that the Board's Secretariat confirm the membership with the WMCA Governance Team.

Resolved:

- (1) That Board members approve and confirm the name change of the Board to be the WMCA Strategic Economic Development Board;
- (2) That the amended Terms of Reference be circulated to Members; and
- (3) That the Secretariat confirm the Non-Constituent Membership on the Board.

Economic Growth Portfolio

6. State of the Region

Julia Goldsworthy reported the State of the Region and shared the design version with Members.

Councillor Ian Courts referenced the Place Making objective and stated that it did not come through the document enough.

The Chair commented that within the executive summary there needed be reference to the quality as well as quantity of build required, noting that there would need to be a balance between the ability to deliver the project with the quality and overall effect. Julia Goldsworthy agreed there was a need to consider the overall place for developments not just the quality of the housing being delivered.

On a comment regarding a typographical error, Julia Goldsworthy acknowledged that there were specific amends required to the text.

Resolved:

That the officers note and incorporate the comments in relation to place within the Executive Summary.

7. Local Industrial Strategy - Statement

Patrick White referenced his report and advised that he was seeking the Board's views on the emerging priorities and actions for inclusion in the strategy. The current aim was to agree a pre-parliamentary recess progress report with Government and then publish the Industrial Strategy in the Autumn. He was also seeking approval for delegated authority for the Chair, in consultation with the Mayor and Portfolio holder to approve a pre-summer publication as it would be completed before the next meeting of the Board.

Patrick White advised that there were clear opportunities for the region as the UK's centre for mobility and transport innovation, including being the future home of electric motor and battery manufacture and emerging opportunities around life sciences and being a global centre for digitally driven health improvements and life sciences.

Ninder Johal whilst welcoming the document advised that it felt 'Black Country light' and highlighted the supply chain, the Black Country Skills Factory, Light Rail innovation, HVM, Westfield cars etc.

The Chair advised that there were a lot of examples from the WMCA geography to show inclusion for all regions, which should be incorporated into the LIS.

Councillor Ian Courts commented that Foreign Direct Investment (FDI) in the UK was falling and commented was the LIS clear on a competitive strategy, did it highlight the critical factors to make investment happen; what was the resilience strategy; was there a list of 'unique selling points'. He advised that with the ambition for Inclusive Growth there was a need to ensure that all residents and communities benefitted, to include upskilling.

The Chair welcomed the comments and stated that the LIS needed to contain a compelling argument for businesses to locate in the region, which would then drive overall growth. On a comment regarding the West Midlands Growth Company, he noted that the LIS and Growth Company were working closely together.

The Chair referenced the national Prime Minister's National Council held with the LEP Chairs where there had been discussions on the need for LIS to be very focussed. He commented that whilst connectivity and integrated investment were key to driving productivity in the West Midlands, it was important for the sector strengths came through clearly, which would include Smart Data, Life Sciences, Big Data and Artificial Intelligence which were unique to the region.

With reference to the FDI approach it was noted that there was a need for larger industrial sites becoming available on a timely basis to attract Tier 1 companies, thus there was a need for a strategic approach to land availability.

It was noted that there were clear challenges with regard to skills.

The Chair stated that any pre-parliamentary recess statement should be something of substance and, whilst he could act on behalf of the Board he would want the proposed statement shared with all the Board for comment.

Patrick White advised that at the next Board meeting he would have a draft of the LIS that took on board these comments with the intention that is be published in the Autumn.

Resolved:

- (1) That the Board note the update; and
- (2) That the Board, subject to the pre-parliamentary recess LIS statement being shared with Board members for comment, the Chair be given delegated authority to sign off the statement with the Mayor and his office.

8. Investment Programme Dashboard

Sean Pearce referenced the Investment Programme and stated that he wanted to engage with the SEP Board, as the WMCA PMO had agreed to produce a dashboard that would provide the Investment Programme with more context for the Board to consider.

The requirement for the WMCA PMO was to provide the SEP board with appropriate MI (management information) on the investment programme, in order to for the Board to make informed decisions and understand how the programme contributed to the SEP.

With reference to the slides he highlighted working examples of the types of management information reports that could be provided, which were:

Slide 4 – Benefits management indicators

Slide 5 – Risk management, gateway and financial performance

Slide 6 – Investment pipeline view

Sean Pearce advised that the format and the information contained within these examples could be used as a basis of a discussion that the WMCA PMO would wish to undertake with a smaller group of members to understand reporting requirements.

The Chair welcomed the report with the Stage 0 proposal; the reference to highlight the projects contribution to the overall gap; and the assurance to ensure business cases were developed that contributed to the ambitions of the SEP. He added that as well as the contribution to the SEP objectives there should be a connection how the investment programme contributed to the State of the Region.

Julia Goldsworthy advised that the State of the Region was a broader conversation that sat behind the SEP, which included Government policy; what constituent local authorities were doing; what non-constituent local authorities were doing; and what the LEPs were doing.

Councillor Ian Courts referenced the Investment Portfolio Dashboard report and the five Risks and stated that there was a need to build in long term commitments and essential projects. He was advised that the dashboard development was to provide a sense of how projects were progressing and that there was a need to build in a process to realign programmes, if required. There was a need to involve the Board in the discussion.

Resolved:

- (1) That the contributions be noted; and
- (2) That a working group of officers, to include LEP Executives and the WMCA establish the dashboard option to report through to the SEP Board.

9. Any Other Business

(a) Meeting Status

The Chair advised that WMCA Governance Team had advised that future Board meetings should be held in public and comply with the provisions of the Local Government (Access to Information) Act 1985. Whilst the Chair acknowledged the WMCA's desire to increase transparency and accessibility he questioned whether this was appropriate for this Board, as the Board deliberated and discussed working documents prior to submission to the WMCA Board and the public realm.

The Chair's view was that there should be a consistent approach across the WMCA in relation to the sub-boards but questioned how the Investment Board could conduct business in public. He asked the Executive to address the issue with the WMCA Governance Team.

Sean Pearce advised that from a Governance perspective the Board was not a sub-committee of the WMCA Board and had been constituted by the LEPs. It provided a forum for policy and idea formulation which in time would be reported into WMCA Board and so the (informal) public interest test would be met through this mechanism.

Resolved:

That the Board request the Executive to liaise with the Governance Team of the WMCA in regard to the WMCA SEP Board meeting status.

10. Date of Next Meeting

The Chair advised that the next meeting would be held on Wednesday 12 September 2018 between 1000 - 1200.

It was noted that the remaining meetings would be held at 10.00am on 7 November 2018, 23 January 2019, 6 March 2019 and 8 May 2019.

Resolved:

That the date and time of next meeting be noted.

The meeting closed at 11.45am.

Chair

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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