



## WMCA Board

**Date:** Friday 17 January 2020

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

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

### Membership

#### Constituent Members

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

Councillor Adrian Andrew  
Councillor Peter Bilson  
Councillor Mike Bird  
Councillor Ian Brookfield  
Councillor Ian Courts  
Councillor Yvonne Davies  
Councillor George Duggins  
Councillor Patrick Harley  
Councillor Brigid Jones  
Councillor Abdul Khan  
Councillor Syeda Khatun  
Councillor Ian Ward  
Councillor Qadar Zada

#### 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  
City of Wolverhampton Council  
Solihull Metropolitan Borough Council  
Sandwell Metropolitan Borough Council  
Coventry City Council  
Dudley Metropolitan Borough Council  
Birmingham City Council  
Coventry City Council  
Sandwell Metropolitan Borough Council  
Birmingham City Council  
Dudley Metropolitan Borough Council

#### Non-Constituent Members

Councillor George Adamson  
Jonathan Browning

Councillor Shaun Davies  
Councillor Matthew Dormer  
Councillor David Hitchiner  
Councillor David Humphreys  
Councillor Julie Jackson  
Councillor Tony Jefferson  
Councillor Sebastian Lowe  
Councillor Peter Nutting  
Councillor Jeremy Oates  
Tim Pile

Councillor Izzi Seccombe  
Stewart Towe

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

**Observers Awaiting Membership**

Mandy Thorn

The Marches Local Enterprise Partnership

**Co-Opted Member**

Lee Barron

Midlands Trades Union Congress

**Observer Members**

Councillor Greg Brackenridge

West Midlands Fire Authority

David Jamieson

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

**Telephone**

0121 214 7505

**Email**

[dan.essex@wmca.org.uk](mailto:dan.essex@wmca.org.uk)

# AGENDA

No.	Item	Presenting	Pages
<b>Items of Public Business</b>			
1.	Apologies for Absence	Chair	None
2.	Declarations of Interest Members are reminded of the need to declare any disclosable pecuniary interests they have in an item being discussed during the course of the meeting. In addition, the receipt of any gift or hospitality should be declared where the value of it was thought to have exceeded £25 (gifts) or £40 (hospitality).	Chair	None
3.	Minutes - 8 November 2019	Chair	1 - 8
4.	Forward Plan	Chair	9 - 12
5.	Chair's Remarks (if any)	Chair	None
<b>Governance</b>			
6.	Scrutiny Review into the Effectiveness of Transport Delivery Committee in Overseeing the Delivery of WMCA Transport Policies	Councillor Cathy Bayton	13 - 22
<b>Finance</b>			
7.	Financial Monitoring 2019/20	Councillor Bob Sleigh	23 - 46
8.	WMCA Draft Budget 2020/21	Councillor Bob Sleigh	47 - 106
<b>Economy &amp; Innovation</b>			
9.	Local Industrial Strategy Implementation Update	Councillor Ian Brookfield	107 - 126
<b>Environment, Energy &amp; HS2</b>			
10.	#WM2041: Our Actions to Meet the Climate Challenge	Councillor Ian Courts	127 - 192
<b>West Midlands Police &amp; Crime Commissioner</b>			
11.	West Midlands Violence Reduction Unit	David Jamieson	193 - 202
<b>Minutes</b>			

12.	Strategic Economic Development Board - 5 September 2019	Jonathan Browning	203 - 212
13.	Housing & Land Delivery Board - 4 November 2019	Councillor Mike Bird	213 - 220
14.	Transport Delivery Committee - 4 November 2019	Councillor Kath Hartley	221 - 228
15.	Investment Board - 11 November 2019	Councillor Bob Sleigh	229 - 234
16.	Audit, Risk & Assurance Committee - 12 November 2019	David Lane	235 - 240
17.	Young Combined Authority - 13 November and 11 December 2019	Young CA Representative	241 - 242
18.	Strategic Economic Development Board - 20 November 2019	Jonathan Browning	243 - 252
19.	Investment Board - 16 December 2019	Councillor Bob Sleigh	253 - 258
20.	Overview & Scrutiny Committee - 18 December 2019	Councillor Lisa Trickett	259 - 262
<b>Date of Next Meeting</b>			
21.	Friday 14 February 2020 at 11.00am	Chair	None



**West Midlands  
Combined Authority**

## **WMCA Board**

**Friday 8 November 2019 at 11.00 am**

### **Minutes**

#### **Constituent Members**

Andy Street (Chair)

Councillor Bob Sleight (Vice-Chair)

Councillor Mike Bird

Councillor Ian Brookfield

Councillor Ian Courts

Councillor Yvonne Davies

Councillor George Duggins

Councillor Patrick Harley

Councillor Bridgid Jones

Councillor Ian Ward

Mayor of the West Midlands Combined  
Authority

Solihull Metropolitan Borough Council

Walsall Metropolitan Borough Council

City of Wolverhampton Council

Solihull Metropolitan Borough Council

Sandwell Metropolitan Borough Council

Coventry City Council

Dudley Metropolitan Borough Council

Birmingham City Council

Birmingham City Council

#### **Non-Constituent Members**

Councillor George Adamson

Councillor Matthew Dormer

Councillor David Humphreys

Councillor Julie Jackson

Councillor Matt Jennings

Ninder Johal

Councillor Peter Nutting

Councillor Alex Phillips

Councillor Izzi Seccombe

Cannock Chase District Council

Redditch Borough Council

North Warwickshire Borough Council

Nuneaton & Bedworth Borough Council

Stratford-on-Avon District Council

Black Country Local Enterprise

Partnership

Shropshire Council

Shropshire Council

Warwickshire County Council

#### **Co-Opted Member**

Lee Barron

Midlands Trades Union Congress

#### **Observer Members**

Councillor Greg Brackenridge

David Jamieson

West Midlands Fire Authority

West Midlands Police & Crime

Commissioner

#### **In Attendance**

Councillor Cathy Bayton

Councillor Peter Fowler

Councillor Kath Hartley

David Lane

Councillor Lisa Trickett

Councillor Richard Worrall

Overview & Scrutiny Committee

Overview & Scrutiny Committee

Transport Delivery Committee

Audit, Risk & Assurance Committee

Overview & Scrutiny Committee

Transport Delivery Committee

- | <b>Item No.</b> | <b>Title</b>  |
|-----------------|---|
| <b>51.</b>      | <b>Apologies for Absence</b><br>Apologies for absence were received from Jonathan Browning (Coventry & Warwickshire LEP), Councillor Tony Jefferson (Stratford-on-Avon), Councillor Abdul Khan (Coventry) Councillor Sebastian Lowe (Rugby), Tim Pile (Greater Birmingham & Solihull LEP) and Stewart Towe (Black Country LEP).   |
| <b>52.</b>      | <b>Minutes - 13 September 2019</b><br>The minutes of the meeting held on 13 September 2019 were agreed as a correct record.   |
| <b>53.</b>      | <b>Forward Plan</b><br>A forward plan of items to be considered at future meetings of the board was noted.  |
| <b>54.</b>      | <b>Chair's Remarks</b><br>(a) <b>Transport for West Midlands</b><br>The Chair reported that Transport for West Midlands had recently been awarded City Region Transport Authority of the Year and he congratulated all the staff working for TfWM on this achievement.<br><br>(b) <b>Henry Kippin, Director of Public Service Reform</b><br>The Chair reported that this was the last meeting before Henry Kippin took up a new appointment with the North of Tyne Combined Authority. He thanked him for all his work for the WMCA and wished him well. Councillor Yvonne Davies and Councillor Izzi Seccombe expressed their thanks for the support and advice Henry Kippin had given to them in respect of the work of the Public Service Reform Board and Wellbeing Board respectively.   |
| <b>55.</b>      | <b>WMCA Annual Plan 2019/20: Progress Update Summary/Half-Year Review</b><br>The board considered a report from Julia Goldsworthy, Director of Strategy on a summary of progress against the actions and activity set out in the WMCA's Annual Plan 2019/20.<br><br>The Annual Plan was approved by the WMCA Board on 28 June 2019 and articulated a range of activities that reflected the various WMCA roles and responsibilities. The plan included delivery milestones and indicators relating to WMCA activity, and this report provided a summary of overall progress against each milestone. Overall, there had been good progress made in the first six months of the year, and slippage where it had occurred was not considered to have major impact or consequence in terms of overall delivery.<br><br>Resolved:<br><br>The summary of progress in terms of delivery against the WMCA Annual Plan 2019/20 be noted. |

**56. Feedback from Overview & Scrutiny Committee Mayor's Question Time: Policy**

The board considered a report on the feedback from the Overview & Scrutiny Committee on the Mayoral Q&A event held on 9 October 2019.

Councillor Lisa Trickett thanked the Mayor for his attendance at the Q&A session, which covered issues related to WMCA governance, economic development, skills, housing and 5G. The Overview & Scrutiny Committee had particularly focussed on the need for the WMCA to properly understand the extent of system change that was required to deliver inclusive growth, and whether its governance structures had the flexibility to adapt to changing circumstances and events in the coming years.

Resolved:

- (1) The Mayoral Q&A event held with members of the Overview & Scrutiny Committee, joined by members of the Young Combined Authority, on 9 October be noted.
- (2) The conclusions arising out of the event, as set out within the report, be noted.
- (3) It be noted that a further Mayoral Q&A event would be held in February 2020, with a specific focus on connectivity.

**57. Financial Monitoring 2019/20**

The board considered a report from Linda Horne, Director of Finance, on the WMCA's finances as at the end of September 2019.

The report summarised the revenue and capital spend against the approved budget, and the year to date position showed a £250,000 adverse variance from budget. There had been no change in the full year forecast position. The report also provided a detailed summary of the financial position in respect of the transport, operational, Mayoral office and capital programme budgets.

Councillor Ian Brookfield noted the increase in the Public Works Loan Board interest rate and enquired as to the impact that this would have on WMCA borrowing. Linda Horne reported that a financial advisor was currently looking at whether greater efficiencies could be achieved in the WMCA's borrowing arrangements, and further details on this would be included in a report to the board's next meeting.

Resolved:

- (1) The financial position as at the end of September 2019 be noted.
- (2) The position considered and proposed by the WMCA Mayor and Metropolitan Leaders to hold Investment Programme funding approvals within the current affordable limit, as detailed within the report, be endorsed.

- (3) The Treasury Management Strategy mid-year update, as detailed within the report, be noted.

#### **58. NEC Longabout**

The board considered a report seeking approval of the full business case establishing the requirement for additional works at the NEC Longabout.

Solihull Metropolitan Borough Council had reviewed this particular junction and, with the support of detailed transport modelling, considered that it was desirable to separate out traffic heading north on the A452 from traffic emerging from Northway onto the NEC Longabout. These works would fully mitigate the problems encountered by HS2 traffic once the Longabout became operational, provide the resilience the NEC currently had on the network for event days, and provide the capacity required to enable UK Central-related development.

Resolved:

- (1) It be noted that this report was being submitted to WMCA Board as a requirement of the WMCA Assurance Framework which stated Final Business Cases must be approved by WMCA Board.
- (2) The funding request of £2.15m for design and construction for enhanced works to the proposed NEC Longabout scheme, which had passed through the Assurance Process and was recommended by Investment Board, be approved.

#### **59. Alexander Stadium Full Business Case**

The board considered a report setting out the full business case for works required to facilitate track and field events and ceremonies for the Commonwealth Games 2022 that provided the catalyst for broader investment into the stadium site and the wider West Midlands.

A key component of Birmingham's successful bid for the Commonwealth Games was the development of Alexander Stadium. The full business case was requesting £25m to support phase 1 of this redevelopment, which would increase the capacity of the stadium to 40,000 during the Games and then 17,000 permanently afterwards, and would help deliver a 400m six-lane outdoor practice running track at the rear of the proposed High Performance Centre.

Resolved:

The funding request of £25m for the redevelopment of Alexander Stadium to deliver the requirements set out in the Host City Contract in preparation for the Commonwealth Games 2022 be approved.

#### **60. Transport Delivery Committee - 9 September 2019**

The board received the minutes of the Transport Delivery Committee held on 9 September.

Councillor Kath Hartley reported that more than 1,800 women impacted by the acceleration of the state pension age by the Pension Act 2011 had applied for the local concessionary travel enhancement. This represented around 20% of eligible women, which was a higher take-up than in other regions. She remained disappointed though that Diamond Bus had still chosen not to participate in the scheme.

Resolved:

The minutes of the meeting held on 9 September 2019 be noted.

**61. Audit, Risks & Assurance Committee - 24 September 2019**

The board received the minutes of the Audit, Risk & Assurance Committee held on 24 September.

Resolved:

The minutes of the meeting held on 24 September 2019 be noted.

**62. Public Service Reform Board - 26 September 2019**

The board received the minutes of the Public Service Reform Board held on 26 September.

Resolved:

The minutes of the meeting held on 26 September 2019 be noted.

**63. Housing & Land Delivery Board - 30 September 2019**

The board received the minutes of the Housing & Land Delivery Board held on 30 September.

In respect of minute no. 13 ('Single Commissioning Framework'), Councillor Mike Bird indicated that the board was looking at what constituted 'affordable housing' across the region and the need to ensure housing units were now being delivered.

Resolved:

The minutes of the meeting held on 30 September 2019 be noted.

**64. Young Combined Authority - 16 October 2019**

The board received a report of the Young Combined Authority held on 16 October.

The Chair thanked the members of the Young Combined Authority for the commitment they had shown during the year to their participation in the work of the YCA.

Resolved:

The report on the meeting held on 16 October 2019 be noted.

**65. Investment Board - 21 October 2019**

The board received the minutes of the meeting held on 21 October.

In respect of minute no. 48 ('Commonwealth Games 2022 - Full Business Case'), Councillor Ian Ward undertook to provide a briefing to Councillor Mike Bird on the regional legacy effect expected from the Commonwealth Games event.

Resolved:

The minutes of the meeting held on 21 October 2019 be noted.

[NB. Councillor Julie Jackson declared an interest in respect of minute no. 46 ('Nuneaton Town Centre - Brownfield Land & Property Development Fund Grant').]

**66. Overview & Scrutiny Committee - 22 October 2019**

The board considered the minutes of the inquorate meeting of the Overview & Scrutiny Committee held on 22 October.

Resolved:

The minutes of the meeting held on 22 October 2019 be approved.

**67. Environment Board - 24 October 2019**

The board received the minutes of the Environment Board held on 24 October.

Councillor Ian Courts indicated that, given the regional importance of the discussions being held at the Environment Board, he was looking into inviting non-constituent authority representatives to become members of the board so as to broaden the local authority engagement.

Resolved:

The minutes of the meeting held on 24 October 2019 be noted.

**68. Wellbeing Board - 24 October 2019**

The board considered the minutes of the Wellbeing Board held on 24 October.

In respect of minute no. 17(ii) ('Offer for Veterans'), Councillor Izzi Seccombe reported that the board would be considering a report in early 2020 looking at how the health sector in the region supported the needs of ex-service personnel.

Resolved:

The minutes of the meeting held on 24 October 2019 be noted.

- 69. Date of Next Meeting**  
Friday 17 January 2020 at 11.00am.

The meeting ended at 11.45 am.

This page is intentionally left blank

## WEST MIDLANDS COMBINED AUTHORITY FORWARD PLAN: FEBRUARY - MAY 2020

Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
<b>Financial Monitoring 2019/20</b>	To review the latest budget monitoring position.	14 February 2020	No	Cllr Bob Sleigh	Linda Horne	No	Finance
<b>Final Budget 2020/21</b>	To agree with WMCA's 2020/21 budget.	14 February 2020	Yes	Cllr Bob Sleigh	Linda Horne	No	Finance
<b>Intelligent Transport Systems World Congress 2024 Bid</b>	To consider bidding to host the 2024 ITS World Congress.	14 February 2020	Yes	Cllr Ian Ward	Laura Shoaf	Yes	Transport
<b>Sprint A34 Walsall to Birmingham and Sprint A45 Birmingham to Airport</b>	To approve the full business cases.	14 February 2020	Yes	Cllr Ian Ward	Laura Shoaf	No	Transport

Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
<b>Metro Birmingham Eastside Extension</b>	To approve the full business case.	14 February 2020	Yes	Cllr Ian Ward	Laura Shoaf	Yes	Transport
<b>West Midlands Bus Byelaws Update</b>	To provide an update on the progress made to introduce a proposed set of byelaws on the bus network.	14 February 2020	No	Cllr Ian Ward	Laura Shoaf	No	Transport
<b>Electric Vehicle Charging in the West Midlands</b>	To determine the direction to take on expanding electric vehicle charging points.	14 February 2020	Yes	Cllr Ian Courts	Laura Shoaf	No	Environment
<b>WMCA Annual Plan 2020/21</b>	To approve the draft WMCA Annual Plan for 2020/21.	20 March 2020	Yes	n/a	Julia Goldsworthy	No	Governance
<b>WMCA Governance Scrutiny Review</b>	To consider recommendations arising out of the scrutiny review of the WMCA's Governance Structures	20 March 2020	Yes	n/a	Tim Martin	No	Governance



Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
<b>Financial Monitoring 2019/20</b>	To review the latest budget monitoring position.	20 March 2020	No	Cllr Bob Sleigh	Linda Horne	No	Finance
<b>Adult Education Budget</b>	To report early impact of devolution of the Adult Education Budget and consider priorities for the 2020/21 academic year.	20 March 2020	Yes	Cllr George Duggins	Julie Nugent	No	Skills & Productivity
<b>Berry Barr and University New Railway Stations</b>	To approve the full business cases.	20 March 2020	Yes	Cllr Ian Ward	Laura Shoaf	No	Transport
<b>Moseley, Kings Heath and Hazelwell New Railway Stations</b>	To approve compulsory purchase orders for these new railway stations.	20 March 2020	Yes	Cllr Ian Ward	Laura Shoaf	Yes	Transport
<b>Procurement Update on the Bike Share Scheme</b>	To provide an update on the progress of the award of the Bike Share Scheme.	20 March 2020	No	Cllr Ian Ward	Laura Shoaf	Yes	Transport

This page is intentionally left blank



## WMCA Board

<b>Date</b>	17 January 2020
<b>Report title</b>	Scrutiny Review into the Effectiveness of Transport Delivery Committee in Overseeing the Delivery of WMCA Transport Policies
<b>Members Undertaking the Review</b>	Councillor Cathy Bayton, Councillor Ahmad Bostan and Councillor Angus Lees
<b>Accountable Employee</b>	Tim Martin, Head of Governance, Clerk and Monitoring Officer email: <a href="mailto:tim.martin@wmca.org.uk">tim.martin@wmca.org.uk</a> tel: (0121) 214 7435

**Recommendation(s) for decision:**

**The WMCA Board is recommended to:**

- (1) Support the conclusions and recommendations of the Overview & Scrutiny Committee, as set out within the report.

## **Purpose**

1. To consider the findings of a scrutiny review undertaken to determine the effectiveness of Transport Delivery Committee in ensuring that the transport policies of the West Midlands Combined Authority positively contributed towards the delivery of its wider corporate objectives.

## **Background**

2. Following its creation in 2016, the WMCA established a number of thematic boards that provide political leadership and oversight of the authority. Transport Delivery Committee, which previously existed within Centro and the West Midlands Integrated Transport Authority governance structures, became part of the WMCA with responsibility for overseeing the delivery of transport policies agreed by the WMCA Board.
3. At its meeting on 2 September, the Overview & Scrutiny Committee identified transport as a key area of focus and agreed to undertake a scrutiny review that looked at the effectiveness of Transport Delivery Committee in overseeing the delivery and impact of the transport policies three years on from the establishment of the WMCA.
4. At its meeting on 22 October, the committee agreed the key objectives for the review, being to:
  - (a) Understand the current role of Transport Delivery Committee in overseeing and monitoring the delivery and impact of the WMCA's transport policies, and its effectiveness in undertaking this role.
  - (b) Determine whether the effectiveness of Transport Delivery Committee could be enhanced by changes in the governance arrangements of the committee.
  - (c) Recommend an effective transport governance structure (including transport scrutiny arrangements) that will positively contribute towards the delivery of transport policies and the delivery of the wider ambitions of the WMCA, as determined by the Annual Business Plan.
5. The review group was chaired by Councillor Cathy Bayton, Vice-Chair of the Overview & Scrutiny Committee and also comprised Councillor Ahmad Boston and Councillor Angus Lees. The review was undertaken during November and was supported by William Britton (Transport Strategy Researcher), Dan Essex (Governance Services Manager) and Lyndsey Roberts (Scrutiny Officer).

## **Evidence Gathering**

6. The review group sought a range of written and verbal evidence to help inform its conclusions and recommendations. A briefing note was prepared by Transport for West Midlands' Policy & Strategy team that summarised the history of Transport Delivery Committee, its terms of reference and current structure. In addition, the note explored the roles and structures of transport committees across local transport areas, and specifically within other city regions and combined authorities. The purpose of the briefing note was to inform understanding on how transport delivery and scrutiny was performed elsewhere in the country.

7. The Chair/Vice-Chairs of Transport Delivery Committee also submitted written evidence that summarised the role and responsibilities of the committee and its Lead Member Reference Groups, its interactions with wider groups, and a summary of work that it had carried out. The briefing note also made a number of suggestions as to where the role and purpose of the committee could, in their opinion, be further strengthened.
8. In addition to the written evidence submitted, the review group conducted face-to-face interviews with a range of key witnesses to gain their understanding and insight into Transport Delivery Committee and wider transport governance considerations. This was to help build a better appreciation of the strengths and weaknesses of current arrangements and to highlight areas of potential improvement. A summary of these interviews is set out below:
  - **Councillor Ian Ward - Portfolio Lead for Transport**
9. Councillor Ian Ward explained the interrelationships between the Portfolio Lead and both Transport Delivery Committee and the cabinet members for transport within the constituent authorities. The strengths and challenges of current governance arrangements were discussed, as well as their effectiveness of determining transport policy in the WMCA. The adequacy of the current arrangements for the scrutiny of transport policies within the WMCA's existing governance structures was also discussed.
  - **Councillor Kath Hartley, Councillor Richard Worrall and Councillor Tim Huxtable - Chair/Vice-Chairs, Transport Delivery Committee**
10. The councillors discussed the roles and responsibilities of Transport Delivery Committee, its oversight of capital projects and revenue funded services, and the strengths and weaknesses of the committee's relationships with the WMCA Board, Portfolio Lead for Transport and Transport for West Midlands' officers. The discussion also covered Transport Delivery's Committee engagement with public and passenger representative groups and explored suggestions for how it could be more effective. Finally, the underdeveloped role of transport scrutiny within the WMCA was discussed and how this differed from the role of Transport Delivery Committee.
  - **Councillor Liam Robinson - Chairperson, Liverpool City Region Combined Authority's Transport Committee**
11. Councillor Liam Robinson discussed the role of the Transport Committee in the Liverpool City Region Combined Authority and its structure, roles and responsibilities. The strengths and weaknesses of the region's transport governance (including transport scrutiny), public engagement on transport-related matters and the key principles of a transport decision-making structure were also discussed.
  - **Tim Martin - Head of Governance, Clerk and Monitoring Officer**

12. Tim Martin discussed the current transport governance structure within the WMCA and the history behind its evolution over recent years. In addition, he explained the processes that were currently in place for periodically reviewing the governance structure to ensure it was fit for purpose, and discussed the underdeveloped role of transport scrutiny within the WMCA.

- **Laura Shoaf - Managing Director, Transport for West Midlands**

13. Laura Shoaf explored the current role and effectiveness of Transport Delivery Committee in carrying out its responsibilities, along with the relationships it had with the WMCA Board and the Portfolio Lead for Transport. She explained the typical 'journey' involved in developing a major piece of transport policy, and the strengths and weaknesses of this process. The importance and current effectiveness of the scrutiny of transport policies was also discussed.

- **Pete Bond - Director of Integrated Network Services, Transport for West Midlands**

14. Pete Bond discussed the current process for developing transport policy within the WMCA, along with the existing strengths and weaknesses of Transport Delivery Committee from an officer's perspective. He also discussed the level of scrutiny that was undertaken on the delivery of transport policies and the key aspects of any good transport governance structure.

- **Tom Painter - Head of Rail Franchising & Partnerships, West Midlands Rail Executive**

15. Tom Painter explained how Transport Delivery Committee added value to the delivery of rail services within the West Midlands, and the strengths and weaknesses of this arrangement. There was also a discussion on rail governance more generally, and whether there was adequate and appropriate public scrutiny of the delivery of rail services within the region.

### **Emerging Themes and Considerations**

16. During the consideration of the written and oral evidence gathered during the course of the review, a number of broad themes emerged that could be grouped into four key areas for consideration:

- **Current Role and Effectiveness of Transport Delivery Committee**

17. It was clear to the review group that Transport Delivery Committee had a key role to play within the WMCA and that it had been able to demonstrate its value across a range of activities. Its ability to provide detailed oversight of public transport within the region was widely recognised, particularly in respect of day-to-day passenger services. It also had mature relationships with commercial operators and passenger representative groups that helped give the WMCA a balanced perspective.

18. However, there was clear evidence that the role and responsibilities of Transport Delivery Committee was unclear amongst both members and officers, most likely as a result of the evolution of transport governance both pre and post the WMCA's creation

in 2016 and the transfer of decision-making responsibility to the WMCA Board. This had resulted in confusion regarding the committee's remit in respect of policy, strategy, delivery and scrutiny of transport matters, exacerbated by a terms of reference that was likely to contribute to, rather than clarify, this confusion.

19. There did not appear to be any alignment between the annual work plan of the committee and the WMCA's Annual Plan, making it difficult to see how Transport Delivery Committee was able to give proper focus to those transport projects and schemes that had been identified as organisational priorities. As a consequence, the committee appeared less effective in its oversight of major capital projects, and the review group considered this to be a significant weakness in the WMCA's transport governance arrangements given the significant funding levels involved and the strategic importance these had to the wider purpose of the WMCA.

20. The thematic Lead Member Reference Groups were highlighted as a useful forum for members of the committee to discuss projects and proposals in more detail than could be allowed for in the wider Transport Delivery Committee meetings. These groups also allowed for the development of greater member expertise and were valued by officers in giving a structured space for informal member engagement. However, there was some concern that the groups were, to some extent, self-selecting and did not involve the full membership of the Transport Delivery Committee. Because these meetings operated outside of the formal governance framework, matters considered at Lead Member Reference Groups did not always subsequently appear before formal meetings of the committee if officers considered sufficient 'political steer' had already been provided.

- **Transport Policy Development within the WMCA**

21. From the evidence heard by the review group, there was no appetite for Transport Delivery Committee to be given greater powers in respect of setting policy. Indeed, the 'policy-delivery-scrutiny' split was considered a division of responsibility that needed strengthening and reinforcing, rather than weakening or blurring. Given its importance to the WMCA and its interrelationships with other corporate policy areas, it was considered sensible that responsibility for transport policy remained with the WMCA Board and that Transport Delivery Committee should retain its current focus on delivery-related matters.

22. However, it was equally clear that the relationship between the Portfolio Lead for Transport and Transport Delivery Committee (including its chair) was very much informal and was not based on well-defined processes. As a result, there was a lack of formal dialogue or interaction between both parties, partly based on a lack of responsibility for organising such opportunities. A strengthening of this process was accepted as necessary to decrease the over-reliance on informal relationships, especially to ensure that engagement and dialogue was able to withstand individual and political changes.

23. Outside of the formal decision-making governance structures, it became apparent that there was at present no space in which transport policy matters could be discussed at a strategic, region-wide, level. The relationship between the Portfolio Lead for Transport and cabinet members with responsibility for transport within constituent authorities was, at best, informal. Engagement, such as it currently existed, was often

impacted by time constraints on individuals, and it lacked the robustness of a more structured arrangement. Engagement between transport cabinet members and senior officers of Transport for West Midlands also became resource intensive as meetings were often, by necessity, duplicated seven-fold.

- **Transport Scrutiny Arrangements**

24. It was clear to the review group that the role of transport scrutiny was underdeveloped within the WMCA. This was partly due to a lack of clarity as to whether the responsibility sat within Transport Delivery Committee (either formally or informally) and an Overview & Scrutiny Committee that was heavily focussed on the other policy areas of the WMCA. It was clear though that combined authorities more generally had struggled to date to fully develop their transport scrutiny processes and were experiencing similar learning curves.

- **Other Governance Matters**

25. The WMCA had grown significantly since it was established in June 2016 in response to devolution deals and changing responsibilities. The governance structure underpinning these responsibilities had evolved organically, but a consequence of that was that it was necessary to review those structures more frequently than might normally be expected within mature organisations. A number of the issues highlighted within this report were considered to be a consequence of this rapid change of evolution, and it was important that the WMCA placed appropriate importance on identifying structural weaknesses within governance and was prepared to take the necessary action to rectify those weaknesses.

## **Recommendations**

26. After considering the written and oral evidence it received, the review panel concluded that a number of recommendations should be considered by the WMCA Board that would strengthen Transport Delivery Committee and the wider transport governance arrangements within the WMCA and across the region. In making these recommendations, the panel would like to thank all those councillors and officers who gave their evidence in an open and collaborative spirit. Scrutiny members saw a clear willingness from all those involved to further strengthen current arrangements and to help the WMCA continually improve.

- **Recommendation 1: Strengthen Transport Delivery Committee**

The role of Transport Delivery Committee can be strengthened through a number targeted changes:

1. Refresh its terms of reference to strengthen the accountability for transport delivery responsibilities, making clear matters relating to policy and scrutiny sit with other boards, and to cover the full remit of Transport for West Midlands responsibilities.
2. Agree a 12 monthly workplan for the committee that aligns to the transport elements of the WMCA's Annual Plan.
3. Recognising that the committee could strengthen member accountability by reducing its membership, eg. by mirroring the WMCA Board's two members per

constituent authority arrangement, this matter form part of the upcoming scrutiny review on the effectiveness of the WMCA's governance structures in delivering its policy objectives.

4. Incorporate the work of the Lead Member Reference Groups into the main work programme of the committee to ensure full member involvement and to provide greater transparency.
5. Formalise quarterly meetings between the Portfolio Lead for Transport and the chair of the committee to discuss matters of shared interest.
6. Develop a role profile for members clarifying their responsibilities for the delivery of transport policies, supported by training and other briefing events.

- **Recommendation 2: Establish a Strategic Transport Board**

The creation of a new Strategic Transport Board would help facilitate the closer engagement between the Portfolio Lead for Transport and cabinet members for transport within constituent authorities that was identified within paragraph 23 of this report. Whilst setting transport policy would remain the responsibility of the WMCA Board, a new Strategic Transport Board would provide a structured forum to discuss regional transport matters and, supported by appropriate senior transport officers from the Strategic Transport Officers Group, embed closer working relationships and provide the mechanism to resolve problems earlier within a transport scheme's delivery.

- **Recommendation 3: Establish a Transport Scrutiny Sub-Committee**

The WMCA needs rigorous scrutiny of its transport policy making and delivery. The creation of a Transport Scrutiny Sub-Committee, reporting into the Overview & Scrutiny Committee, will clearly set out where this responsibility sits. Ideally, membership of the sub-committee could be drawn from any member of the transport scrutiny committees within the constituent authorities to improve lines of communication and maximise member expertise. The sub-committee would scrutinise transport policy as determined by the WMCA Board and transport delivery that was the responsibility of Transport Delivery Committee. An indicative structure chart showing these relationships is attached as an appendix.

- **Recommendation 4: Governance Oversight**

The WMCA continues to evolve, and the governance that underpins public assurance in the organisation must remain alert, and respond appropriately, to this evolution. To ensure that it remains fit for its purpose, it is necessary for the WMCA Board to be prepared to undertake a full review of its governance within each mayoral cycle.

The recommendations contained within this report, if adopted, will involve the further evolution of the WMCA's governance structures. Members of the review panel noted that the Scheme of Members' Allowances currently in operation reflect a committee structure and member responsibilities that is significantly at odds with those actually in place and being carried out. The time demands of being appointed to a WMCA committee had also not been assessed within the Scheme of Members' Allowances.

The WMCA Board should therefore undertake to carry out a periodic review so that it may confidently adopt a scheme of allowances that appropriately recognise the requirements of membership of the WMCA Board and its committees.

### **Financial Implications**

27. There are no direct financial implications immediately arising out of the recommendations contained within this report. Financial implications would though arise from any review of the Scheme of Members Allowances that was undertaken.

### **Legal Implications**

28. Any changes to the governance of the WMCA agreed by the WMCA Board will require the constitution to be updated to reflect these changes.

### **Equalities Implications**

29. There are no direct equality implications arising out of the recommendations contained within the report.

### **Inclusive Growth Implications**

30. There are no direct inclusive growth implications arising out of the recommendations contained within the report.

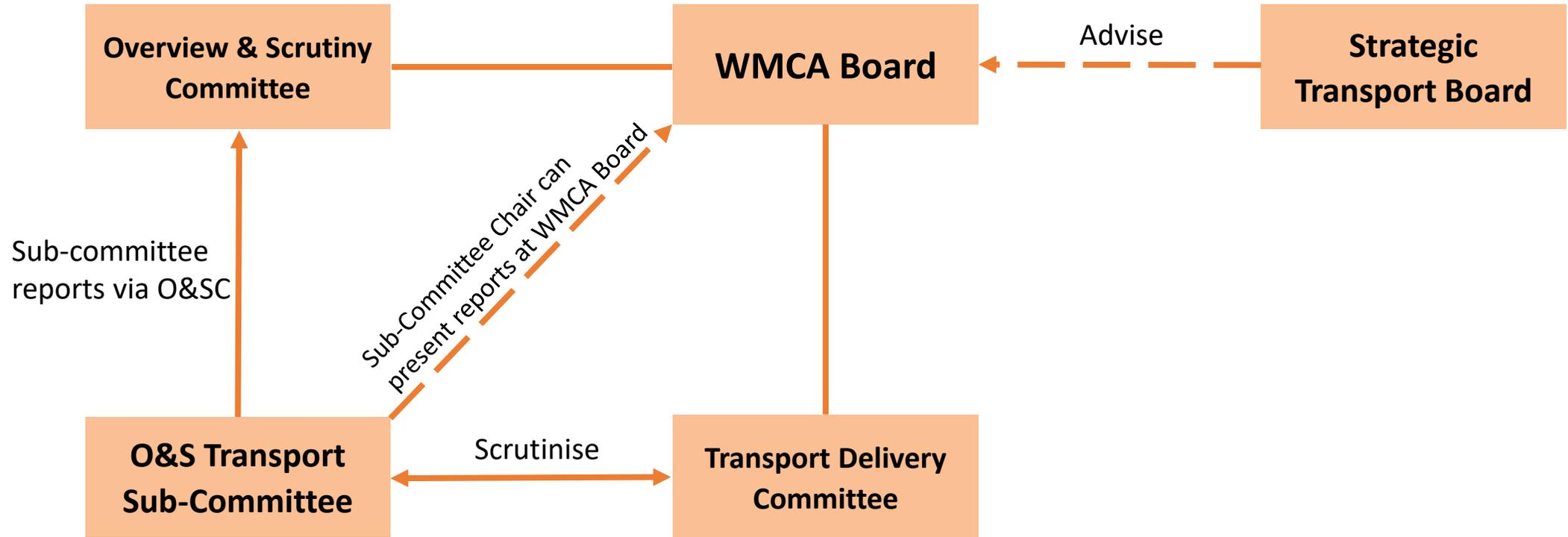
### **Geographical Area of Report's Implications**

31. The WMCA exercises transport powers overwhelmingly in respect of the area covered by its constituent authority members.

### **Other Implications**

32. There are no further specific implications arising out of the recommendations contained within the report.

# Transport Governance



This page is intentionally left blank



## WMCA Board

<b>Date</b>	17 January 2020
<b>Report title</b>	Financial Monitoring Report 2019/20
<b>Portfolio Lead</b>	Finance - Councillor Bob Sleigh
<b>Accountable Chief Executive</b>	Deborah Cadman, West Midlands Combined Authority email: deborah.cadman@wmca.org.uk tel: (0121) 214 7200
<b>Accountable Employee</b>	Linda Horne, Director of Finance email: linda.horne@wmca.org.uk tel: (0121) 214 7508
<b>This report has been considered by</b>	Senior Leadership Team - 4 December 2019 West Midlands Finance Directors - 19 December 2019 Programme Board - 20 December 2019

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

#### WMCA Board is recommended to:

- (1) Note the financial position as at the end of November 2019.
- (2) Note that on 8 November 2019, regulations came into force retrospectively merging the West Midlands Integrated Transport Authority Pension Fund with the West Midlands Pension Fund, effective 1 April 2019.
- (3) Note the statement of assets and liabilities of the West Midlands Pension Fund and the West Midlands Integrated Transport Authority Pension Fund as at the date of transfer, set out in Appendix 9.

## **1.0 Purpose**

- 1.1 To provide an update on West Midlands Combined Authority finances as at the end of November 2019.

## **2.0 Background - Financial Monitoring**

- 2.1 A summary of the revenue and capital spend against the approved budget are attached as appendices 1-5. A summary of the Investment Programme along with current commitments is included in appendices 6 and 7. The balance sheet is included in appendix 8.
- 2.2 Appendix 1 shows the overall consolidated revenue position for the West Midlands Combined Authority.
- 2.3 The year to date position at the end of November shows a £1.544m favourable variance from budget. This consists of a favourable variance of £1.403m within Transport largely due to favourable variances within concessions, staffing, and infrastructure, partly offset by increased cost pressures within Subsidised Bus following the closure of Accessible Transport Group (ATG). There is an additional favourable variance of £0.141m within the Delivery budget due to additional grants awarded since the budget but this continues to be offset by investment income which is lower than budgeted.
- 2.4 Following the second reforecast of the year there is a favourable full year variance to budget of £2.256m. This consists of a favourable variance of £1.972m in Transport against budget, primarily as a result of lower patronage volumes and changes in the timetable of capital requirements. Further opportunities to manage contractual arrangements in Transport are underway but are not yet included in the forecast. This shows progress to date against the £3.3m efficiency savings which are required to support the budget next year. This will be revisited in the Q3 forecast reported to Board in March 2020.
- 2.5 An additional favourable variance within the Delivery budget of £0.284m is driven by savings against loan interest as no new borrowing has been undertaken.

## **3.0 Transport**

### **Year to Date:**

- 3.1 Appendix 2 sets out the year to date position on the Transport revenue budget as at the end of November 2019, showing a favourable variance of £1.403m from budget.
- 3.2 This is primarily driven by lower patronage volumes alongside changes to the timing of recruitment and lower infrastructure costs. Additionally, changes in the timetable of capital projects have required lower revenue contributions to capital.
- 3.3 These savings are partly offset by higher costs incurred within Subsidised Bus Services as a result of increased costs pressures on contracts following the closure of Accessible Transport Group (ATG).

### **Full Year Forecast:**

- 3.4 The forecast 2 position shows a £1.972m favourable variance to budget.
- 3.5 This latest forecast is primarily driven by a reduction in patronage volumes, an increase in recharges following the award of the Future Mobility Zones (FMZ) capital grant and the realisation of some indirect efficiency savings in order to create the savings to support the 2020/21 budget.

## **4.0 West Midlands Combined Authority Delivery Budget**

### **Year to Date:**

- 4.1 Appendix 3 sets out the year to date and full year position on the West Midlands Combined Authority Delivery Budget as at the end of November 2019.
- 4.2 There is a favourable year to date variance of £0.141m as a result of reduced economic intelligence analysis activity, however, this is forecasted to increase over the remainder of the year, providing analysis covering homelessness and Brexit to arrive at a largely full year breakeven position.
- 4.3 There are further favourable movements within the other portfolios driven by the awarding of new grants to fund already commissioned work, alongside changes in the timetable of programmes and the timing of recruitment activity.
- 4.4 These savings are partly offset by investment income being lower than budgeted as a result of the need to prudently provide for potential defaults against loans made through the commercial loan fund.

### **Full Year Forecast:**

- 4.5 This latest full year forecast position shows a £0.284m favourable position to budget. This is largely due to savings against loan interest as no new borrowing has been required, alongside further favourable movements across the portfolios as a result of the awarding of new grants and the identification of efficiencies.
- 4.6 The favourable variance is partly offset by the need to set aside prudent provision in relation to the commercial loan fund as previously reported.

## **5.0 Mayor's Office**

- 5.1 The Mayoral Office financial position is largely in line with budget.

## 6.0 Transport Delivery Capital Programme

- 6.1 Appendix 5 sets out the position on the Capital Programme as at the end of November 2019. Actual costs totalled £108.0m (£96.3m in October), resulting in a favourable variance of £53.4m (£44.1m in October) against a budget of £161.4m.
- 6.2 The variance is contained primarily within Transport £21.8m (£17.1m October), and Housing £19.7m (£19.4m October) programmes. The annual forecast is broadly unchanged from October, totalling £226.4m, which is £82.2m below the budget of £308.6m, the variance spread across the programmes.

### Year to Date:

- 6.3 The Transport Programme has been categorised into five sub programmes. The largest of these is the Investment Programme with a budget of £139.6m, including all of the Rail / Sprint & Metro extension schemes. At the end of November, actual costs total £66.3m, which was £15.2m (£12.5m in October) below the budget of £81.5m. The main variances at the end of November 2019 are contained within the Metro Programme totalling £11.8m (£9.6m in October).
- 6.4 The variance against the Metro Wednesbury to Brierley Hill of £6.4m (£4.7m in October) is reflective of the latest programme for design and advance construction costs informed by the Midland Metro Alliance. Enabling works for the advanced utility diversions have commenced through trial holes, with utility diversion works expected follow. The award of the third generation trams was completed during October as expected and is a major milestone in the delivery of the Metro network.
- 6.5 The Birmingham Eastside extension variance of £5.1m (£3.0m in October) represents 46% of the anticipated budget to date and indicates a degree of delay due to a pending Transport and Works Act Order approval with DfT. Successful discussions with DfT to secure shorter term funding recently allowed works to progress to a revised profile. The final business case is anticipated to be approved by DfT in quarter one 2020/21.
- 6.6 The Metro Westside Extension (incorporating the Centenary Square and Edgbaston extensions) £1.6m adverse variance reflects the timing of construction activity due to overnight tram testing, early completion of the extension works, and excavation works within the Five Ways underpass.
- 6.7 The SPRINT Hagley Road scheme is £3.6m below budget (£2.9m in October), owing to utility works that have not been able to commence due to the ongoing finalisation of land agreements which are now largely resolved. It is not anticipated this will have any impact on the delivery timescales for the scheme.
- 6.8 The MML life cycle projects is under spent by £1.4m year to date owing to a re-profiling of track stress assessments.
- 6.9 The Metro East Birmingham to Solihull extension £1.4m (£1.3m October) development is currently on hold pending the identification of a suitable budget to progress the scheme to the next stage, discussions are ongoing with Government in this regard.

- 6.10 The Commonwealth Games Programme includes all of the schemes (SPRINT, Perry Barr & University Rail Stations, and Games) scheduled to be delivered in advance of the Games in July and August 2022. At the end of November 2019, actual costs total £7.8m (£6.4m in October), which is £1.8m below the budget of £9.6m. The main variance of note relates to the A45 SPRINT which was £1.7m below budget due to a reprofiling of utility diversion works.
- 6.11 In addition, the RTCC-Design & Layout (£0.6m) for the new control centre is underspent due to minor rescheduling of IT system and workstation hardware and software. Offsetting the under spends, the University Station is ahead of budget by £1.0m (£0.8m October) mainly due to the acceleration of some detailed design activities that were anticipated later in the programme.
- 6.12 Other major schemes includes construction of the decked car park with respect to the Longbridge Connectivity Package and other rail schemes. At the end of November 2019, actual costs total £7.2m (£6.3m in October), which was £2.7m below the budget of £9.9m. The main variance is contained within the Rail Schemes, primarily relating to Snow Hill 3rd Access £1.1m (£1.0m in October) reflecting survey work to inform future options. In addition, the Key Route Network safety programme (£0.7m) in relation to congestion and road safety measures has been rescheduled. Solution development work to progress conceptual/preliminary design options on the network started in September, and will progress towards end March 2020.
- 6.13 The Minor Works Programme includes a large number of small schemes. At the end of November 2019, actual costs total £3.7m (£2.9m in October), which was £1.5m below the budget of £5.2m. The main variances are attributable to Bradley Lane Park and Ride (£0.7m) following a revised in year construction profile from the contractor, and a pilot project in partnership with ADEPT (Association of Directors of Environment, Economy, Planning & Transport) (£0.8m) to analyse congestion patterns on the regions busiest roads has been revised in line with a new programme. A package of works at Coventry bus station has led to an under spend on Network Wide Bus Station Refurbishment Phase 1 (£0.3m), and some shelter installations with respect to TBT Platinum Route RTI equipment upgrades (£0.1m). Offsetting this is the DFT Tackling Nitrogen Dioxide work stream (Wolverhampton MBC) £1.0m, which includes an advance payment to West Midlands Travel ahead of budget.
- 6.14 The Grants to Local Authorities Budget of £3.5m relates primarily to the schemes funded within the Transforming Cities Fund which are in the early stages of development. At the end of November 2019, actual costs total £0.02m, which was £0.6m below the budget of £0.6m. The main variances have arisen owing to the finalisation of funding agreements with respect to two Coventry schemes, and as a consequence, the scheme expenditure has been rescheduled to commence into quarter three 2019/20.
- 6.15 The Grants to Local Authorities Investment Programme analysis details those schemes delivered by Local Authorities as part of the Investment Programme grant arrangements. At the end of November 2019, actual costs total £11.1m (£10.2m in October), which was £11.9m below the budget of £23.0m. The main under spends are contained within the Coventry schemes, notably Coventry UKC and Very Light Rail (£3.9m) where several work streams have been re-profiled to later in the year.

- 6.16 In addition the Coventry City of Culture (£3.3m) is under budget, as local government and other public sector funding has been drawn down before the WMCA funds. Also within the HS2 UK Central Interchange (£1.5m) there is an underspend, primarily due to the HS2 Parallel designs project offset by accelerated works (£0.4m) on the 3 lane roundabout to carry the A452 over the new HS2 railway track, and the NEC Longabout for A452 northbound traffic which are budgeted in September and November 2019 respectively.
- 6.17 The Housing Programme with an annual budget of £50.8m includes the WMCA Land Fund WMCA land remediation funds including the BCLEP managed Land and Property Investment Fund (LPIF). At the end of November 2019, actual costs total £11.8m (£10.8m in October), which was £19.7m below the budget of £31.5m. The variance is primarily contained within the WMCA Brownfield Land & Property Development Fund, where the drawdown of funding for Commonwealth Games (£11.0m), Telford and Wrekin Council (£0.75m), and Redsun Development (£0.5m) have been rescheduled to quarter four 2019/20 following the completion of legal agreements.

#### Annual Forecast:

- 6.18 The annual forecast is broadly unchanged from October, totalling £226.4m, which is £82.2m below the overall budget of £308.6m. The variations to budget relate to the WMCA Investment Programme (£33.0m), the Investment Programme Grants to Local Authorities (£15.1m) and the Commonwealth Games Programme (£12.4m), which are further explained below.
- 6.19 On the WMCA Investment Programme for Transport, the annual forecast totals £106.6m, which is £33.0m below the budget of £139.6m. The main variances are contained within the Metro Programme £31.6m, and relate to the following schemes: The Metro Wednesbury to Brierley Hill Extension £15.5m has been reduced, following a reschedule of the programme with delivery in December 2023 remaining unchanged. The Metro Westside extension (£8.6m) has been reduced owing to re-phasing of traffic management costs along Broad Street, with the current construction strategy on target to deliver the scheme by December 2021. The Metro Birmingham Eastside extension (£8.1m) and Metro East Birmingham to Solihull Extension (£1.8m) forecast variances are consistent with the year to date variances detailed above.
- 6.20 Within the Commonwealth Games Programme, the annual forecast totals £14.3m, which is £12.4m below the budget of £26.7m. The main variances relate to A45 Sprint £7.5m, and SPRINT-A34 Walsall to Birmingham (£5.8m) with respect to the re-profiling of utility diversions. Offsetting the above, the University Station Improvement Plan (£1.3m) is over the in-year forecast primarily due additional design costs (GRIP 4 single option selection) reflecting the complexity of the scheme, and Perry Barr Rail Station (£0.3m), following a detailed review which has helped establish a higher degree of accuracy regarding forecast total cost. These increases are expected to be contained within the overall budget for the respective schemes at this stage.
- 6.21 On the Other Major Schemes Programme, the annual forecast totals £18.4m, which is £4.9m below the budget of £23.3m. This is in the main due to two Highway Programme schemes (National Productivity Investment Fund and Key Route Network Safety) which have deferred costs into 2020/21 in line with the latest programme for delivery.
- 6.22 Within the Minor Works Programme, the annual forecast totals £9.5m, which is £1.6m below the budget of £11.1m. The main variance relates to the Real Time Information Upgrades project (£0.9m), where work has been re-profiled due to a deferred start on site.

- 6.23 On the Grants to Local Authorities Programme in Transport, the annual forecast totals £1.0m, which is £2.5m below the budget of £3.5m. The funding agreement with respect to the B4106 Spon End (Coventry CC) £1.7m is nearing completion, which will pave the way for commencement of the scheme.
- 6.24 Within the Investment Programme Grants to Local Authorities, the annual forecast totals £38.3m, which is £15.1m below the budget of £53.4m. The main variations in spend are contained within the Coventry Schemes, notably Coventry City of Culture Regeneration (£7.1m) and Rail-Coventry Station Masterplan (£6.8m), as Local Growth Funding and other public funding has been drawn first before WMCA funding. The Coventry UKC and Very Light Rail (£3.2m) where several work streams have been re-profiled to later in the year, pending a request for additional funding. Offsetting the above, the HS2 UK Central Interchange (£3.9m) reflects an acceleration of spend, due to the early approval of the 3 lane roundabout to carry the A452 over the new HS2 railway track (Roundabout Over trace), and accelerated design spend with respect to the NEC Longabout for A452 northbound traffic. The costs will be contained within the project budget.
- 6.25 On the Housing Programme, the variance is primarily contained within the Brownfield Land & Property Development Fund (£13.1m), where the drawdown of funding for Commonwealth Games (£11.0m), Telford and Wrekin Council (£0.75m), and Redsun Developments (£0.5m) transactions are subject to the finalisation of legal agreements and planning permissions, which are now broadly complete.

## **7.0 Investment Programme**

- 7.1 The financial results for the Investment Programme run one month behind the regular management accounts due to the requirement to consolidate outputs across the Metropolitan area. The October results are shown at Appendix 6 showing the gross delivery totals for programmes delivered by both WMCA and Local Authorities.
- 7.2 The year to date spend to October 2019 is £78.1m behind the rebased 2019/20 forecast, mainly as a result of the current Metro, Land Reclamation and Remediation and Collective Investment Fund programmes.
- 7.3 The Metro programme is red status because of the current funding gap against the East Birmingham to Solihull project where discussions to confirm a funding package for the scheme are continuing. The cost to completion against UK Central Interchange remains red status due to the reduced funding gap of circa £131m against the Birmingham International Station redevelopment project.
- 7.4 The Rail programme budget reflects the Package 1 (Willenhall & Darlaston), Package 2 (Moseley, Kings Heath, Hazelwell), Snow Hill Lines and Sutton Coldfield Interchange and City Link schemes only.
- 7.5 In quarter 1 of 2019/20, the UKC HS2 Interchange programme was revised in respect of the HS2 Parallel Design process. A change request was submitted through the WMCA assurance framework and approved in July 2019. The budget has been adjusted to reflect the revised UKC HS2 Interchange programme.
- 7.6 Appendix 7 details the commitments made against the Investment Programme which totalled £748.2m to the end of November 2019 (£746.1m October 2019) with the remaining £52.8m within the affordable limit currently progressing through the assurance framework.

- 7.7 The commitments against Metro cash-flow funding for the East Birmingham to Solihull and Birmingham Eastside Extension projects are reported while these projects secure permanent funding.

Investment Programme Funding:

- 7.8 In November 2019, WMCA Board agreed to hold Investment Programme approvals within an affordable limit as determined by WMCA Finance Directors at £801 million whilst arrangements to secure additional funding into WMCA are developed and delivered. As such a number of programmes where the full extent of the funding required is not yet secure, the status of the programme has been amended to amber whilst these issues are being resolved. Specifically, this includes Coventry UKC Plus, Sprint Programme; Rail Programme, UK Central Infrastructure Package, Innovation Programme, Land Reclamation and Remediation and Employment, Education and Skills.

## 8.0 Balance Sheet

- 8.1 Appendix 8 presents the single entity WMCA Balance sheet to the end of period 8, November 2019. It shows an underlying healthy position with a net asset position of £260M.
- 8.2 The main changes between October and November, and since we last reported the position are that the grants received in advance of spend for Adult Education, Investment Programme and Metro are being used up gradually during the year. This has the effect of bringing down the level of short term deposits and decreasing the amount held in grants received in advance.

### West Midlands Integrated Transport Authority Pension Fund (WMITA PF) Merger

- 8.3 WMCA Board approved the proposed merger of WMITA Pension Fund with West Midlands Pension Fund on 9 November 2018. Officers working on behalf of both Pension Funds have now concluded the necessary arrangements and Regulations are now in force.
- 8.4 Following a process of public consultation undertaken by the Ministry of Housing, Communities and Local Government (MHCLG), the Regulations (Statutory Instrument 2019 No 1351, The Local Government Pension Scheme (West Midlands Integrated Transport Authority Pension Fund and West Midlands Pension Fund Merger) Regulations 2019) effecting the merger between the WMITA Pension Fund (WMITA PF) and the West Midlands Pension Fund (WMPF) came into force on 8 November 2019 and were backdated to confirm the merger effective 1 April 2019.

- 8.5 In summary the Regulations:
- Transfer the Local Government Pension Scheme Administering Authority responsibilities from the WMCA to the City of Wolverhampton Council as Administering Authority for the WMPF
  - Require both administering authorities to publish a statement of the assets and liabilities of their respective pension funds immediately prior to the merger, within three months of the Regulations coming into force
  - Novate all legal and contractual arrangements WMCA held in relation to its role as Administering Authority to City of Wolverhampton Council
  - Transfer all assets and liabilities of the WMITA PF to WMPF, now administer by the City of Wolverhampton Council.
- 8.6 To meet the requirements of the Regulations, the Fund has obtained from the Fund Actuary, a transfer statement of the assets and liabilities of the Main Fund (WMPF) and Transport Fund (WMITA PF) as at 31 March 2019 (Appendix 9). It is included within the appendices to this report, meeting the requirement for publication within the three-month window.
- 8.7 The assets and liabilities for the WMITA PF as at 31 March 2019 per the transfer statement differed to the WMITA PF's audited Statement of Accounts as at 31 March 2019 due to the assumptions being used.
- 8.8 The assets and liabilities per the audited Statement of Accounts were based on the assumptions used at the 2016 triennial valuation. The assets and liabilities per the actuary transfer statement are based on the latest 2019 triennial valuation. These assumptions are subject to potential change following ongoing employer consultation.
- 8.9 As a result of the merger, the WMITA PF will no longer form part of WMCA's statutory Statement of Accounts or be subject to audit.

## 9.0 Administered Funds

<b>Funding Stream</b>	<b>2019/20 Latest Forecast Grant Award £'000</b>	<b>2019/20 Spend to date £'000</b>	<b>Purpose</b>
Midlands Connect	7,817	4,279	Work is continuing on delivering the Midlands Engine 'Vision for Growth'.
Housing First Pilot	9,600	9,600	WMCA are the accountable body for this grant award that has now been paid to Birmingham City Council to develop work streams to help rough sleepers off the streets
One Public Estate	926	926	It was agreed by WMCA Board that WMCA would assume accountable body status for this grant award, that is delivering various projects that secure more from public sector assets through collective action. Sandwell MBC are in the process of transferring the funds to WMCA.
Highways Maintenance Block	13,112	13,112	Distributed to the 7 Mets. excluding Birmingham City Council which has separate PFI arrangements, to deliver programmed highways maintenance works in line with the conditions of the grant award
Integrated Transport Block	17,618	17,618	Supporting delivery of the 7 Mets. Capital Programmes & WMCA's Minor Works Capital Programme
<b>Total</b>	<b>49,073</b>	<b>45,535</b>	

### 10.0 Financial Implications

10.1 The Financial Implications are set out in the report.

### 11.0 Legal implications

11.1 There are no legal implications.

### 12.0 Equalities implications

12.1 There are no equalities implications.

### 13.0 Inclusive Growth Implications

13.1 The WMCA budget includes implications of inclusive growth in the region.

## **14.0 Geographical Area of Report's Implications**

14.1 The report encompasses the West Midlands region.

## **15.0 Other Implications**

15.1 There are no other implications

## **16.0 Appendices**

- Appendix 1 – WMCA Consolidated Summary – November 2019
- Appendix 2 – WMCA Transport Revenue Summary - November 2019
- Appendix 3 – WMCA Operational Revenue Summary – November 2019
- Appendix 4 – WMCA Mayor Revenue Summary – November 2019
- Appendix 5 – WMCA Capital Transport Delivery Programme – November 2019
- Appendix 6 – WMCA Investment Programme Summary – October 2019
- Appendix 7 – WMCA Investment Programme Commitments – November 2019
- Appendix 8 – WMCA Balance Sheet – November 2019
- Appendix 9 – West Midlands Pension Fund and West Midlands Integrated Transport Authority Pension Fund Statement of assets and liabilities as at 31 March 2019

## Appendix 1

### WMCA Consolidated Summary – November 2019

£000's	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Transport Levy	76,480	74,985	1,495	114,720	114,720	0
Devolution Deal Grants	6,059	7,757	(1,698)	11,667	12,396	(729)
Adult Education Funding	42,060	39,487	2,573	78,948	78,713	235
Share of Business Rates	4,000	4,000	0	6,000	6,000	0
Constituent Membership	3,096	3,096	0	4,644	4,644	0
Non Constituent Members	283	283	0	425	425	0
Investment Programme	36,500	36,500	0	36,500	36,500	0
Investment Income	902	1,129	(227)	1,147	1,694	(547)
3rd Party / Other Grant Income	618	0	618	2,479	0	2,479
Use of Reserves	2,091	2,123	(32)	2,144	2,144	0
<b>Total Funding</b>	<b>172,089</b>	<b>169,360</b>	<b>2,729</b>	<b>258,674</b>	<b>257,236</b>	<b>1,438</b>
Transport for West Midlands	75,690	75,598	(92)	113,748	115,720	1,972
Economy & Innovation	1,332	1,271	(62)	2,970	1,904	(1,066)
Environment, Energy & HS2	116	162	46	334	243	(91)
Housing and Land	1,106	1,568	462	2,172	2,352	180
Wellbeing	1,031	968	(63)	1,642	1,507	(135)
PSR & Social Economy	345	670	325	885	1,166	281
Culture and Digital	185	93	(92)	750	110	(640)
Productivity & Skills	46,257	44,645	(1,612)	87,377	87,131	(246)
Inclusive Communities	18	0	(18)	0	0	0
Business Support	2,588	2,503	(85)	3,297	3,798	501
Investment Programme	40,500	40,500	0	42,454	42,500	46
Mayoral Office	530	536	6	789	804	15
<b>Total Expenditure</b>	<b>169,698</b>	<b>168,513</b>	<b>(1,185)</b>	<b>256,418</b>	<b>257,235</b>	<b>817</b>
<b>Net Expenditure</b>	<b>2,391</b>	<b>847</b>	<b>1,544</b>	<b>2,256</b>	<b>0</b>	<b>2,256</b>
Transport	2,285	882	1,403	1,972	0	1,972
Operational	106	(35)	141	284	0	284
Mayoral Office	0	0	0	0	0	0
<b>Total</b>	<b>2,391</b>	<b>847</b>	<b>1,544</b>	<b>2,256</b>	<b>0</b>	<b>2,256</b>
Transfer to Efficiency Reserve			(1,544)			(2,256)
Transfer to General Fund			0			0

The year to date position at the end of November shows a £1.544m favourable variance from budget. This is primarily driven by a favourable variance of £1.403m within transport as a result of lower patronage volumes alongside the timing of recruitment and a reduction in IT expenditure. There is also a favourable variance of £0.141m within the WMCA delivery budget due to additional grants awarded since the budget was set, partly offset by lower investment income than budgeted, as a result of setting aside a statutory provision for debt.

Within the Investment Programme operational spend is ahead of budget to date. This is offset by a favourable variance against financing costs as a result of a lower transfer to the Investment Programme reserve which is in place to meet the costs of future Investment Programme borrowing, this has also been reflected in the revised forecast position.

## Appendix 2

### Transport for West Midlands year to date revenue position – November 2019

	NOVEMBER 2019 YEAR TO DATE			FULL YEAR 2019/20			VARIANCE EXPLANATION(S)
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
<b>TRANSPORT FOR WEST MIDLANDS</b>							
<b>INCOME</b>							
Specific resources:							
Transport Levy	76,480	76,480	- 0%	114,720	114,720	- 0%	As at the end of November 2019-20 there is a £1.322m favourable year-to-date variance, this is made up of a concessions savings, reduced capital finance costs, favourable partnerships workings and staffing variations. The forecast movement against budget is £1.972m broadly in line with the year to date position.
<b>TOTAL INCOME</b>	<b>76,480</b>	<b>76,480</b>	<b>- 0%</b>	<b>114,720</b>	<b>114,720</b>	<b>- 0%</b>	
<b>EXPENDITURE</b>							
<b>Concessions</b>							
National Bus Concession	33,757	34,115	358 1%	50,509	51,184	675 1%	YTD variance is made up of £0.3m lower ENCTs patronage offset by lower Concessionary Replacement Pass Income and higher supporting costs. The annual forecast movement of £0.675m favourable forecast movement is due to lower patronage.
Metro / Rail	3,022	3,055	33 1%	4,551	4,578	26 1%	
Child Concession	4,873	5,093	219 4%	7,452	7,643	191 3%	YTD variance is made up of £0.116m lower Child concessions, £0.047m favourable 16-18 Scheme costs, £0.052m lower ticketing postage and office supplies.
	41,652	42,262	610	62,512	63,404	893	
<b>Bus Services</b>							
Bus Stations / Infrastructure	2,231	2,388	157 7%	3,868	3,994	126 3%	Forecast movement mainly due to variable revenue share income from the digital advertising contract.
Subsidised Network	6,486	6,198	(288) 5%	9,807	9,379	(427) 5%	
Tendering / Monitoring	442	527	84 16%	659	788	129 16%	Adverse variance reflecting additional cost pressures on contracts following the collapse of the Accessible Transport Group.
Accessible Transport	4,805	4,838	33 1%	7,212	7,259	46 1%	
	13,965	13,952	(13)	21,546	21,419	(126)	Mainly due to some monitoring activity funded by grant income.
<b>Rail and Metro Services</b>							
Metro Services	941	1,023	82 8%	1,574	1,609	35 2%	YTD reflects timing of maintenance spend.
Rail Services	1,415	1,422	7 1%	2,350	2,267	(83) 4%	
	2,355	2,445	90	3,924	3,875	(48)	
<b>Integration</b>							
Safety and Security	473	555	83 15%	811	1,031	220 21%	Reflects latest partnership costs.
Passenger Information	3,313	3,307	(6) 0%	5,044	5,062	18 0%	
Sustainable Travel	251	246	(5) 2%	374	378	4 1%	
	4,036	4,108	72	6,229	6,471	242	
<b>Network Resilience</b>							
	687	925	238 26%	1,726	1,788	62 3%	Favourable variance driven by recruitment to the RTCC.
<b>Business Support Costs</b>							
	2,065	2,261	197 9%	3,324	3,534	210 6%	ICT costs lower than budgeted for specialist ICT provision.
<b>Strategic Development</b>							
	1,697	1,542	(155) 10%	2,537	2,412	(125) 5%	Due to the increased external advice activity.
<b>Elected Members</b>							
	253	258	6 2%	328	391	63 16%	
<b>Capital Finance Charges</b>							
	7,485	7,845	360 5%	10,622	11,425	802 7%	Forecast movement reflects the latest borrowing and investment costs based on latest capital programme delivery
<b>TOTAL EXPENDITURE</b>	<b>74,195</b>	<b>75,598</b>	<b>1,403 2%</b>	<b>112,748</b>	<b>114,720</b>	<b>1,972 2%</b>	
<b>NET</b>	<b>2,285</b>	<b>882</b>	<b>1,403</b>	<b>1,972</b>	<b>()</b>	<b>1,972</b>	

### Appendix 3

#### West Midlands Combined Authority Delivery Budget – November 2019

FINANCIAL SUMMARY AS AT NOVEMBER 2019	NOVEMBER 2019 YEAR TO DATE			FULL YEAR 2019/20			As at 30th November there is a favourable variance of £0.141 within the operational budget.
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
<b>Operational Income</b>							(1) Adverse year to date and full year variance is driven by lower investment income as a result of the need to provide for risk on the commercial loan fund as previously reported.
Investment Interest Income (1)	903	1,129	(226)	1,193	1,694	(501)	
Contribution - 7 Met Council's	3,096	3,096	0	4,644	4,644	0	
Contribution - Non constituent members	283	283	0	425	425	0	
<b>Total Income</b>	<b>4,282</b>	<b>4,508</b>	<b>(226)</b>	<b>6,262</b>	<b>6,763</b>	<b>(501)</b>	
Business Support	(2,295)	(2,283)	(12)	(2,839)	(3,380)	541	
<b>Total Expenditure</b>	<b>(2,295)</b>	<b>(2,283)</b>	<b>(12)</b>	<b>(2,839)</b>	<b>(3,380)</b>	<b>541</b>	
<b>Operational Income Net Total</b>	<b>1,987</b>	<b>2,225</b>	<b>(238)</b>	<b>3,423</b>	<b>3,383</b>	<b>40</b>	
<b>Economy &amp; Innovation</b>							(1) There are a number of key posts not expected to be filled until later in the year. External advice is also below budget as this was contingent on additional new income being secured, but which did not come to fruition.  (2) The full year savings within ODA are forecast to be carried forward into 2020/21 as it is funded through a three year grant.  (3) Economic Intelligence have currently not had as many ad hoc requests for data provision and analysis as budgeted. However this is expected to increase over the remainder of the year, through provision of analysis covering homelessness to Brexit, as well as delivery of the State of the Region report, to arrive at a full year broadly breakeven position.
Other Industrial Strategy Income (1)	26	197	(171)	79	296	(217)	
Office of Data Analytics (2)	142	189	(47)	189	284	(95)	
MHCLG - Brexit Support Preparations	200	0	200	1,375	0	1,375	
<b>Total Income</b>	<b>368</b>	<b>386</b>	<b>(18)</b>	<b>1,643</b>	<b>580</b>	<b>1,063</b>	
Funding for Growth	(467)	(467)	0	(720)	(700)	(20)	
Industrial Strategy (1)	(26)	(198)	172	(79)	(298)	219	
Office of Data Analytics (2)	(142)	(189)	47	(189)	(284)	95	
Economic Intelligence (3)	(76)	(160)	84	(228)	(240)	12	
MHCLG - Brexit Support Preparations	(200)	0	(200)	(1,375)	0	(1,375)	
Director of Strategy	(110)	(108)	(2)	(158)	(162)	4	
<b>Total Expenditure</b>	<b>(1,021)</b>	<b>(1,122)</b>	<b>101</b>	<b>(2,749)</b>	<b>(1,684)</b>	<b>(1,065)</b>	
<b>Economy &amp; Innovation Net Total</b>	<b>(653)</b>	<b>(736)</b>	<b>83</b>	<b>(1,106)</b>	<b>(1,104)</b>	<b>(2)</b>	
<b>Environment &amp; Energy, HS2</b>							(1) A new BEIS grant has been secured to support the unlocking of Energy Innovation Zones. The funding will be fully utilised to commission delivery of a standard definition and development process template.
Energy Capital (1)	0	0	0	150	0	150	
<b>Total Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>150</b>	<b>0</b>	<b>150</b>	
Environment	(96)	(162)	66	(184)	(242)	58	
Energy Capital (1)	(20)	0	(20)	(150)	0	(150)	
HS2 Growth Strategy	0	0	0	0	(1)	1	
<b>Total Expenditure</b>	<b>(116)</b>	<b>(162)</b>	<b>46</b>	<b>(334)</b>	<b>(243)</b>	<b>(91)</b>	
<b>Environment &amp; Energy, HS2 Net Total</b>	<b>(116)</b>	<b>(162)</b>	<b>46</b>	<b>(184)</b>	<b>(243)</b>	<b>59</b>	
<b>Housing and Land</b>							Currently underspent due to changes in the timing of external advice activity relating to One Public Estate and the Strategic Assets Management Plan.
Housing and Land Commission	1,007	1,468	(461)	1,995	2,201	(206)	
<b>Total Income</b>	<b>1,007</b>	<b>1,468</b>	<b>(461)</b>	<b>1,995</b>	<b>2,201</b>	<b>(206)</b>	
Housing and Land Commission	(1,105)	(1,568)	463	(2,172)	(2,352)	180	
<b>Total Expenditure</b>	<b>(1,105)</b>	<b>(1,568)</b>	<b>463</b>	<b>(2,172)</b>	<b>(2,352)</b>	<b>180</b>	
<b>Housing and Land Net Total</b>	<b>(98)</b>	<b>(100)</b>	<b>2</b>	<b>(177)</b>	<b>(151)</b>	<b>(26)</b>	
<b>Wellbeing</b>							(1) Following the setting of the budget an additional grant was awarded to deliver targeted work to understand the barriers and motivations to getting more people active within the West Midlands.  (2) Expenditure is lower than budget due to changes in when activity and recruitment is expected to take place.
Well Being (1)	167	0	167	176	0	176	
IPS Programme	140	96	44	231	144	87	
Fiscal Incentive Programme	551	547	4	861	820	41	
<b>Total Income</b>	<b>858</b>	<b>643</b>	<b>215</b>	<b>1,268</b>	<b>964</b>	<b>304</b>	
Mental Health Commission (2)	(221)	(311)	90	(421)	(499)	78	
Well Being (1)	(246)	(93)	(153)	(324)	(161)	(163)	
IPS Programme	(140)	(96)	(44)	(239)	(144)	(95)	
Fiscal Incentive Programme	(564)	(565)	1	(889)	(847)	(42)	
<b>Total Expenditure</b>	<b>(1,171)</b>	<b>(1,065)</b>	<b>(106)</b>	<b>(1,873)</b>	<b>(1,651)</b>	<b>(222)</b>	
<b>Wellbeing Net Total</b>	<b>(313)</b>	<b>(422)</b>	<b>109</b>	<b>(605)</b>	<b>(687)</b>	<b>82</b>	

FINANCIAL SUMMARY AS AT NOVEMBER 2019	NOVEMBER 2019 YEAR TO DATE			FULL YEAR 2019/20			As at 30th November there is a favourable variance of £0.141 within the operational budget.	
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000		
<b>Public Service Reform &amp; Social Economy</b>							(1) The budget assumed additional income would be secured to fund different workstreams, however this is now unlikely to be achieved. As such the funding and associated expenditure was removed from the forecast. The current programmes all remain on track.	
Mayoral Capacity Funding	0	50	(50)	100	100	0		
Other PSR Income (1)	6	108	(102)	6	215	(209)		
<b>Total Income</b>	<b>6</b>	<b>158</b>	<b>(152)</b>	<b>106</b>	<b>315</b>	<b>(209)</b>		
Public Sector Reform (1)	(317)	(488)	171	(582)	(778)	196		
Inclusive growth	(7)	(40)	33	(13)	(60)	47		
<b>Total Expenditure</b>	<b>(324)</b>	<b>(528)</b>	<b>204</b>	<b>(595)</b>	<b>(838)</b>	<b>243</b>		
<b>Public Service Reform &amp; Social Economy Net Total</b>	<b>(318)</b>	<b>(370)</b>	<b>52</b>	<b>(489)</b>	<b>(523)</b>	<b>34</b>		
<b>Skills and Productivity</b>								(1) Changes in the timing of activity have reduced income and associated expenditure year to date. The reduction in expected delivery this financial year has been reflected in the forecast. An extension of the pilot has been provisionally approved by the DWP.  (2) Driven by changes in the timing of activity as well as additional funding from the Construction Industry Training Board, which has also been reflected in the full year forecast.  (3) The significant year to date variance is driven by the timing of payments in line with the ESFA phasing and contract delivery plans, with delivery on track for the full year. The full year forecast was adjusted to include the implementation funding from DfE.  (4) The timing of sign off of the grant from DfE has driven the year to date variance. This was reflected in the forecast as the programme will not now deliver as much this financial year as originally budgeted.
Productivity and Skills	40	0	40	81	0	81		
Employment Support Pilot Skills (1)	752	1,545	(793)	1,530	2,278	(748)		
Investment Programme (Skills)	149	137	12	298	206	92		
Technical Education	61	67	(6)	96	100	(4)		
Construction Skills (2)	2,584	1,890	694	4,906	3,556	1,350		
Adult Education (3)	42,060	39,487	2,573	78,948	78,713	235		
Careers	2	0	2	10	0	10		
Digital Skills (4)	379	1,161	(782)	1,149	1,741	(592)		
<b>Total Income</b>	<b>46,027</b>	<b>44,287</b>	<b>1,740</b>	<b>87,018</b>	<b>86,594</b>	<b>424</b>		
Productivity and Skills	(388)	(377)	(11)	(617)	(565)	(52)		
Employment Support Pilot Skills (1)	(752)	(1,545)	793	(1,530)	(2,278)	748		
Investment Programme (Skills)	(128)	(137)	9	(277)	(206)	(71)		
Technical Education	(61)	(67)	6	(96)	(100)	4		
Construction Skills (2)	(2,584)	(1,890)	(694)	(4,906)	(3,556)	(1,350)		
Adult Education (3)	(42,024)	(39,487)	(2,537)	(78,912)	(78,713)	(199)		
Careers	(2)	0	(2)	(10)	0	(10)		
Digital Skills (4)	(378)	(1,161)	783	(1,148)	(1,741)	593		
<b>Total Expenditure</b>	<b>(46,317)</b>	<b>(44,664)</b>	<b>(1,653)</b>	<b>(87,496)</b>	<b>(87,159)</b>	<b>(337)</b>		
<b>Skills and Productivity Net Total</b>	<b>(290)</b>	<b>(377)</b>	<b>87</b>	<b>(478)</b>	<b>(565)</b>	<b>87</b>		
<b>Culture and Digital</b>							(1) The Creative Scale Up grant is a new two year grant awarded after the budget was set. This will deliver: -A business support programme to improve the investibility of scaling creative industry businesses. -Targeted work with investors to increase interest and capacity in supporting creative industry businesses. -Contribute to a centralised rigorous evidence base that tests the impact of sector specific investment readiness support for creative businesses.	
5G Network	40	0	40	0	0	0		
DDCMS - Creative Scale Up (1)	70	0	70	650	0	650		
<b>Total Income</b>	<b>110</b>	<b>0</b>	<b>110</b>	<b>650</b>	<b>0</b>	<b>650</b>		
5G Network	(40)	0	(40)	0	0	0		
Culture and Tourism Commission	(75)	(93)	18	(100)	(110)	10		
DDCMS - Creative Scale Up (1)	(70)	0	(70)	(650)	0	(650)		
<b>Total Expenditure</b>	<b>(185)</b>	<b>(93)</b>	<b>(92)</b>	<b>(750)</b>	<b>(110)</b>	<b>(640)</b>		
<b>Culture and Digital Net Total</b>	<b>(75)</b>	<b>(93)</b>	<b>18</b>	<b>(100)</b>	<b>(110)</b>	<b>10</b>		
<b>Inclusive Communities</b>								
<b>Total Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
Youth Combined Authority	(18)	0	(18)	0	0	0		
<b>Total Expenditure</b>	<b>(18)</b>	<b>0</b>	<b>(18)</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>Inclusive Communities Net Total</b>	<b>(18)</b>	<b>0</b>	<b>(18)</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>Operational Income Net Total</b>	<b>106</b>	<b>(35)</b>	<b>141</b>	<b>284</b>	<b>0</b>	<b>284</b>		

**Appendix 4**

West Midlands Combined Authority Mayoral Budget – November 2019

	NOVEMBER 2019 YEAR TO DATE				FULL YEAR 2019/20			
	ACTUAL £000	BUDGET £000	VARIANCE £000		FORECAST £000	BUDGET £000	VARIANCE £000	
<b>MAYORAL OFFICE</b>								
Other Grants	505	536	(31)	6%	789	804	(15)	2%
Use of Reserves	25	0	25	0%	45	0	45	0%
<b>TOTAL INCOME</b>	<b>530</b>	<b>536</b>	<b>(6)</b>	<b>1%</b>	<b>834</b>	<b>804</b>	<b>30</b>	<b>4%</b>
Staff Costs	(462)	(501)	39	8%	(709)	(751)	42	6%
IT	(7)	(7)	0	0%	(10)	(10)	0	0%
Promotions, Information and Initiatives	(2)	0	(2)	0%	(5)	0	(5)	0%
External Advice	(30)	0	(30)	0%	(56)	0	(56)	0%
Travel & Subsistence	(28)	(27)	(1)	4%	(41)	(41)	0	0%
Other	(1)	(1)	0	0%	(2)	(2)	0	0%
<b>TOTAL EXPENDITURE</b>	<b>(530)</b>	<b>(536)</b>	<b>6</b>	<b>1%</b>	<b>(823)</b>	<b>(804)</b>	<b>(19)</b>	<b>2%</b>
<b>NET</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>11</b>	<b>0</b>	<b>11</b>	<b>0%</b>

Appendix 5

West Midlands Combined Authority Transport Delivery Capital Programme – November 2019

	YEAR TO DATE			FULL YEAR			Commentary
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
<b>TRANSPORT PORTFOLIO CAPITAL PROGRAMME</b>							
<b>Investment Programme</b>	<b>66,330</b>	<b>81,515</b>	<b>15,185</b>	<b>106,607</b>	<b>139,616</b>	<b>33,009</b>	<p><b>Actual v Budget YTD variances</b></p> <p>At the end of November 2019, actual expenditure was £15.2m lower than budget (£12.5m Oct 19). The main variances are contained within the Metro Programme, and relate to the following;</p> <p>Metro Wednesbury to Brierley Hill Extension £6.384m (£4.661m Oct) reflects latest programme for design and advance construction costs. Approval received in October, allowing full design to commence in November. The delivery date remains on target.</p> <p>Metro Birmingham Eastside £5.123m (£2.995m Oct) following work to finalise the Transport and Works Act Order (TWAO) submission and the final business case. DfT have provided development funding to allow works to progress.</p> <p>SPRINT - Hagley Road £3.552m (£2.874m Oct) utility work and early contractor involvement has been reprofiled due to ongoing works to finalise Land agreements which are now mostly concluded.</p> <p>MML Life Cycle Projects £1.4m Track Stress Assessments and other activities rescheduled.</p> <p>Metro Centenary Square / Edgbaston Extension £1.572m (£2.314m Sep) due to acceleration of overnight testing works offset by reduced excavation scope at Five Ways. The overall delivery date remains on target for December 2021.</p> <p><b>Annual Budget v Forecast variances</b></p> <p>At the end of November 2019, the annual variance was £33.0m below budget (£15.191m Sept 2019). The reduction of £17.81m in October is primarily spread across the Metro projects. The main variances to budget are as follows;</p> <p>Metro Wednesbury to Brierley Hill Extension £15.470m (£10.593m Sept) due to the rescheduling of the programme with no impact on delivery date December 2023.</p> <p>Metro Edgbaston £8.57m (£0.052m Sept) due to re-phasing of traffic management costs along Broad Street.</p> <p>Metro Birmingham Eastside (£5.889m) due to TWAO decision. Work is now underway to complete a Final Business Case which is expected to be approved in Q1 2020/21.</p>
Metro	62,392	74,193	11,801	94,660	126,230	31,570	
Rail	2,463	2,310	(153)	4,684	6,214	1,530	
Sprint	1,475	5,012	3,537	7,263	7,172	(91)	
<b>CWG Programme</b>	<b>7,840</b>	<b>9,598</b>	<b>1,758</b>	<b>14,277</b>	<b>26,717</b>	<b>12,440</b>	<p><b>Actual v Budget YTD variances</b></p> <p>At the end of November 2019, actual expenditure was £1.758m lower than budget (£0.276m Oct). The main variances are as follows;</p> <p>A45 SPRINT £1.736m (£0.823m Oct) due to the reprofiling of utility diversion costs to Q4 19/20.</p> <p>RTCC - Design &amp; Layout (£0.596m) Contractor review of fitting out of the new Control Centre.</p> <p>SPRINT-A34 Walsall to Birmingham (£0.529m) due to the reprofiling of utility diversion costs to Q4 19/20.</p> <p>Offset by University Station Improvements £1.0m (£0.776m Oct) due to acceleration of some detailed design.</p> <p>Perry Barr Rail Station £0.315m (£0.266 Oct) due to additional works to complete the design brief</p> <p><b>Annual Budget v Forecast variances</b></p> <p>At the end of November 2019, the annual variance was £12.4m below budget (£1.301m Aug). The main variances are as follows;</p> <p>A45 SPRINT £7.491m due to utility diversions being reprofiled to 20/21.</p> <p>SPRINT A34 Walsall to Birmingham £5.8m due to utility diversions being reprofiled to 20/21.</p> <p>University Station improvements (£1.309m) due to acceleration of works due to complexity of design which can be accommodated within the current anticipated final cost estimate.</p>
Highway	1,568	2,363	795	5,813	6,722	909	
Other	45	98	53	98	98	0	
Rail	3,298	1,942	(1,356)	4,411	2,622	(1,789)	
Sprint	2,929	5,195	2,266	3,955	17,275	13,320	
<b>Other Major Programmes</b>	<b>7,199</b>	<b>9,922</b>	<b>2,723</b>	<b>18,377</b>	<b>23,312</b>	<b>4,935</b>	<p><b>Actual v Budget YTD variances</b></p> <p>At the end of November 2019, actual expenditure was £2.724m lower than budget (£2.503 Oct). The main variances are as follows;</p> <p>Snow Hill 3rd Access £1.108m (£1.112m Oct) Survey work and GRIP 4 option development is progressing towards completion during Q3 19/20.</p> <p>Key Route Network £0.726m (£0.393m Oct) owing to a reprofiling of the Congestion &amp; Road Safety works into 20/21.</p> <p>Longbridge £0.349m due to minor contractor construction rephasing.</p> <p><b>Annual Budget v Forecast variances</b></p> <p>At the end of November 2019 the annual variance was £4.932m below budget with marginal changes to last month (£0.793m Sept).</p>
Bus	1,964	1,801	(163)	5,755	5,769	14	
Highway	258	984	726	1,577	4,026	2,449	
Other	1,886	2,570	684	4,475	6,121	1,646	
Rail	3,091	4,567	1,476	6,570	7,396	826	
<b>Minor Work Programme</b>	<b>3,711</b>	<b>5,172</b>	<b>1,461</b>	<b>9,525</b>	<b>11,144</b>	<b>1,619</b>	<p><b>Actual v Budget YTD variances</b></p> <p>At the end of November 2019, actual expenditure was £1.461m lower than budget (£1.5m Oct). The main variance is as follows;</p> <p>ADEPT Live Lab £0.806m (£0.568m Oct) is below budget. Early pilot work to analyse congestion patterns revised in line with a new programme is being undertaken.</p> <p>Bradley Lane Park and Ride £0.733m (£0.652m Oct) below budget due to a reprofiling of the car park construction works.</p> <p>Offset by</p> <p>DfT Tackling Nitrogen Dioxide workstream (Wolverhampton MBC) £0.985 above budget. Advance payment to West Midlands Travel. There is no impact on the annual budget.</p> <p><b>Annual Budget v Forecast</b></p> <p>Real Time Information upgrades (£0.935m) initial solution development work commenced in November, as a consequence original work streams have been rescheduled to 20/21.</p> <p>Network Infrastructure Measures (£0.446m) Contribution to A435 Alcester Road Bus Priority scheme not required until Q2 20/21. ADEPT Live Lab £0.568m (£0.326m Sept) is below budget but early pilot work to analyse congestion patterns revised in line with a new programme is underway.</p>
<b>Grants to Local Authorities</b>	<b>15</b>	<b>657</b>	<b>642</b>	<b>1,037</b>	<b>3,546</b>	<b>2,509</b>	
<b>TOTAL TRANSPORT PROGRAMME</b>	<b>85,095</b>	<b>106,864</b>	<b>21,769</b>	<b>149,823</b>	<b>204,335</b>	<b>54,512</b>	

West Midlands Combined Authority Transport Delivery Capital Programme – November 2019

	YEAR TO DATE			FULL YEAR			Commentary
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
<b>Investment Programme (Grants to Local Authorities)</b>	11,127	23,025	11,898	38,332	53,423	15,091	<p><b>Actual v Budget variances</b> At the end of November 2019, actual expenditure was £11.898m (£10.214m Oct) below the budget of £23.0m. The main variances are as follows;</p> <p>Coventry UKC and Very Light Rail £3.6m (£3.869m Oct). Coventry Station Masterplan £2.134m (£0.355 Oct) awaiting CPO process to finalise land acquisition. Coventry City of Culture Regeneration £3.271m (£2.249m Oct) Local Government and other public funding sources have been drawn down first. HS2 - UK Central Interchange £1.546m (£0.699m Oct) below budget relating to HS2 Parallel designs pending approval of final business cases on NEC longabout (due in October 2019) and roundabout over-trace (approved in September). Offset by UK Central Infrastructure Package (£0.644m) ahead of budget. The overspend to budget is due to a minor acceleration of programme.</p> <p><b>Annual Budget v Forecast</b> At the end of November 2019, the Annual variance was £15.1m below budget. The main variances are as follows; Coventry City of Culture Regeneration £7.1m and Rail-Coventry Station MasterPlan £6.8m due to Local Growth funding being utilised before WMCA funding. Coventry UKC and Very Light Rail £3.2m due to several workstreams being re-profiled to later in the year. Offset by HS2 UK Central Interchange £3.98m owing to early approval of the roundabout over trace and accelerated design spend on the NEC Longabout ((A452) project.</p>
<b>Housing</b>	11,782	31,521	19,739	38,196	50,829	12,633	<p><b>Actual v Budget variances</b> At the end of November 2019, actual expenditure was £19.739m below budget (£19.426m in Oct) . The main variances are as follows;</p> <p>Brownfield Land &amp; Property Development Fund £16.998m (£16.550m Oct) primarily due to a rescheduling of draw down of Commonwealth Games (£11.0m) partly deferred to November 2019 and January 2020, Telford &amp; Wrekin Council (£0.750m) deferred to March 2020, and Redsuns Project (£0.457m) deferred to October 2019.</p> <p><b>Annual Budget v Forecast</b> At the end of November 2019, the Annual variance was £12.6m below budget, primarily due to a rescheduling of Commonwealth Games (£11.0m) and Telford &amp; Wrekin Council (£0.75m).</p>
<b>TOTAL OTHER PORTFOLIOS</b>	<b>22,909</b>	<b>54,546</b>	<b>31,637</b>	<b>76,528</b>	<b>104,252</b>	<b>27,724</b>	

Appendix 6

WMCA Investment Programme Financial Summary period ending 31<sup>st</sup> October 2019

## WMCA Investment Programme Financial Summary

Period Ending 31st October 2019

PROGRAMME	2019 / 2020 YEAR TO DATE			2019 / 2020 FULL YEAR			COST TO COMPLETION					
	ACTUAL	BUDGET	VARIANCE	BUDGET	FORECAST	VARIANCE	PRIOR PERIOD SPEND	2019/20 FORECAST	FUTURE YEARS FORECAST	TOTAL FORECAST OUTTURN	TOTAL BUDGET	VARIANCE
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
COVENTRY UKC PLUS	16,223	22,845	6,622	64,073	49,812	14,261	23,425	49,812	637,732	710,969	700,787	(10,182)
SPRINT PROGRAMME	3,389	8,148	4,760	24,627	11,219	13,408	4,385	11,219	281,738	297,342	297,449	107
RAIL PROGRAMME	2,065	4,592	2,527	9,207	4,757	4,450	4,129	4,757	179,741	188,627	185,727	(2,900)
METRO PROGRAMME	54,855	68,177	13,321	128,275	91,078	37,197	190,447	91,078	1,309,659	1,591,184	1,589,610	(1,574)
UK CENTRAL INFRASTRUCTURE PACKAGE	4,233	5,534	1,301	14,241	14,204	36	9,330	14,204	1,363,094	1,386,629	1,386,756	128
UK CENTRAL HS2 INTERCHANGE	2,517	4,660	2,143	7,932	11,916	(3,984)	12,305	11,916	505,342	529,563	604,416	74,853
CURZON STREET STATION MASTERPLAN	1,221	1,221	-	3,904	3,904	-	3,155	3,904	546,789	553,848	553,848	-
NATIONAL COLLEGE FOR HIGH SPEED RAIL	-	-	-	-	-	-	25,553	-	-	25,553	25,553	-
HIGH SPEED SUPPLY CHAIN & BUSINESS SUPPORT	-	-	-	-	-	-	11,270	-	338,730	350,000	350,000	-
<b>HS2 GROWTH STRATEGY TOTAL</b>	<b>84,504</b>	<b>115,178</b>	<b>30,674</b>	<b>252,258</b>	<b>186,890</b>	<b>65,368</b>	<b>284,000</b>	<b>186,890</b>	<b>5,162,824</b>	<b>5,633,714</b>	<b>5,694,146</b>	<b>60,432</b>
COVENTRY CITY CENTRE SOUTH REGENERATION	1,619	2,472	854	6,207	3,873	2,335	23,046	3,873	347,009	373,928	373,675	(253)
INNOVATION PROGRAMME	9,330	13,958	4,628	23,929	18,396	5,533	2,660	18,396	174,094	195,150	195,000	(151)
LAND RECLAMATION AND REMEDIATION	8,348	28,882	20,534	49,138	31,858	17,280	7,194	31,858	160,947	200,000	200,000	-
COMMONWEALTH GAMES 2022	-	5,833	5,833	10,000	-	10,000	-	-	25,000	25,000	25,000	-
EMPLOYMENT, EDUCATION & SKILLS	113	1,234	1,121	2,116	326	1,789	48	326	19,626	20,000	20,000	(0)
COLLECTIVE INVESTMENT FUND	6,522	20,943	14,421	52,708	22,706	30,003	39,147	22,706	938,148	1,000,000	1,000,000	0
DEVOLVED TRANSPORT INVESTMENT	-	-	-	-	-	-	-	-	1,299,000	1,299,000	1,299,000	-
EZ EXPANSION EXCLUDING CURZON STREET	-	-	-	-	-	-	-	-	20,000	20,000	20,000	-
<b>OTHER INVESTMENT PROGRAMME SCHEMES</b>	<b>25,931</b>	<b>73,322</b>	<b>47,391</b>	<b>144,098</b>	<b>77,159</b>	<b>66,939</b>	<b>72,096</b>	<b>77,159</b>	<b>2,983,824</b>	<b>3,133,079</b>	<b>3,132,675</b>	<b>(404)</b>
<b>GRAND TOTAL</b>	<b>110,435</b>	<b>188,500</b>	<b>78,065</b>	<b>396,356</b>	<b>264,049</b>	<b>132,307</b>	<b>356,095</b>	<b>264,049</b>	<b>8,146,649</b>	<b>8,766,793</b>	<b>8,826,821</b>	<b>60,028</b>

## Appendix 6 (Continued)

WMCA Investment Programme Financial Commentary for the period ending 31st October 2019

The financial results for October 2019 are shown above.

In respect of full project costs to completion, the financial summary has been adjusted to reflect the revised budget based on the 2019/20 programme baseline. The project budget for the Wednesbury to Brierley Hill Metro Extension has been revised, as approved by the WMCA Board on 22 March 2019. The Metro programme is red status because of the current funding gap against the East Birmingham to Solihull project.

The UK Central HS2 Interchange programme has been reforecast based on the latest business case submitted to Central Government, which has resulted in the variance reported above of £74.9m between the total forecast outturn and budget. However, within the revised forecast outturn of £529.6 million, there remains a funding gap against the Birmingham International Station redevelopment project, which is now £131 million. Therefore the UK Central HS2 Interchange programme remains red status.

In November 2019, it was agreed by WMCA Board that Investment Programme approvals are held within the current affordable limit. Based upon what is available to date, the affordable limit was agreed by WMCA Board to be £801 million. As a consequence, programmes that are funded from the Investment Programme beyond the current affordable limit of £801 million have changed status this month from green to amber.

The programmes that have changed status from green to amber are Coventry UKC Plus, Sprint Programme; Rail Programme, UK Central Infrastructure Package, Innovation Programme, Land Reclamation and Remediation and Employment, Education and Skills.

The Rail programme budget reflects the Package 1 (Willenhall & Darlaston), Package 2 (Moseley, Kings Heath & Hazelwell), Snow Hill Lines and Sutton Coldfield Interchange and City Link schemes only.

For 2019/20, the YTD spend to October is £78.1 million behind budget. Within this amount are the following significant variances:

- \*Metro programme variance of £13.3 million, including Birmingham Eastside Extension (£6.1 million) and Wednesbury to Brierley Hill (£5.5 million);
- \*Land Reclamation and Remediation variance of £20.5 million, including Brownfield Land Property and Development Fund (BLPDF) (£17.8 million); and
- \*Collective Investment Fund variance of £14.4 million.

The 2019/20 full year forecast underspend of £65.4 million for the HS2 Growth Strategy includes the significant variances set out below:

- \*Coventry UKC Plus variance of £14.3 million, including for Coventry Station Masterplan (£15.1 million), offset by forecast spend for UK City of Culture 2021 Regeneration (£6.2 million).
- \*Sprint programme variance of £13.4 million, including A34 Walsall to Birmingham (£5.5 million) and A45 Birmingham to Airport and Solihull (£7.3m); and
- \*Metro programme variance of £37.2 million, including Edgbaston Extension (£8.5 million), Birmingham Eastside Extension (£10.9 million) and Wednesbury to Brierley Hill Extension (£16.4 million).

The CPO process to finalise the required land acquisition for the Coventry Station Masterplan project has been delayed, which has caused the observed variance. The Coventry South Package variance is because of delays to the A46 Stoneleigh Junction project, caused by legal and planning issues with Highways England and DfT, as well as land acquisition values remaining yet to be agreed with land owners. Formal confirmation of DfT funding remains outstanding for the A46 Stoneleigh Junction project.

The latest spend against the Sprint projects has been primarily caused by ongoing cost reviews and funding assurance processes.

The above variances are not considered to have an impact on the overall delivery of the projects.

The other major full year variances to forecast are:

- \* An variance of £17.2 million in respect of Land Reclamation and Remediation; and
- \* An variance of £30.0 million in respect of the Collective Investment Fund.

Variances are due to planning permission issues, complications on site and legal issues with solicitors for the Land Reclamation and Remediation programme. As with the variances for the HS2 Growth Strategy, the above variances are not considered to have an impact on the overall delivery of the projects.

The Coventry UKC Plus programme is showing a variance of £10.2 million between total forecast outturn and budgeted outturn. This is because of increased estimated delivery costs for the A46 Stoneleigh Junction project within the Coventry South Package.

**Appendix 7**

WMCA Investment Programme Commitment Profile as at 30th November 2019

£m	Total Approvals	Approved Commitments	Actual Spend
UK Central HS2 Interchange	398.0	51.9	13.9
UK Central Infrastructure Package	288.0	30.8	9.3
Sprint Programme	217.4	21.0	3.0
Rail Programme	146.7	18.8	6.1
Metro Programme	136.0	136.0	52.2
Coventry City Centre First incl. Coventry Station Masterplan	43.4	43.4	-
Coventry UKC Plus - Very Light Rail: 'Transforming Connectivity'	55.0	12.2	2.0
Coventry North Package	21.6	0.2	0.0
Coventry South Package	136.5	7.4	0.3
Wednesbury to Brierley Hill Metro Extension	103.0	103.0	-
Coventry UKC Plus - UK City of Culture 2021 Regeneration	31.6	31.6	0.4
<b>SUB TOTAL HS2 GROWTH STRATEGY</b>	<b>1,577.2</b>	<b>456.4</b>	<b>87.3</b>
Coventry City Centre South Regeneration	150.0	150.0	8.7
Innovation Programme	50.0	12.5	5.6
Land Reclamation and Remediation	200.0	103.0	15.5
Commonwealth Games 2022	25.0	25.0	-
Employment, Education & Skills	20.0	1.3	0.2
<b>OTHER INVESTMENT PROGRAMME</b>	<b>445.0</b>	<b>291.8</b>	<b>30.0</b>
<b>TOTAL</b>	<b>2,022.1</b>	<b>748.2</b>	<b>117.3</b>

Appendix 8

Balance Sheet as at 30th November 2019

<b>WMCA Balance Sheet as at 30 November 2019</b>			
	<b>30 November 2019 £'000</b>	<b>31 October 2019 £'000</b>	<b>Movement £'000</b>
Property, plant and equipment	402,209	396,860	5,349
Investments	23,095	22,918	177
<b>Long-term assets</b>	<b>425,304</b>	<b>419,778</b>	<b>5,526</b>
Debtors	59,885	51,816	8,069
Short-term deposits	133,490	168,900	(35,410)
Cash and bank	23	188	(166)
<b>Current assets</b>	<b>193,398</b>	<b>220,904</b>	<b>(27,506)</b>
Loans - interest due	(1,743)	(2,629)	886
Short-term creditors/accruals	(53,056)	(72,790)	19,734
<b>Current liabilities</b>	<b>(54,799)</b>	<b>(75,419)</b>	<b>20,620</b>
<b>Net current assets</b>	<b>138,599</b>	<b>145,485</b>	<b>(6,886)</b>
Provisions	(3,504)	(3,504)	-
PWLB	(118,924)	(118,924)	-
Other loans - Barclays	(10,000)	(10,000)	-
Dudley MBC	(7,185)	(7,185)	-
Grants receipts in advance	(164,307)	(175,815)	11,508
<b>Long-term liabilities</b>	<b>(303,920)</b>	<b>(315,428)</b>	<b>11,508</b>
<b>Net assets</b>	<b>259,983</b>	<b>249,835</b>	<b>10,148</b>
General fund balance	4,591	2,916	1,675
Earmarked reserves	134,049	132,115	1,934
Capital grants unapplied reserve	247	247	-
<b>Usable reserves</b>	<b>138,887</b>	<b>135,278</b>	<b>3,609</b>
Revaluation reserve	6,730	6,731	(1)
Deferred capital grants account	414,355	409,004	5,351
Capital financing account	(299,622)	(300,811)	1,189
Accumulated absences account	(367)	(367)	0
<b>Unusable reserves</b>	<b>121,096</b>	<b>114,557</b>	<b>6,539</b>
<b>Total reserves</b>	<b>259,983</b>	<b>249,835</b>	<b>10,148</b>

The WMCA Balance Sheet reflects a healthy financial position. Main changes since October reflect TfWM capital spend and work-in-progress funded mainly by grants in advance, resulting in an increase of £5.3m net of depreciation in property, plant and equipment.

The increase in debtors is due largely due to grant income for the Metro Centenary Square scheme.

The decrease in cash and bank and short-term deposits is largely due Investment Programme and capital programme (including Metro extension schemes) payments, and grant payments for the Adult Education Budget which resulted in the decrease in grants receipts in advance and short-term creditors/accruals.

# West Midlands Pension Fund and West Midlands Integrated Transport Authority Pension Fund

## Statement of assets and liabilities as at 31 March 2019

In accordance with Regulation 3(2) of the The Local Government Pension Scheme (West Midlands Integrated Transport Authority Pension Fund and West Midlands Pension Fund Merger) Regulations 2019, we set out below a statement of the assets and liabilities of the West Midlands Integrated Transport Authority Pension Fund and the West Midlands Pension Fund as at 31 March 2019, on behalf of the West Midlands Combined Authority and Wolverhampton City Council respectively. Please note that these are provisional figures and may be subject to change following a process of employer consultation.

Fund	Assets (000s)	Liabilities (000s)
West Midlands Integrated Transport Authority Pension Fund	£494,798	£552,918
West Midlands Pension Fund	£15,714,109	£16,643,114

The above assets are taken at market value on 31 March 2019 and include net assets potentially arising from debtors/creditors. For the purpose of the 2019 actuarial valuation for the West Midlands Pension Fund, we have smoothed the total asset value to £15,634m. These values were advised to us by the West Midlands Combined Authority and Wolverhampton City Council in their capacity as administering authorities of the West Midlands Integrated Transport Authority Pension Fund and the West Midlands Pension Fund, respectively. The asset value in respect of the West Midlands Integrated Transport Authority Pension Fund also allows for the notional value of the bulk annuity insurance contract that is held with Prudential in respect of a group of West Midlands Travel pensioners.

The liabilities above are based on the provisional methods and assumptions adopted for the 2019 actuarial valuation. Further details are set out in the associated results documents, which are available on request.



**Melanie Durrant FIA**  
**Principal, Barnett Waddingham LLP**

This page is intentionally left blank



## WMCA Board

<b>Date</b>	17 January 2020
<b>Report title</b>	WMCA Draft Budget 2020/21
<b>Portfolio Lead</b>	Finance - Councillor Bob Sleigh
<b>Accountable Chief Executive</b>	Deborah Cadman, West Midlands Combined Authority email: deborah.cadman@wmca.org.uk tel: (0121) 214 7200
<b>Accountable Employee</b>	Linda Horne, Director of Finance email: linda.horne@wmca.org.uk tel: (0121) 214 7508
<b>Report has been considered by</b>	Senior Leadership Team - 4 December 2019 Finance Directors - 19 December 2019 Programme Board - 20 December 2019

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

### The WMCA Board is recommended to:

1. Note the consolidated revenue budget monitoring position as at 30 November 2019;
2. Approve for consultation the draft West Midlands Combined Authority consolidated revenue budget summarised in Section 4. This includes:
  - a) the budget requirement for transport delivery 2020/21 comprising three elements:
    - i. £114.7 million a year to be funded from the existing transport levy mechanism;
    - ii. £1.4 million to be funded from grant awarded by the Commonwealth Games Organising Committee; and
    - iii. a transfer from earmarked reserves of £3.65 million.

- b) the West Midlands Combined Authority Delivery budget requirement for 2020/21 of £142.0 million comprising of six elements:
  - i. £125.8 million Adult Education spending to be funded from Adult Education Budget funding devolved by the Department for Education;
  - ii. £8.3 million to be funded from other devolution deal grants;
  - iii. £4.6 million to be funded from Constituent Authority fees (fees to remain at the same level as 2019/20);
  - iv. £0.4 million to be funded from Non-Constituent Authority and observer fees (fees to remain at the same level as 2019/20);
  - v. £2.2 million to be funded from other income; and
  - vi. a transfer from reserves of £0.8 million.
3. Approve for consultation and scrutiny the Mayoral Office budget for 2020/21 of £0.8 million to be funded from additional confirmed Mayoral capacity funding of £0.8 million.
4. Note that the Mayor has indicated that there will be no mayoral precept during the remainder of his current term of office.
5. Approve in principle an application to the Living Wage Foundation to become an accredited Real Living Wage employer as set out in paragraphs 4.17 to 4.20.
6. Note the West Midlands Combined Authority indicative 5 year Medium Term Financial Plan as set out in Paragraph 7.2 and Table 8.
7. Approve for consultation the draft Transport Capital Programme as set out in Section 8 and Appendix 4.
8. Note the planned spend on the Investment Programme over the 3 year period as set out Appendix 7 and in Section 9.
9. Approve that surplus cash balances generated from the Collective Investment Fund and Residential Investment Fund are used to support the West Midlands Combined Authority Delivery Budget thus minimising Constituent and Non-Constituent Authority contributions.
10. Note the matters identified by Overview and Scrutiny Committee that arose out of the Mayoral Q&A on 18 December 2019 as set out in Section 11 and Appendix 7.

## **1.0 Purpose**

- 1.1 This report is intended to present a draft budget for consideration by the West Midlands Combined Authority Board at its meeting on 17 January 2020, to enable a period of consultation with stakeholders to begin.
- 1.2 The West Midlands Combined Authority Overview and Scrutiny Committee's Budget Scrutiny Task Group has undertaken the scrutiny work. Feedback from the Overview and Scrutiny Committee Budget Scrutiny Task Group following the Mayoral Q&A session on the budget which took place on 18 December 2019 is attached to this report at Appendix 7.

## **2.0 Background**

- 2.1 This report represents the first part of the formal process to determine the West Midlands Combined Authority's budget, levy and precept levels for 2020/21. If approved, this report will form the basis for budget proposals to the West Midlands Combined Authority Board on 14 February 2020.
- 2.2 The overall vision of West Midlands Combined Authority is to drive inclusive economic growth in the West Midlands region and enable a healthier, happier, better connected and more prosperous population, as well as add value to the work of existing West Midlands' public sector bodies.
- 2.3 The draft West Midlands Combined Authority Delivery revenue budget for 2020/21 is funded by £5.1 million of locally generated funds and £9.2 million of monies secured through the region's devolution deals.
- 2.4 Therefore it can be seen that the region has been successful in continuing to leverage in almost £2 for every £1 raised locally to fund the Delivery Budget.
- 2.5 This report presents a strategy for both 2020/21 and a Medium Term Financial Plan across all revenue and capital budgets.
- 2.6 The development of the West Midlands Combined Authority has ensured that all the region benefits from both better outcomes as well as new investment with the intention of all areas benefitting from the delivery of Inclusive Growth. The key headlines for the draft budget are as follows:
  - Significant proposals and strategies being delivered at no extra cost to constituent authorities;
  - No increase in constituent fees or levy for 2020/21;
  - Medium term efficiencies to enable a cash flat position to be delivered;
  - No Mayoral precept for 2020/21;
  - Increased additional funding into the region to deliver our priorities;
  - A draft capital delivery plan for the West Midlands Combined Authority that provides £378.9 million of direct capital investment for the West Midlands region in 2020/21.
- 2.7 It should be noted that funding for the May 2020 Mayoral election is yet to be secured. West Midlands Combined Authority is continuing to lobby government alongside other Mayoral Combined Authorities, for sustainable funding for Mayoral Combined Authorities to be included in the government's spending plans, including funding for both the 2020 Mayoral Election and future Mayoral Elections. The Cabinet Office has indicated a review into election funding, which has yet to be concluded.

- 2.8 This report provides recommendations that would enable the West Midlands Combined Authority to deliver its ambitious plans for driving inclusive economic growth in the West Midlands region and building a healthier, happier, better connected and more prosperous West Midlands.
- 2.9 Inclusive growth comes from organisations working together to transform peoples' lives by developing new ways of positive change in communities. West Midlands Combined Authority is committed to promoting inclusive growth across the West Midlands that all our residents and communities can benefit from. West Midlands Combined Authority will ensure the voice of local people is at the heart of its vision for inclusive growth and will shape spending and investment decisions to generate inclusive growth. A commitment to ensure inclusive growth is also at the heart of the Local Industrial Strategy.
- 2.10 The approach to preparing the budget is in accordance with the Medium Term Financial Plan set out in section 7. The Medium Term Financial Plan sets out the anticipated budget position for 2020/21 along with a position for 2021/22 to 2024/25 and reflects the West Midlands Combined Authority's Strategic Economic Plan and the Mayor's Renewal Plan.
- 3.0 Revenue budget monitoring 2019/20**
- 3.1 West Midlands Combined Authority's forecast outturn for 2019/20 at Month 8 (November 2019) indicates a year to date favourable variation of £1.544 million overall.
- 3.2 The favourable variance on transport delivery achieved to date is a favourable variation of £1.403 million. This position is then added to by a favourable variation on Delivery spending of £0.141 million. Net spending for the Mayor's office is anticipated to be in line with the original budget.
- 3.3 This forecast represents actual performance for eight months of the 2019/20 financial year together with a forecast for the remaining four months. The following table illustrates the overall revenue position at the end of November 2019:

Table 1: West Midlands Combined Authority Revenue Budget Monitoring 2019/20

£000's	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Transport Levy	76,480	74,985	1,495	114,720	114,720	0
Devolution Deal Grants	6,059	7,757	(1,698)	11,667	12,396	(729)
Adult Education Funding	42,060	39,487	2,573	78,948	78,713	235
Share of Business Rates	4,000	4,000	0	6,000	6,000	0
Constituent Membership	3,096	3,096	0	4,644	4,644	0
Non Constituent Members	283	283	0	425	425	0
Investment Programme	36,500	36,500	0	36,500	36,500	0
Investment Income	902	1,129	(227)	1,147	1,694	(547)
3rd Party / Other Grant Income	618	0	618	2,479	0	2,479
Use of Reserves	2,091	2,123	(32)	2,144	2,144	0
<b>Total Funding</b>	<b>172,089</b>	<b>169,360</b>	<b>2,729</b>	<b>258,674</b>	<b>257,236</b>	<b>1,438</b>
Transport for West Midlands	75,690	75,598	(92)	113,748	115,720	1,972
Economy & Innovation	1,332	1,271	(62)	2,970	1,904	(1,066)
Environment, Energy & HS2	116	162	46	334	243	(91)
Housing and Land	1,106	1,568	462	2,172	2,352	180
Wellbeing	1,031	968	(63)	1,642	1,507	(135)
PSR & Social Economy	345	670	325	885	1,166	281
Culture and Digital	185	93	(92)	750	110	(640)
Productivity & Skills	46,257	44,645	(1,612)	87,377	87,131	(246)
Inclusive Communities	18	0	(18)	0	0	0
Business Support	2,588	2,503	(85)	3,297	3,798	501
Investment Programme	40,500	40,500	0	42,454	42,500	46
Mayoral Office	530	536	6	789	804	15
<b>Total Expenditure</b>	<b>169,698</b>	<b>168,513</b>	<b>(1,185)</b>	<b>256,418</b>	<b>257,235</b>	<b>817</b>
<b>Net Expenditure</b>	<b>2,391</b>	<b>847</b>	<b>1,544</b>	<b>2,256</b>	<b>0</b>	<b>2,256</b>
Transport	2,285	882	1,403	1,972	0	1,972
Operational	106	(35)	141	284	0	284
Mayoral Office	0	0	0	0	0	0
<b>Total</b>	<b>2,391</b>	<b>847</b>	<b>1,544</b>	<b>2,256</b>	<b>0</b>	<b>2,256</b>
Transfer to Efficiency Reserve			(1,544)			(2,256)
Transfer to General Fund			0			0

- 3.4 It should also be noted that the 2019/20 approved budget reflected year 3 of a 7 year plan to incorporate an amendment to West Midlands Combined Authority's Capital Financing Policy, leading to annual savings of £4.8 million a year. Capital financing charges will revert to their original pre-2017/18 level in 2024/25 which will lead to a corresponding increase in the budget requirement and transport levy, back to their original level.
- 3.5 £1.0 million a year for the 3 years 2018/19 – 2020/21 was set aside from the first year's savings (2017/18) to support the transport delivery revenue budget which enabled a corresponding levy reduction in each of the three years.
- 3.6 In developing the budget for 2020/21, an organisational efficiency savings review has been carried out with the aim of banking savings achieved in 2019/20 to support the budget in 2020/21. The position reflected in the table above represents the savings achieved to date both in year and as a forecast. These savings are then shown as going to an earmarked reserve and not the general fund.
- 3.7 The following table sets out the forecast position on West Midlands Combined Authority's general reserve as at 31 March 2019.

Table 2: West Midlands Combined Authority's General Reserve

General Reserve	£m
Balance brought forward 1 April 2019	2.3
Deficit in year 2019/20	(0.0)
<b>Balance carried forward 31 March 2020</b>	<b>2.3</b>

#### 4.0 The draft 2020/21 Consolidated Revenue Budget

4.1 The draft consolidated revenue budget position for 2020/21 is set out in the table below:

Table 3: Consolidated Draft Revenue Budget 2020/21

	Total	Transport	Operational Portfolios	Investment Programme	Mayors Office
	£m	£m	£m	£m	£m
Transport Levy	114.7	114.7	-	-	-
Devolution Deal Grant (IP)	36.5	-	-	36.5	-
Devolution Deal Grants - Other	9.2	-	8.3	-	0.8
Adult Education Funding	125.8	-	125.8	-	-
Share of Business Rates	7.5	-	-	7.5	-
Grants from Constituent Members	4.6	-	4.6	-	-
Grants from Non Constituent Members	0.4	-	0.4	-	-
Investment Income	1.8	-	1.8	-	-
Third Party Income	0.4	-	0.4	-	-
Commonwealth Games	1.4	1.4	-	-	-
Use of Reserves	4.4	3.6	0.8	-	-
Unsecured Funding	3.6	-	-	-	3.6
<b>Total Income</b>	<b>310.2</b>	<b>119.8</b>	<b>142.0</b>	<b>44.0</b>	<b>4.4</b>
Transport Delivery	119.8	119.8	-	-	-
Operational Delivery	142.0	-	142.0	-	-
Investment Programme	44.0	-	-	44.0	-
Mayoral Office	0.8	-	-	-	0.8
Mayoral Election	3.6	-	-	-	3.6
<b>Total Expenditure</b>	<b>310.2</b>	<b>119.8</b>	<b>142.0</b>	<b>44.0</b>	<b>4.4</b>
<b>Net Expenditure</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

4.2 The draft revenue budget for 2020/21 has been developed in collaboration with Constituent Authorities.

- 4.3 Further detail is provided in the following sections on how this budget has been built up. The proposed contributions from Constituent Authorities based on this draft budget mean that contributions will be maintained at 2019/20 levels. The split is set out in the following table:

Table 4: West Midlands Combined Authority Levy & Constituent Members Contributions

Allocations	2019/20 £m	2020/21 £m	Net Gain
Birmingham	46.1	46.0	0.1
Coventry	14.9	15.1	(0.2)
Dudley	13.3	13.2	0.1
Sandwell	13.5	13.5	0.0
Solihull	9.0	9.0	0.0
Walsall	11.7	11.7	0.0
Wolverhampton	10.9	10.9	0.0
<b>Total</b>	<b>119.4</b>	<b>119.4</b>	<b>0.0</b>

- 4.4 The change in net contributions from authorities reflects the proposed transport levy, updated for statutory population movements.
- 4.5 Delivery of this inclusive and collaborative budget process commenced with high level discussions with Metropolitan Leaders from June to September this year and the draft budget has been developed in partnership with West Midlands' Finance Directors and Chief Executives.
- 4.6 The draft budget presented in this report delivers all the Portfolio Leads' objectives, although cost pressures clearly remain in the medium term.
- 4.7 Non-constituent authority and observer fees have not increased since West Midlands Combined Authority was constituted in 2016, whilst constituent authority contribution levels have risen to reflect the need to increase capacity to deliver portfolio and commission recommendations.
- 4.8 The Mayor has also indicated that there will be no mayoral precept during the remainder of his current term of office.
- 4.9 The current working assumption is that the contribution for non-constituent authorities will remain at £25,000 per annum in 2020/21 and will be subject to annual review over the medium term.
- 4.10 From April 2019, non-constituent authorities were able to access the extended Collective Investment Fund (loans up to £20m on a £140m fund) and the Brownfield Land and Property Development Fund (grants up to a total fund value of £50m).
- 4.11 Non-constituent authorities also have access to the Single Commissioning Framework (£625M) of grant and loan funding for housing projects, including the Residential Investment Fund (loans up to £20m on £70m Fund).
- 4.12 This means that all constituent and non-constituent members are now able to access the funds and this change will have the effect of harmonising the geography of the funds across the region. These funds deliver opportunity for real regeneration investment in housing, jobs and economic regeneration and growth.
- 4.13 A number of non-constituent authorities are also benefitting from the Connecting Communities Employment Support Pilot. The pilot is part of the first West Midlands Combined Authority Devolution Agreement and is aimed at tackling unemployment and

low pay within local communities. The intention is to support individuals to engage with localised employability support, to raise the aspirations within the community and support individuals' transition into sustainable employment.

4.14 Non-constituent member areas, their residents and businesses are also able to access funds to support retraining through:

- Construction Retraining Fund (£5 million)
- Digital Retraining Fund (£5 million)
- Apprentice Levy Transfer Fund (£40 million)

4.15 The Swift travel card scheme has been rolled out across the West Midlands region, making travel easier for a wider employment pool and encouraging mobility in the workforce. Swift equipment has been installed in both Redditch and Cannock allowing the sale and collection of the Swift 'Pay as You Go' product which should facilitate movement across boundaries.

4.16 It is proposed that observer contributions also remain flat at £25,000 per annum. For clarity the proposed schedule of contributions is presented in the following table:

Table 5: Non Constituent Authority and Observer Contributions

<b>Non-Constituent Member Allocations</b>	<b>2020/21 £</b>
<b><i>Non-Constituent</i></b>	
Cannock Chase District Council	25,000
North Warwickshire Borough Council	25,000
Nuneaton and Bedworth Borough Council	25,000
Redditch Borough Council	25,000
Rugby Borough Council	25,000
Shropshire Council	25,000
Stratford-on-Avon District Council	25,000
Tamworth Borough Council	25,000
Telford and Wrekin Council	25,000
Warwickshire County Council	25,000
Black Country LEP	25,000
Greater Birmingham and Solihull	25,000
Coventry & Warwickshire LEP	25,000
<b><i>Observers</i></b>	
The Marches LEP	25,000
Fire partner contribution	25,000
Police partner contribution	25,000
Herefordshire	25,000
<b>Total</b>	<b>425,000</b>

### Real Living Wage Accreditation

- 4.17 The concept of the Real Living Wage was developed by the Joseph Rowntree Trust and is the term used to describe the minimum hourly wage necessary for shelter (housing and incidentals such as clothing and other basic needs) and nutrition. This standard generally means that a person working full-time with no additional income, should be able to afford a specified quality or quantity of housing, food, utilities, transport, health and recreation.
- 4.18 The current Real Living Wage is £9.30 per hour outside of London, and is reviewed annually by the Living Wage Foundation every November.
- 4.19 In addition to the clear personal financial benefits to employees, research has shown that the introduction of the Real Living Wage into organisations has resulted in improved attendance, greater levels of motivation, loyalty and improved recruitment and retention rates.
- 4.20 West Midlands Combined Authority is proposing to become an accredited Real Living Wage Employer in early 2020. West Midlands Combined Authority already pay directly employed staff the Real Living Wage but will be seeking to agree a plan with the Living Wage Foundation to extend that to regular third party contracted staff as well, to enable full Real Living Wage accreditation. Phased implementation means that the Real Living Wage is rolled out across third party contracts over time, as the contracts come up for renewal. The schedule for the roll out of will be included in the licence agreement as 'milestones'.

### Transport for West Midlands

- 4.21 The planning approach to setting the 2020/21 Transport for West Midlands budget has been to consider any changes that may be required to financial planning within the current policy framework and maintain investment into services in accordance with the current medium term financial plan.
- 4.22 The draft budget proposes that the 2020/21 levy is maintained at 2019/20 levels whilst recognising additional costs pressures in the medium term including new statutory responsibilities around congestion management and road safety and the increasing costs of the subsidised bus network.
- 4.23 The proposed budget has been delivered through:
- Renegotiated contracts;
  - Renegotiated bus operator reimbursements;
  - Increased staff recharges to capital projects;
  - Success with grant awards; and
  - Seeking more commercial revenue including CCTV and advertising and retail opportunities.
- 4.24 It should be noted that any proposed policy changes in respect of transport delivery would require full public consultation.
- 4.25 The proposed budget confirms the delivery of all existing policies, protects sustainability and continues to transition technology as well as deliver key transport initiatives. The proposed budget for Transport for West Midlands and associated levy for 2019/20 –

2023/24 is summarised in the following table and supported by a detailed analysis in Appendix 1.

Table 6: Summary Transport Revenue Budget 2020/21 to 2024/25

Transport 5 Year Position	2019/2020		2020/2021		2021/2022		2022/2023		2023/2024		2024/2025	
	£m	%										
English National Concessions Travel Scheme	51.2	44.2%	51.0	42.6%	52.2	42.5%	53.8	43.5%	56.2	43.7%	59.4	43.7%
Capital Financing	11.6	10.0%	10.7	8.9%	10.9	8.9%	10.9	8.8%	10.9	8.5%	16.1	11.8%
TfWM Policies	46.6	40.3%	50.6	42.2%	52.0	42.3%	52.0	42.0%	54.8	42.7%	54.2	39.8%
Strategic Development	2.4	2.1%	2.1	1.8%	2.2	1.8%	2.2	1.8%	2.3	1.8%	2.4	1.7%
Business Support & Elected Members	3.9	3.4%	4.0	3.3%	4.1	3.3%	4.2	3.4%	4.3	3.4%	4.0	2.9%
Commonwealth Games	0.0	0.0%	1.4	1.2%	1.4	1.2%	0.6	0.5%	0.0	0.0%	0.0	0.0%
<b>Total Expenditure</b>	<b>115.7</b>	<b>100.0%</b>	<b>119.8</b>	<b>100.0%</b>	<b>122.8</b>	<b>100.0%</b>	<b>123.7</b>	<b>100.0%</b>	<b>128.5</b>	<b>100.0%</b>	<b>136.0</b>	<b>100.0%</b>
Use of Reserves	1.0		3.6		0.0		0.0		0.0		0.0	
Commonwealth Games	0.0		1.4		1.4		0.6		0.0		0.0	
Proposed Levy	114.7		114.7		114.7		114.7		114.7		119.7	
<b>Total Funding</b>	<b>115.7</b>		<b>119.8</b>		<b>116.1</b>		<b>115.3</b>		<b>114.7</b>		<b>119.7</b>	

- 4.26 The summary above illustrates a proposed levy in 2020/21 of £114.7 million. This maintains a cash flat position when compared with 2019/20 and provides no material movements.
- 4.27 The use of £1.0 million a year of reserves for the 3 years 2018/19 – 2020/21 to enable a corresponding levy reduction for the 3 year period reflects one-off capital financing cost savings in 2017/18 and continues to support the indicative cash flat position.
- 4.28 The use of £2.6 million one-off efficiency savings identified in 2019/20 reflects the recent organisational efficiency review.
- 4.29 The Commonwealth Games Strategic Transport Plan outlines how extra capacity will be built into the transport network and how public transport will be strengthened to keep the region moving, making sure residents, businesses and visitors can continue to travel around the West Midlands.
- 4.30 Transport for West Midlands and Birmingham City Council are working together to deliver a significant programme of long-term transport improvements, not just for the Games but for the future benefit of the whole region.
- 4.31 The plan also sets out which transport projects will be delivered in time for the Games including improvements to Coventry, University and Perry Barr rail stations extending the West Midlands Metro to Edgbaston and the first phase of three new Sprint rapid bus routes.
- 4.32 Table 6 also reflects funding of £1.4 million confirmed for 2020/21 by the Commonwealth Games Organising Committee in respect of the revenue impact of planning for delivery of the Games in 2022.

## 5.0 West Midlands Combined Authority Delivery Budget

- 5.1 Following conclusion of the detailed annual planning and budgeting process undertaken in November 2019, the proposed West Midlands Combined Authority Delivery Budget is summarised in the following table. Appendix 2 sets out in more detail each of the Portfolio areas.

Table 7: Summary WMCA Delivery Budget 2019/20 to 2024/25

	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	£m	£m	£m	£m	£m	£m
Constituent Members	4.6	4.6	4.6	4.6	4.6	4.6
Non-Constituent Members	0.4	0.4	0.4	0.4	0.4	0.4
Investment Income	1.7	1.8	1.8	1.9	2.1	2.3
Adult Education Budget	78.7	125.8	126.0	126.0	126.0	126.0
Devolution Funding	10.5	8.3	4.7	0.1	0.1	0.1
3rd Party Income	0.5	0.4	1.9	2.5	2.5	2.6
Use of Reserves	1.1	0.7	0.0	0.0	0.0	0.0
<b>Total Funding</b>	<b>97.6</b>	<b>142.0</b>	<b>139.5</b>	<b>135.6</b>	<b>135.8</b>	<b>136.0</b>
Productivity and Skills	87.3	132.1	130.7	126.9	126.9	127.0
Housing & Land	2.4	2.5	2.5	2.6	2.6	2.7
Economy & Innovation	1.9	1.8	1.8	1.8	1.8	1.9
Culture & Digital	0.1	0.3	0.3	0.4	0.4	0.4
Wellbeing	0.7	0.9	0.8	0.8	0.9	0.9
PSR & Social Economy	1.1	0.7	0.8	0.8	0.9	0.9
Environment, Energy & HS2	0.2	0.3	0.4	0.4	0.4	0.4
Inclusive Communities	0.0	0.1	0.1	0.1	0.1	0.1
Leadership & Corporate Support	3.8	3.2	3.5	3.5	3.6	3.6
<b>Total Expenditure</b>	<b>97.6</b>	<b>142.0</b>	<b>141.0</b>	<b>137.3</b>	<b>137.6</b>	<b>137.8</b>
<b>Net Expenditure</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.5</b>	<b>-1.7</b>	<b>-1.8</b>	<b>-1.8</b>

- 5.2 The West Midlands Combined Authority Delivery budget delivers the following in the medium term planning period:
- West Midlands Combined Authority commitments on the Environment Strategy
  - Maximising the economic and social contribution that culture and creative industry makes to the region
  - Public Sector Reform - Inclusive Growth delivery
  - Delivery of the Regional Skills Plan
  - Directing the devolved Adult Education Budget to meet regional priorities
  - Local Industrial Strategy business case development
  - Efficiency Targets for 2020/21 to deliver budgets within existing fee levels
  - Onward discussions with HM Treasury around strategic sustainable funding
  - Growth in WMCA capacity delivered at no additional cost to Metropolitan councils

5.3 The commitment to fund the delivery of the Commission outcomes has been successful in leveraging in significant Central Government and local matched funding. Across the West Midlands Combined Authority Delivery Budget the level of Devolution Deal monies represents at least a 177% cash match against local resources. In essence, for every £1 of local funding contributed, £1.77 of additional funding has been leveraged for the region.

5.4 Significant funding has also been levered for the West Midlands region through the wider public sector. For example, the Wellbeing Portfolio is supporting people whilst at work, by delivering the Thrive at Work programme.

#### The West Midlands Devolution Deals

5.5 Significant additional government funding has been devolved to West Midlands Combined Authority. Approximately £2.3 billion of additional funding has been devolved from Central Government to West Midlands Combined Authority to deliver its priorities through two Devo Deals, a Housing Deal and a Skills Deal since 2016.

5.6 Government funding has enabled the creation of a delivery team to drive an ambitious house-building programme and investment in high-tech economic sectors. The Devolution Deals recognised that the region is outperforming others in terms of start-ups and economic growth and lays the foundations to further improve this performance.

5.7 The Housing Delivery Team is now providing additional capacity to work with local authorities, developers and investors to help the West Midlands unlock the new homes needed in the region by 2030. The deals also provided support in the form of £5 million investment to expand construction skills. It puts the region at the vanguard of accessing government funding earmarked for housing and infrastructure.

5.8 To support jobs growth in emerging technologies, the deals commit to the West Midlands' role as a global centre for new automotive development such as in electric and driverless cars. This builds on the West Midlands' existing strengths in this sector, focused around Coventry, but with wider benefits to the whole region.

5.9 The West Midlands is the UK Test Bed for trialling 5G at scale. The region was awarded this status as part of a competitive process run by the Department for Digital, Culture, Media and Sport (DCMS) and is now in the early stages of a three year

programme to test, prove and scale the technology and the many ways in which the region can benefit.

- 5.10 Up to £75 million of public funding is available for the project, subject to further development and approval of the business plan. This includes £25 million from the DCMS and £25 million match funding from regional partners. An additional £25 million may be made available by DCMS at a later stage.

#### Adult Education Budget

- 5.11 From the 2019/20 academic year, the West Midlands Combined Authority took responsibility for the region's Adult Education Budget and how it is delivered.
- 5.12 West Midlands Combined Authority aims to align funding with priority growth sectors, particularly those targeted through the Local Industrial Strategy, to drive up skill levels amongst the region's communities to secure sustainable employment and enhance skills at higher levels and ultimately improve productivity across the region.
- 5.13 The total value of funding for 2020/21 is anticipated to be confirmed in early 2020 and is expected to be in the region of £126.0 million a year. The confirmed funding awarded for 2020/21 will be the subject of separate report.

#### Carbon Reduction/Climate Action

- 5.14 At its June 2019 Board meeting, West Midlands Combined Authority declared a 'Climate Emergency': a recognition of the scale of the problem of climate change, and a demonstration of the Board's intent around the need for a full and just transition to more sustainable growth.
- 5.15 The implications of climate change affect all sectors of our economy and will impact profoundly on our personal behaviour and the things that are desirable and acceptable within our social and working lives. The framing of a CO2 target for the region is thus an important signal – but only one part of a suite of interventions and investments that we must undertake collectively deliver our leadership responsibilities in this space.
- 5.16 As a region we have the chance to turn the scale of this challenge into an opportunity – using our Industrial Strategy, collective ability to influence transport, housing and commercial practice, and through making a clear case for the investment and central government support that will be needed. We must take great care to ensure that we are not damaging our economic progress or levels of employment – and indeed the opportunities for citizens to live, train and work in the region that drive our strategic economic plans.
- 5.17 The Board subsequently set a target of net-zero emissions no later than 2041 for the West Midlands, with interim targets based on a 2018 baseline of 36% reduction by 2022, and 69% reduction by 2027.
- 5.18 A proposed Carbon Reduction Action Plan providing further details and a pipeline of investments to support climate action is set out elsewhere on this agenda.

#### Emerging Growth - Future Strategic Intentions

- 5.19 The 2020/21 budget proposals currently provide limited flexibility to enable West Midlands Combined Authority to pursue opportunities at risk and to respond to new opportunities that will help support the region's collective strategic objectives.
- 5.20 WMCA senior leadership team collectively agree ownership of the challenges and flexibility required to deliver emerging growth asks and ambitions as follows:

- Energy Capital and Energy Strategy delivery
- Innovation Board support and delivery programme
- West Midlands Combined Authority performance and assurance strengthening framework
- Local Industrial Strategy – longer term implementation
- 5G – more explicit in business plans and potential top slice of grants
- Brexit – activating contingency planning in the event of no deal or disrupted transition
- Culture – refresh of Culture Board and supporting programmes

5.21 A Financial Strategy will be developed over the medium term to create flexibility to enable delivery of new income streams including:

- Developing programme business cases;
- Developing new asks of government;
- Exploring the potential to create one off funds; and
- Providing for a complete rethink in the event of an economic shock.

#### Further Devolution

- 5.22 Since 2014, ten cities and regions in England have successfully negotiated bespoke devolution deals, including the West Midlands, Greater Manchester and Liverpool. London gained greater devolved powers following the establishment of an assembly in 2000.
- 5.23 Each devolution deal involves its own arrangements for funding and increased responsibilities but can include greater responsibility over areas including business support, planning, transport and health. London, and eight of the ten devolution deals established directly elected mayors to oversee the implementation of new powers.
- 5.24 A new English Devolution White Paper setting out the government's plans was announced in December's Queen's Speech, demonstrating the government's commitment to levelling up powers between Mayoral Combined Authorities, increasing the number of mayors and doing more devolution deals.
- 5.25 Plans to increase investment in the regions across England including better infrastructure, better education, and better technology are also anticipated in the White Paper.

## **6.0 Mayor's Budget and Precept**

- 6.1 In his Renewal Plan, the Mayor committed to raising no precept before 2018 and has now committed to raising no precept during the remainder of his existing term of office which ends in May 2020, meaning that a Mayoral precept will not now be considered by West Midlands Combined Authority until the budget for the 2021/22 financial year is considered.
- 6.2 A panel of experts was convened following the 2017 Mayoral Election to examine the alternatives to raising a precept, such as business rates supplements, public sector pension fund investment, land value capture and a public sector reform Gainshare fund. The West Midlands Combined Authority Funding for Growth Programme has been established with finance experts from the private sector, local government and academia, and has examined the potential alternatives to a precept.
- 6.3 The funding sources examined have significant potential but are more focused on the medium to long term therefore it is proposed that the draft 2020/21 budget for the Mayor's Office is funded from the one year extension to Mayoral Capacity Funding of £1.0 million confirmed by Her Majesty's Treasury in September 2019. The balance of £0.2 million will be used to support the Delivery Budget in 2020/21.
- 6.4 The Mayor must notify the West Midlands Combined Authority of his draft budget before 1 February 2020 and this report represents that notification. The Combined Authority must review the Mayor's Budget and may make a report on it to the Mayor setting out whether they would approve it in its current form and may include recommendations. This must take place before 8 February 2020 otherwise the Mayor's Budget will be deemed approved. If the Combined Authority makes a report then the Mayor must have at least 5 working days to respond and can either make the required changes or not.
- 6.5 The West Midlands Combined Authority must then decide whether to accept the original (or revised) budget or veto it and approve the budget with their amendments. Decisions of the West Midlands Combined Authority are by a 2/3rds majority for setting of the Mayoral budget.
- 6.6 The Localism Act gives local communities the power to approve or veto excessive rises in Council Tax. Central government guidance on excessive increases in council tax will clearly not apply to West Midlands Combined Authority in 2020/21, given that the Mayor has recently indicated that he will not be setting a precept during his remaining term of office.

### Mayor's Office and delivery of the Mayor's Renewal Plan

- 6.7 The Mayor put forward an ambitious programme of activities in his Renewal Plan, and the Mayor's Office exists to support the Mayor in delivering his manifesto commitments:
- Support the Mayor's schedule of events, meetings and media appearances;
  - Ensure the Mayor can listen to and communicate with citizens in the West Midlands effectively;
  - Support with briefings and policy review; and
  - Oversee the delivery of the Mayor's policy priorities.
- 6.8 The Mayor's Budget for 2020/21 is £0.8 million and includes the staffing costs of the Mayor, the senior team, support staff, policy advisors as well as resources to deliver communications, customer response and events. The proposed budget also includes

development of capacity to deliver specific Mayoral initiatives from the Mayor’s Renewal Plan, including the following areas of focus:

- a. Homelessness Taskforce: To “design out” homelessness in the West Midlands with co-ordinated organisation from the public, private and voluntary sectors; and
- b. Leadership Commission: To reshape the leadership of the West Midlands across industries to more closely reflect the make-up of the region.

## 7.0 The Medium Term Financial Plan

7.1 The Medium Term Financial Plan contained within the budget setting papers for 2019/20 has been reviewed and updated to reflect devolution funding granted by Central Government as well as other funding streams for specific projects. The financial planning horizon has been extended to 2024/25 and the Medium Term Financial Plan includes the following:

- The West Midlands Combined Authority Transport Levy for Transport for West Midlands;
- The West Midlands Combined Authority Delivery Budget;
- Investment Programme and Interest Payable costs; and
- The Mayoral Office.

7.2 A summary of the Consolidated West Midlands Combined Authority Medium Term Financial Plan is set out in the following table:

Table 8: Consolidated Medium Term Financial Plan

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m	£m	£m
Transport Levy	114.7	114.7	114.7	114.7	114.7	119.7
Devolution Deal Grants	126.5	171.4	167.3	162.6	162.6	162.6
Share of Business Rates	6.0	7.5	9.0	10.5	12.0	13.5
Constituent Membership	4.6	4.6	4.6	4.6	4.6	4.6
Non Constituent Members	0.4	0.4	0.4	0.4	0.4	0.4
Funding of Mayoral Election	0.0	0.0	0.0	0.0	0.0	0.0
Investment Income	1.7	1.8	1.8	1.9	2.1	2.3
Mayoral Precept	0.0	0.0	7.2	7.3	7.4	7.5
3rd Party Income/Other	0.5	0.4	1.9	2.5	2.5	2.6
Commonwealth Games	0.0	1.4	1.4	0.6	0.0	0.0
Use of Reserves	2.1	4.4	0.0	0.0	0.0	0.0
Unsecured Funding	0.0	3.6	1.0	1.0	1.0	1.0
<b>Total Funding</b>	<b>256.6</b>	<b>310.2</b>	<b>309.4</b>	<b>306.2</b>	<b>307.4</b>	<b>314.3</b>
Transport for West Midlands	115.7	119.8	122.8	123.7	128.5	136.0
WMCA Delivery Budget	97.7	142.0	141.0	137.3	137.6	137.8
Investment Programme	42.5	44.0	51.9	53.4	55.0	56.6
Mayoral Office	0.8	0.8	0.9	0.9	0.9	1.0
Mayoral Election	0.0	3.6	1.0	1.0	1.0	1.0
<b>Total Expenditure</b>	<b>256.6</b>	<b>310.2</b>	<b>317.5</b>	<b>316.4</b>	<b>323.0</b>	<b>332.4</b>
<b>Net Expenditure</b>	<b>0.0</b>	<b>0.0</b>	<b>-8.1</b>	<b>-10.1</b>	<b>-15.6</b>	<b>-18.1</b>

- 7.3 The indicative Medium Term Financial Plan for 2020/21 assumes a cash flat funding requirement from Constituent Authorities both in terms of the Transport for West Midlands levy and their contributions to the West Midlands Combined Authority Delivery Budget. Whilst this currently represents the planning assumption, it is acknowledged that this creates a potential financial risk specifically regarding inflationary increases, pay and legislative changes and demand in terms of patronage and the impact of these risks will be kept under review.
- 7.5 Assumptions have been made around pay and price rises and the Consumer Prices Index along with changes in patronage and fares. Any variation on this for 2020/21 will need to be managed within the available resources. These clearly may change significantly over the medium term meaning a cash flat position may not be achievable without changes to policy. The position will clearly need to be kept under review over the medium term in the light of available and secured funding sources.
- 7.6 It is increasingly acknowledged that combined authorities don't have an adequate sustainable funding base and therefore need to bid for much of the resources they do have. The councils that make up mayoral combined authorities also have a financial system that is subject to ongoing review. It is therefore clear that more stable and long-term funding is needed to enable combined authorities to deliver their priorities.
- 7.7 West Midlands Combined Authority will continue to review existing established expenditure budgets to drive efficiency savings in the medium term and is continuing to lobby government alongside other Mayoral Combined Authorities, for sustainable funding for Mayoral Combined Authorities to be included in the government's spending plans, including funding for the 2020 Mayoral Election and future Mayoral Elections.
- 7.8 The Medium Term Financial Plan incorporates a broad estimate of the financial impact of the following risks and sensitivities:
- Demographic growth and demand pressures specifically where transport payments and services are directly affected by patronage demands;
  - Inflation;
  - Brexit, to the extent that there may be potential for increased costs of supply of labour, good and services; and
  - Business Rates Retention Scheme and the achievement of growth targets, including the retention mechanism currently being developed through the West Midlands Finance Directors' Group.
- 7.9 December's Queen's Speech gave a commitment to a fundamental review of business rates. Details on the review are yet to be announced although increasing retail discounts, bringing forward the next business rates revaluation by one year from 2022 to 2021 and moving business rates revaluations from a five-yearly cycle to a three-yearly cycle were indicated.
- 7.10 These assumptions will be kept under review with the Finance Directors of the seven Constituent Authorities.

## 8.0 West Midlands Combined Authority Medium Term Capital Programme

8.1 The West Midlands Combined Authority Capital Programme is summarised in the table below and set out in further detail within Appendices 4 to 6. The table below summarises the planned capital investment between 2020/21 and 2024/25.

Table 9: Summary West Midlands Combined Authority Capital Programme

WMCA CAPITAL PROGRAMME (£M)		2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
Expenditure	TfWM Capital Expenditure	303.4	495.0	350.6	240.6	193.9	1,583.5
	WMCA Other Capital Expenditure	75.5	54.2	40.0	26.8	21.2	217.6
	Investment Programme Grants to Local Authorities	226.8	160.2	187.4	155.3	105.3	835.1
<b>TOTAL EXPENDITURE</b>		<b>605.8</b>	<b>709.4</b>	<b>578.0</b>	<b>422.7</b>	<b>320.5</b>	<b>2,636.3</b>
Funding	Grants	196.1	239.0	57.2	8.1	0.0	500.5
	Borrowing	287.0	243.4	154.2	46.6	0.4	731.6
	TBC *	122.7	226.9	366.6	367.9	320.0	1,404.2
<b>TOTAL FUNDING</b>		<b>605.8</b>	<b>709.4</b>	<b>578.0</b>	<b>422.7</b>	<b>320.4</b>	<b>2,636.3</b>

\* Expenditure estimates for Investment Programme and other commitments which are subject to WMCA raising additional income / securing grants.

8.2 Approximately 60% of the Combined Authority's planned capital investment to 2024/25 consists of expenditure incurred by Transport for West Midlands in pursuance of the Investment Programme, Transforming Cities Programme and the Minor Works Programme.

8.3 Those larger Transport for West Midlands Programmes contain significant investment in Metro and Sprint networks in addition to investment in developing and delivering new local Rail stations. The Transport programme continues to reflect the Transforming Cities Programme including the WMCA approved interventions such as Birchley Island, Dudley Interchange, the regional Cycling Programme and the Victoria Square Public Realm. The Transport Assets Programme is predominantly concerned with keeping existing assets in an operational state and also includes project development.

8.4 Other Transport Capital Expenditure includes other ancillary programmes such as the Regional Transport Control Centre and the Connected Autonomous Vehicle programme.

8.5 The Housing Capital Programme includes the Land Remediation Programmes launched by the WMCA in 2016 and the MHCLG Land Fund where the first payment of £42 million was received during 2019.

8.6 The Investment Programme Grants to Local Authorities Programme includes grants payable under the principles of the original Investment Programme in 2016. This includes significant investment in Coventry (Station Masterplan, City Centre Remediation), Solihull for the UK Central Programme, Commonwealth Games and the UK Battery Industrialisation Centre.

8.7 In addition to the traditional Capital investment detailed above, WMCA will continue to operate the commercial and residential investment funds where loans to developers are made with the objective of unlocking stalled development sites which traditional lenders are unwilling to finance. The loans are held on the WMCA balance sheet under standard accounting regulations and as at November 2019, the cumulative value of loan commitments approved by WMCA totals £109m (including £24m of loans which have

since been repaid). The value of loans drawn and earning interest as at November 2019 is £23m.

- 8.8 The funding for the capital programme is supported mostly by project specific grants or borrowing, where the revenues to support the costs of the debt and interest are underpinned by Investment Programme income or passenger revenues obtained from the Metro network.
- 8.9 It should be noted that the full extent of the Investment Programme and 2016 Devolution Deal schemes remain as commitments within the overall programme, even though the funding to underpin elements of the investment currently remains unsecure. Work with the Mayor, Metropolitan Leaders and the WMCA Finance Directors will continue into 2020 to enable the gaps to be closed. The current status of the Investment Programme is detailed below.

## **9.0 Investment Programme**

- 9.1 The WMCA Investment Programme was a product of the original devolution deal in 2016 and was designed to devolve more accountability, funding and powers out to the regions. From an expenditure perspective, the Investment Programme is an £8bn package of measures for the region containing projects centred around key economic prosperity drivers such as HS2, city centre regeneration and the remediation of brownfield sites.
- 9.2 From a funding perspective, £2bn of the overall £8bn was to be funded by WMCA generating locally sourced income to support borrowing which in turn could be used to accelerate the development.
- 9.3 In addition to the locally sourced income, Government agreed to provide a gainshare grant of £36.5m per year for 30 years, subject to a 5 yearly gateway review. 2020/21 represents year 5 of the devolution deal and hence, the outcome of the first gateway review will be concluded during this period.
- 9.4 The locally sourced income referred to above was expected to come from a share of Business Rates Growth, Business Rates Supplement and a Mayoral Precept. At present, those additional income streams have not been realised as originally intended and the WMCA Finance Directors are working to ensure the impact of this can be negated by identifying and realising additional sources of income.
- 9.5 As a result of the above, however, the financial ceiling which WMCA can operate within is less than originally intended. In November 2019, WMCA Board agreed to hold the Investment Programme approvals within an affordable limit as agreed by WMCA Finance Directors of £801m as follows:

Table 10: Investment Programme Affordable Commitment Summary

Investment Programme	£M
UK Central Interchange Programme	75.8
UK Central Infrastructure Programme	30.8
Coventry City Centre South	98.8
Coventry Friargate	51.2
Coventry South	7.4
Coventry City of Culture	35.6
Coventry Station Masterplan	39.4
Coventry North	0.2
Very Light Rail	12.2
Metro Programmes	222.9
Sprint Programmes	49.8
Rail Programmes	33.8
Commonwealth Games	25.0
Brownfield Land	103.0
Other Programmes	15.3
<b>TOTAL</b>	<b>801.3</b>

## 10.0 Budget Calculation

- 10.1 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer, in this case, the Finance Director, as Section 151 Officer, to report to the West Midlands Combined Authority when it is setting the budget and the precept. The report must deal with the robustness of the estimates included in the budget and the adequacy of reserves.
- 10.2 The budget currently provides for the financial implications of the West Midlands Combined Authority's policies to the extent that these are known or can reasonably be assessed. However, there are a number of risks which are beyond the West Midlands Combined Authority's control and for which it is not possible to be precise:
- The West Midlands Combined Authority's demand-led services;
  - Inflation and interest rate volatility;
  - West Midlands Pension Fund Investment Performance; and
  - Unforeseen emergencies.
- 10.3 The existing General Reserve Balance as set out in Table 2 is £2.3 million. This balance represents only 1.9% of the aggregate proposed 2020/21 Constituent Authority contributions.
- 10.4 Although clearly the appropriate level of general fund reserves is a matter for judgement by the Finance Director (Section 151 Officer) the generally accepted practice is for general fund reserves to be between 3% and 5% of expenditure. The proposed balance is below this recommended level and consideration should be given over the medium term to increase the level of General Balances to ensure risk can be managed within the West Midlands Combined Authority without creating volatility on the Transport for West Midlands's levy.

- 10.5 Members will also be aware of our obligations as a Best Value authority to make arrangements to secure continuous improvement in the way in which our functions are exercised, having regard to a combination of economy, efficiency and effectiveness, including consultation with tax payers and users as appropriate.
- 10.6 These obligations are addressed in the medium term financial planning and brought together as part of the annual budget process in this report and the February 2020 budget report. This is supplemented by additional reports throughout the year with regard to the approval of significant investments and reforms.
- 10.7 Despite the above risks, there are also a number of opportunities to consider to ensure optimum financial stability and security that include:
- Capital Financing, making best use of capital financing, including optimum use of access to the Public Works Loans Board; and
  - Treasury Management activity, maximising the current market opportunities for the West Midlands Combined Authority and reviewing the borrowing strategy.
- 10.8 The Finance Director states that to the best of her knowledge and belief these budget calculations are robust and have full regard to:
- The West Midlands Combined Authority's Strategic Economic Plan and the Mayor's Renewal Plan;
  - The need to protect the West Midlands Combined Authority's financial standing and risk;
  - The estimated financial position as at the end of 2019/20;
  - The financial policies of the government as they impact upon the West Midlands Combined Authority;
  - The Transport Capital Programme set out in Appendix 4;
  - The Housing Capital Programme set out in Appendix 5;
  - The Investment Programme set out in Appendix 6;
  - The strength of the West Midlands Combined Authority's financial control procedures including audit considerations; and
  - The extent of the West Midlands Combined Authority's general balances and earmarked reserves.

## **11.0 Scrutiny of the budget proposals**

- 11.1 Scrutiny of the 2020/21 budget proposals is being undertaken by the Overview and Scrutiny Committee's Budget Task and Finish Review Group which also met with the Mayor, the Portfolio Lead for Finance and key senior officers to complement the work already being carried out by the Transport Delivery Committee.
- 11.2 A Mayoral Q&A session was held in public on 18 December 2019. Members of the committee, along with Aisha Masood from the Young Combined Authority, questioned the Mayor on financial matters relating to the WMCA and its developing budget for 2020/21. The Portfolio Lead for Finance, Councillor Bob Sleight, was also questioned on matters relating to the Investment Programme that had been considered at meetings of the Investment Board.

- 11.3 Members questioned the Mayor on issues including financial transparency between proposed and actual spend, measures to achieve inclusive growth outcomes, targeting investments and outcome-based funding, the future funding arrangements for the Young Combined Authority, future intentions for a mayoral precept and a WMCA business rate supplement, and a greater focus on explaining to the public the outcomes that the WMCA had achieved.
- 11.4 The matters identified that arose out of the Mayoral Q&A on 18 December 2019 are set out in Appendix 7 along with the recommendation that these matters be considered further by the WMCA Board.

## **12.0 Legal Implications**

- 12.1 Under powers granted by the Combined Authorities (Finance) Order 2017, Elected Mayors may raise a precept on Constituent Authorities Council Tax bills under section 107G of the Local Democracy Economic Development and Construction Act 2009. A Mayoral Precept may only be issued in relation to the costs of the Mayor or of discharging Mayoral Functions. The Mayoral functions are set out in Article 22 of the West Midlands Combined Authority (functions and amendments) Order 2017. In particular, there are powers for the Mayor to engage in highway management activity, works permit schemes, road safety measures and road traffic reduction activity amongst others. The Order also gives the Mayor a functional power of competence to do anything that is associated, incidental or connected with those powers in order to undertake those activities.
- 12.2 As the Mayor has indicated that he will not be setting a precept during his remaining term of office, the funding of budget proposals in respect of Mayoral functions will be met from alternative funding sources until 2021/22 at the earliest.
- 12.3 As a public authority which has the power to levy for transport functions and to raise a precept, the West Midlands Combined Authority must set a budget every year which is agreed through its formal decision-making processes. This report outlines the legal and governance processes that need to be completed including consideration by Overview and Scrutiny Committee and the West Midlands Combined Authority Board.

## **13.0 Equalities Implications**

- 13.1 West Midlands Combined Authority will continue to have due regard to proactively addressing the three elements of the Public Sector Equality Duty in all relevant areas – in particular the planning and delivery of our services. The West Midlands Combined Authority will continue to assess the equality impact of all relevant transformational change programmes and will ensure that the West Midlands Combined Authority Board has sufficient equalities assessment information to enable it to have due regard to the three elements of the Equality Duty when considering the budget for 2020/21.
- 13.2 West Midlands Combined Authority will continue to ensure best practice is followed with regard to these requirements and will summarise its position in the February Report to the West Midlands Combined Authority Board following the finalisation of the budget proposals.

## **14.0 Inclusive Growth Implications**

- 14.1 West Midlands Combined Authority will continue to have due regard to proactively delivering inclusive growth in the West Midlands region. The budget proposals contained in this report reflect that commitment.

## **15.0 Geographical Area of Report's Implications**

- 15.1 The budget proposals encompass the West Midlands region.

## **16.0 Appendices**

Appendix 1 – Transport Delivery Revenue Budget

Appendix 2 – WMCA Delivery Budget

Appendix 3 – WMCA Capital Programme Summary

Appendix 4 – Transport Capital Programme

Appendix 5 – Housing Capital Programme

Appendix 6 – Investment Programme Capital Grants to Local Authorities

Appendix 7 – Mayoral Q&A - Budget 2020/21

## Proposed Transport Revenue Budget

The proposed transport budget and levy for 2020/21 and indicative figures for 2021/2022 to 2024/25 are set out below:

TRANSPORT FOR WEST MIDLANDS	2019/20 BUDGET £000	2020/21 BUDGET £000	2021/22 BUDGET £000	2022/23 BUDGET £000	2023/24 BUDGET £000	2024/25 BUDGET £000
<b>INCOME</b>						
Transport Levy	114,720	114,720	114,720	114,720	114,720	119,720
Commonwealth Games Grant		1,387	1,415	605		
Use of Reserves	1,000	3,643				
<b>TOTAL INCOME</b>	<b>115,720</b>	<b>119,750</b>	<b>116,135</b>	<b>115,326</b>	<b>114,720</b>	<b>119,720</b>
<b>EXPENDITURE</b>						
<b>Concessions</b>						
National Bus Concession	51,184	50,997	52,245	53,786	56,164	59,391
Metro / Rail	4,578	4,591	4,574	4,574	4,574	4,664
Child Concession	7,643	7,900	8,301	8,723	9,168	9,637
	63,404	63,488	65,119	67,083	69,906	73,692
<b>Bus Services</b>						
Bus Stations / Infrastructure	3,994	3,925	4,003	4,111	4,243	4,328
Subsidised Network	9,379	10,669	10,567	10,631	10,769	10,965
Tendering / Monitoring	788	798	814	836	862	880
Accessible Transport	7,259	6,770	6,767	6,773	6,771	6,775
	21,419	22,161	22,151	22,351	22,646	22,947
<b>Rail and Metro Services</b>						
Metro Services	1,609	2,897	3,665	2,737	4,657	2,443
Rail Services	3,110	3,215	3,280	3,368	3,476	3,546
	4,718	6,112	6,945	6,105	8,134	5,989
<b>Integration</b>						
Safety and Security	1,031	1,051	1,072	1,101	1,136	1,159
Passenger Information	5,062	5,654	5,767	5,922	6,112	6,234
Sustainable Travel	378	406	414	425	439	447
	6,471	7,110	7,253	7,448	7,687	7,841
Network Resilience	1,788	2,689	2,743	2,817	2,620	2,672
Commonwealth Games		1,387	1,415	605		
Business Support and Democratic Services	3,789	3,866	3,946	4,056	4,190	4,276
Strategic Development	2,412	2,137	2,179	2,238	2,310	2,356
Transport Governance	136	136	136	136	136	136
Capital Finance Charges	11,581	10,665	10,904	10,893	10,885	16,116
<b>TOTAL EXPENDITURE</b>	<b>115,720</b>	<b>119,750</b>	<b>122,791</b>	<b>123,734</b>	<b>128,512</b>	<b>136,026</b>
<b>NET</b>	<b>0</b>	<b>0</b>	<b>-6,656</b>	<b>-8,408</b>	<b>-13,792</b>	<b>-16,305</b>

### £51.0 million English National Concessions Travel Scheme (ENCTS)

This represents the reimbursement for ENCTS and is regulated by the Secretary of State with guidance provided by the Department for Transport. The latest price information and patronage figures from bus operators have been taken into account in forecasting the ENCTS

requirement. The current scheme extends entitlement from 9.30am to the last bus. The proposal is for this to continue for 2020/21.

### **£10.7 million Capital Financing**

The capital financing costs relate to loan interest, minimum revenue provision requirements and transport development costs.

### **£7.9 million Child Concessions**

The provision of concessionary half fare travel is provided to all children aged five to 15 and 16-18 scholars (in full time education) residing in the West Midlands. The Child Concessions amount now also includes a half fare offer for apprentices and trainees aged 16-18 which was initially introduced as a pilot scheme in September 2017 and has now been fully incorporated into the main Child Concessions scheme.

### **£10.7 million Tendered Services**

Where standards for access to the network are not met commercially, services are categorised into an order of priority giving a focus on journeys to work and access to shopping and health facilities. In residential areas, the maximum desirable walking distance to bus services in continuously built-up areas is 400 metres during the hours of 07.00 to 19.00 on Monday to Saturday and 700 metres at other times. The current access standards state that where passenger boarding exceeds eight and the cost per head is less than £1.60, then a service will be provided.

### **£6.8 million Accessible Transport**

This expenditure funds services for 17,500 registered users, making around 0.85 million journeys per annum. In addition to the Ring and Ride service, a Walsall and Birmingham shopper's service is provided for older people who are primarily based in sheltered housing and a prison visitors service provides assistance for families, especially mothers with young children, to visit family members in prison.

### **£5.7 million Passenger Information**

Passenger information expenditure relates to providing real time information across the network; customer information at bus stops, bus stations, online, and includes the customer services teams and telephone support. This is provided in conjunction with the operators as part of the network commitments, which also includes a number of promotional campaigns throughout the year.

### **£4.6 million Rail and Metro Concessions**

In the West Midlands the free national bus scheme has been extended to residents to include local Rail and Metro services within the region, enabling cardholders to travel after 9.30am up to midnight on weekdays and all day at weekends and bank holidays.

### **£3.9 million Bus Services / Infrastructure**

These costs cover the operation of bus stations and all management and maintenance associated with bus stations, as well as over 12,200 stops and shelters.

### **£6.1 million Rail and Metro Services**

These costs cover the operation of the Metro and Rail and Metro car park and ride facilities. Rail and Metro car parks are provided free of charge within the Metropolitan area. This policy provides in excess of 9,000 parking spaces.

Within here also covers the undertaking of Transport for West Midlands Rail responsibilities including Rail Partnerships, Rail scheme development and industry engagement and secondly the WMCA contribution to WMR Limited (a consortium of 16 local authorities) which has specific co-responsibilities with the Department for Transport for managing the West Midlands Rail franchise.

### **£2.1 million Strategic Development**

This represents the costs of Policy and Strategy development within Transport for West Midlands.

### **£1.1 million Safety and Security**

Safety and security expenditure relates to the Safer Travel Police Team and the CCTV centre based in 16 Summer Lane. The CCTV centre will continue to be expanded as part of the drive to utilise this facility across the districts.

### **£0.8 million Tendering/Monitoring costs**

Associated costs related to administering and monitoring the Bus Network

### **£0.4 million Sustainable Travel**

This represents the costs of Sustainable travel work within Transport for West Midlands including the West Midlands Cycle charter, oversight of cycling strategy and investment across the West Midlands and delivery of the West Midlands Bike Hire project.

### **£3.8 million Business Support and Democratic Services**

This covers the costs of 16 Summer Lane and the provision of ICT, Legal, Procurement, Health and Safety, Equalities, Programme Management, Finance, Human Resources, Business Management and general business infrastructure and support.

### **£0.1 million Transport Governance**

This represents the cost of elected members related to the responsibilities of the Transport Delivery Committee (and sub-boards).

The following pages summarise the high level deliverables for the coming year across the Transport portfolio

<b>Customer Experience</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Creating a system for easy to use and affordable payments to access the transport system – customer information	IBSS Information at Bus Stations System Real Time Information Renewal Deliver an enhanced website Swift "One App"
Creating a system for easy to use and affordable payments to access the transport system – customer payment	Fares and Payment Strategy Swift on Rail Swift Operations and Managed Service Swift Account Based Ticketing with Best Value Capping.

<b>Development and Delivery</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Delivering our Cycling Charter & making streets more walkable	West Midlands Bike Share System WM Cycle and WM Walking - development and promotion of the West Midlands Cycling and Walking Network West Midlands Walking and Cycling Programme (2019-2023)
Delivering a step change in our Mass Transit Network to unlock growth and tackle climate change	Sprint A45 Sprint Sutton Coldfield to Birmingham via Langley A38N Sprint A34 including a park and ride
Management of the TfWM Capital Programme	Monitoring and reporting TfWM Integrated Transport Block Capital Programme deliverables
Increasing the efficiency and performance of transport delivery in the West Midlands	Deploy & Mobilise Transport Implementation Team
Commonwealth Games Active Travel Legacy	CWG Cycling Programme Legacy

<b>Integrated Network Services</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
<p>Making our transport assets more affordable by increasing commercial revenues</p>	<p>Continue to develop our capability to invest in new and improved bus stops and shelters for passengers by generating revenue through the continued roll out of digital advertising programme across the public transport network.</p> <p>Work with our partners such as Network Rail and Local Authorities on the One Public Estate initiative, to explore how we can collectively maximise the value and use of our land assets.</p> <p>Asset Management - ensure operational assets are available, safe &amp; maintained and opportunities for commercial revenues are explored</p>
<p>Delivering our bus vision to support growth, inclusion and reduced car dependency</p>	<p>Ensure effective door to door accessible transport service for residents of the West Midlands</p> <p>Continue to fund a network of socially necessary bus services, giving provision where bus operators are unable to provide a commercially sustainable service</p> <p>Ensure bus industry partners collaborate to deliver the best possible bus service experience for local people by coordinating investment, effort and action through the management of the industry leading West Midlands Bus Alliance.</p> <p>Investigate the opportunities for Demand Responsive Transport in the West Midlands as part of delivering our Vision for Bus.</p> <p>Undertake the Outline Business Case for Bus Policy Options within the 2017 Bus Services Act</p>
<p>Reduce the emissions from bus travel</p>	<p>Develop a zero-emission bus plan which supports the West Midlands Vision for Bus and sets out the roadmap which underpins the objectives of the Climate Change Emergency.</p> <p>Achieve 100% fully compliant Euro VI bus fleet in the West Midlands</p> <p>Work with bus operators and Local Authorities to introduce electric vehicles on pilot route(s) within the West Midlands.</p>
<p>Enhance infrastructure and customer experience at our bus stations and major interchanges</p>	<p>Continue to deliver safe, effective services at twelve bus stations and two travel shops to agreed standards and policies. These accommodate 3.5m bus and coach departures and have an annual footfall of nearly 40m.</p> <p>Deliver a new multi modal, world class facility for bus and metro customers in Dudley</p> <p>Carry out a full refurbishment of Coventry Pool Meadow Bus Station ahead of 2021 Coventry City of Culture making this important facility more welcoming for customers and visitors.</p>

<b>Integrated Network Services</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
<p>Ensure strategic and operational Health and Safety aims and key deliverables are communicated and embedded throughout the WMCA</p>	<p>Develop a Health and Safety Strategy and Delivery Plan for 2020-2023 to ensure strategic aims and key deliverables are communicated and embedded throughout the organisation</p> <p>External Accreditation of the organisations Safety Management System (SMS) including migration to ISO 45001, by March 2021</p> <p>Further develop WMCA H&amp;S Risk Profile to ensure risks are understood and enough mitigations implemented</p> <p>Deliver Health and Safety Audit and Inspection Programme associated to organisational premises, assets and undertakings</p> <p>Develop and deliver Health and Safety Communications Plan to promote health and safety and encourage ongoing employee engagement</p> <p>Develop and introduce a comprehensive Health and Safety training programme</p> <p>Periodic review and update of WMCA Health and Safety governance and reporting arrangements to ensure they remain appropriate to the organisation's undertakings</p>
<p>Developing park &amp; ride to support better access to the Integrated Transport System</p>	<p>Improve customer experience at Park &amp; Ride sites through high quality operations and enhanced customer facilities and services</p> <p>Invest in and pilot new schemes to explore customer response to electric vehicle charging and pilot pay per use parking</p> <p>Develop a plan for improving the financial operation of Park &amp; Ride, exploring opportunities to reduce the significant impact that managing Park &amp; Ride sites has on the levy budget</p>
<p>Developing park &amp; ride to support better access to the Integrated Transport System</p>	<p>Continue with the development and delivery of expansion of Park &amp; Ride at already approved locations, seeking to deliver in the region of 2,500 additional spaces in the next five years</p> <p>Following the completion of the regional Park &amp; Ride strategy, develop a Park &amp; Ride delivery plan gearing up to deliver new and expanded strategic Park &amp; Ride in the areas of most benefit to the region and customers over the next five years (in addition to those sites already approved for expansion)</p>
<p>Developing park &amp; ride to support other Key Deliverables</p>	<p>Identify sites and develop a delivery plan for Park &amp; Ride for the Commonwealth Games</p> <p>Identify sites and develop a delivery plan for Park &amp; Ride for SPRINT</p>

<b>Rail</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Enhance the capacity of our rail network for a better-connected region	<ul style="list-style-type: none"> <li>Rail enhancements (advance planning)</li> <li>Midlands Connect support</li> <li>HS2 released rail network capacity</li> <li>Commonwealth Games enhanced rail services</li> </ul>
Using rail franchising to support and engage on rail development	<ul style="list-style-type: none"> <li>West Midlands Railway Franchise Management</li> <li>Franchise Engagement Strategy</li> <li>West Midlands Stations Alliance</li> <li>Strategic Rail Industry Engagement and Consultation Responses</li> </ul>
Continually improving the quality and capacity of our rail stations and interchanges	
Develop a single rail network vision & devolution case to support a growing West Midlands	<ul style="list-style-type: none"> <li>Further rail devolution</li> <li>WMRE single network vision and West Midlands Grand Rail Collaboration</li> </ul>

<b>Metro</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Improving our financial performance of our Metro to support growth of the network	West Midlands Metro Off Vehicle Ticketing Revenue Protection Enforcement
Extending our Metro Network to better serve more people and businesses	Birmingham Eastside Extension (BEE) Programme Birmingham Westside Extension (BWE) Wolverhampton City Centre Extension Wednesbury to Brierley Hill (WBHE) Extension
Extending our Metro Network to better serve more people and businesses	CAT Free Trams HS2 People Mover  Metro Control and Comms Systems Very Light Rail (VLR) Prototypes

<b>Network Resilience</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Managing the West Midlands Transport Network and improving coordination with the Regional Transport Co-ordination Centre (RTCC)	<p>Transform customer travel information in the West Midlands</p> <p>Enhance the use of data to better manage and invest in the traffic &amp; transport networks in the West Midlands</p> <p>Targeted investment to improve the performance of the Key Route Network</p> <p>Design and deliver a transport coordination facility that brings the West Midland's traffic &amp; transport partners together.</p> <p>Identify opportunities to offset the ongoing running costs of the Regional Transport Coordination Centre</p> <ol style="list-style-type: none"> <li>1. Development of the RTCC facility through technology and connectivity into partner systems and data sources</li> <li>2. Develop an RTCC Concept of Operations, ensure partner engagement and maximise usage of the facility and function</li> <li>3. Getting better outcomes from the services provided by the RTCC through a process of continuous improvement and lessons learned</li> <li>4. Secure commercial revenues through a merged CCTV Control Room and RTCC service area</li> </ol>
Keeping the transport networks safe and secure	<ol style="list-style-type: none"> <li>1. Ensure a Safe and Secure Transport Network through the Safer Travel Partnership and through an agreed Safer Travel Plan</li> <li>2. Work with the West Midlands Local Resilience Forum to ensure that the Network Emergency Plan remains fit for purpose and TfWM staff are adequately trained and prepared to respond to an emergency incident</li> </ol>
Keeping travellers informed and finding new ways of keeping the West Midlands Moving through travel demand management	<p>Delivery of the Customer Information work stream for the RTCC.</p> <p>Improve information and communications for all transport users during disruptive events using TDM tactics in line with the resilience communication and engagement strategy.</p> <p>Travel Demand Management Strategy &amp; Delivery Programme</p> <p>Define and deliver a new TfWM young people engagement programme</p> <p>Implement Network Resilience Live Lab</p> <ol style="list-style-type: none"> <li>1. Implement the Adept on street infrastructure, ensuring data links are made and maintained, feeding real time intelligence into the RTCC to support better information to the public</li> </ol>

<b>Network Resilience</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Delivering the operational plan for the Commonwealth Games for visitors to the region and ensuring reduced impacts on everyday journeys.	<p><b>B2022 Transport Planning and Support Services</b> (incl. Communications &amp; Engagement)  <b>Delivery Tools and Mechanisms;</b> Modelling and Forecasting, PT Ticketing Solution  <b>Traffic Management;</b> Local Area Traffic Management and Parking (LATMP), Road Events Planning  <b>Public Transport Strengthening;</b> PT Strengthening for games time, Park and Ride, Shuttle Services, Accessible Transport, Active Travel  <b>CWG Transport C3, Readiness and Testing;</b> Transport Coordination Centre, Travel Demand Management</p> <p>Develop and deliver a communications and engagement strategy for the development of the Games Strategic Transport Plan and its associated workstreams.</p> <p>Developing Travel Demand Management programme  Supporting the evolution of the RTCC through innovation  Managing Congestion</p>
Mitigating the impacts of transport investment programmes on the West Midlands Networks	<p>Developing Travel Demand Management programme</p> <p>Supporting the evolution of the RTCC through innovation</p> <p>Managing Congestion  1. Supporting the evolution of the RTCC through innovation, understanding international trends and best practice</p>

<b>Network Resilience</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Developing and enhancing the performance of the Key Route Network (KRN) to tackle congestion	<p>KRN Action Plans &amp; Road Safety</p> <p>Highways investment plan</p> <p>Major Route Network (MRN) - Roll out the Highways Programme</p> <p>Road Safety Programme Development</p> <p>RTCC - Highways Investment continues</p> <p>Package Phase 2 - post 2023</p> <p>KRN - Infrastructure renewal for Climate Emergency Response</p> <p>KRN - Sprint Corridor Management &amp; Enforcement</p> <p>KRN - On Road Disruption Service</p> <p>Future Mobility - Rules of the Road</p> <p>Developing the City Centre Management Toolkit</p> <p>Corridor Managers Framework</p> <p>Introduction of Street Manager</p> <p>Continuous integration and update of single view and people programme</p> <p>CMP Year 2 Update</p> <p>New ways of working</p> <p>New governance powers and tools to deliver</p> <p>Better Connected</p>

<b>Policy Strategy and Innovation</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Maintain & refresh the West Midlands Statutory Transport Plan(s) and policies	<p>Maintain and develop the TfWM Business Plan, including improved business practices.</p> <p>Produce an Ultra-Low Emission Vehicle Strategy.</p> <p>Produce an evidence based and refreshed Movement for Growth for re-adoption in 2020.</p> <p>Secure policy and MoU commitments from existing Devo Deals.</p> <p>Produce evidenced based and compelling lobbying and discussion papers (inc Green/White papers) to secure additional investment and powers for the West Midlands</p>
Embed transport policy & strategy in the plans and programmes of the wider WMCA & partners to support integrated development planning	<p>Increased engagement with all 'significant' planning applications to ensure alignment with major transport proposals and secure additional developer contributions to critical transport infrastructure.</p> <p>Development of integrated infrastructure growth corridor plans incorporating land use, transport and digital for all formal growth corridors, supporting a single infrastructure funding pot.</p> <p>Engagement and formal responses to major planning applications and Local Plans</p>
Continue to develop and maintain a robust common data environment for transport	<p>Host the regional Joint Data Team and continue to develop services to provide a cost effective minimum viable basic transport intelligence service</p> <p>Develop and maintain transport systems performance, delivery and operational performance monitoring data and appropriate dashboards</p> <p>Develop a series of digitized transport system products to support a step change in intelligence driven activity</p>
Develop and maintain a deep understanding of the needs, attitudes and perceptions of people who use our transport system	<p>Development of a detailed segmentation and persona framework (FMZ WP1.1)</p> <p>Creation of an on-line Citizen's Panel community (FMZ WP1.2)</p> <p>Undertake bespoke market research activity on a commission basis</p> <p>Passenger Importance and Priorities (PIPs) study</p>
Analyse the transport system to provide deep insight, recommend actions and produce robust and funded evidenced based business cases for schemes and programmes	<p>Review performance of the network and forecast future demands and needs across all modes</p> <p>Undertake robust optioneering for changes and develop detailed strategic cases for change funded business cases for recommended change proposals</p> <p>Develop full business cases for preferred options in order to secure funding for change</p> <p>Monitor and evaluate the effectiveness of changes to the transport system</p>

<b>Policy Strategy and Innovation</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
<p>Coordinate and deliver a globally significant transport innovation programme</p>	<ul style="list-style-type: none"> <li>• Provide general support and facilitation to enable integration of innovation programme outputs into Business as Usual of constituent authorities and key regional industrial sectors</li> <li>• Sponsor and direct the West Midlands 5G Urban Connected Communities Mobility programme</li> <li>• Coordinate and facilitate the development and delivery of the West Midlands LIS Implementation Plan - Future Mobility vertical</li> <li>• Deliver the Future Mobility Zone 1 UK pathfinder programme Develop and deliver further phases of a West Midlands Future Mobility Zone programme</li> <li>• Deliver and operate in partnership the Midlands Future Mobility Connected and Autonomous Vehicle public realm R&amp;D facilities</li> </ul> <p>Support the development of the UK Mobility Data Institute Secure a funded and robust delivery mechanism for a coordinated roll-out of ULEV refuelling infrastructure Support and deliver collaborative research and innovation showcase projects</p>

### Proposed West Midlands Combined Authority Delivery Budget

The proposed delivery budget for 2020/21 – 2024/25 reflects delivery of the **collective aspirations** of the West Midlands region, as we aim to deliver sustained and inclusive growth for everyone across the region that connects residents to opportunities – and help deliver the vision of a region that is happier, healthier, more prosperous and better connected. The proposed Delivery budget 2020/21 – 2024/25 is summarised in the following table:

	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	£m	£m	£m	£m	£m
Productivity and Skills	132.1	130.7	126.9	126.9	127.0
Housing & Land	2.5	2.5	2.6	2.6	2.7
Economy & Innovation	1.8	1.8	1.8	1.8	1.9
Culture & Digital	0.3	0.3	0.4	0.4	0.4
Wellbeing	0.9	0.8	0.8	0.9	0.9
PSR & Social Economy	0.7	0.8	0.8	0.9	0.9
Environment, Energy & HS2	0.3	0.4	0.4	0.4	0.4
Inclusive Communities	0.1	0.1	0.1	0.1	0.1
Leadership & Corporate Support	3.2	3.5	3.5	3.6	3.6
<b>Total Expenditure</b>	<b>142.0</b>	<b>141.0</b>	<b>137.3</b>	<b>137.6</b>	<b>137.8</b>

Further details of what the proposed budget will deliver for each portfolio – including activity that reflects the delivery, enabling and influencing role of the WMCA – in addition to budgeted staffing costs, numbers of full time equivalent staff and comparative information for 2019/20 are set out in the following annexes:

**Annex A** – Productivity and Skills Portfolio

**Annex B** – Housing and Land Portfolio

**Annex C** – Economy & Innovation Portfolio

**Annex D** – Culture and Digital Portfolio

**Annex E** – Wellbeing Portfolio

**Annex F** – Public Service Reform and Social Economy Portfolio

**Annex G** – Environment, Energy and HS2 Portfolio

**Annex H** – Inclusive Communities Portfolio

**Annex I** – Leadership & Corporate Support

<b>Productivity and Skills Portfolio</b>	<b>2019/20 Budget £</b>	<b>FTE (no.)</b>	<b>2020/21 Budget £</b>	<b>FTE (no.)</b>
Constituent / Non-Constituent Membership Fees	565,179		565,197	
Adult Education (grant funded)	78,712,985		125,769,242	
Employment Support Pilot	2,278,135		2,070,417	
Construction Skills	3,556,476		1,576,400	
Digital Skills	1,741,000		1,762,630	
Jobs and Skills	205,606		410,120	
Careers Support			32,153	
Technical Education	100,000		97,845	
Use of reserves	177,402		0	
Carry forward of efficiencies			212,843	
<b>Total Funding</b>	<b>87,336,783</b>		<b>132,496,847</b>	
Staff Costs (Membership fee funded only)	505,141	7.0	540,956	5.5
Project Delivery - careers, apprenticeships, youth unemployment	237,440		237,084	
Adult Education Budget	78,712,985		125,769,242	
Construction Skills	3,556,476		1,576,400	
Employment Support Pilot	2,278,135		2,070,417	
Digital Skills	1,741,000		1,762,630	
Jobs and Skills Support	205,606		410,120	
Careers Support			32,153	
Technical Education Support	100,000		97,845	
<b>Total Expenditure</b>	<b>87,336,783</b>		<b>132,496,847</b>	
<b>Total</b>	<b>-</b>		<b>0.00</b>	

**Fee Funded Posts 2020/21:****Productivity & Skills**

Director of Productivity and Skills - 0.7 FTE; Senior Policy Advisor - 1.5 FTE; Head of Business Engagement - 0.9 FTE; Business Engagement Manager - 0.8 FTE; Business Engagement Programmes Manager - 0.8 FTE; Apprenticeship Manager - 0.8 FTE

**Grant Funded Posts 2020/21:****Employment Support Pilot - Connecting Communities**

Project Manager - 0.5 FTE; Employment Support Manager - 1.0 FTE; Compliance Officer - 2.0 FTE

**Jobs and Skills**

Head of Business Engagement - 0.1 FTE; Business Engagement Manager - 0.2 FTE; Apprenticeships Manager - 0.2 FTE; Business Engagement Programmes Manager - 0.2 FTE; Senior Policy Advisor - 0.5 FTE; Employment and Skills Delivery Manager - 1.0 FTE; Project Lead - 0.5 FTE; Project Officer - 2.0 FTE

**Technical Education Skills**

T-Level Planning Manager - 1.0 FTE

**Construction Skills**

Construction Skills Project Manager - 1.0 FTE; Project Officer - 1.0 FTE

**Adult Education Budget**

Adult Education Delivery Manager - 1.0 FTE; Compliance Officer - 2.0 FTE; Business Administration Apprentices - 2.0 FTE; Management Information Analyst 1.0 FTE; Senior Modelling and Forecasting Analyst - 1.0 FTE

**Careers**

Project Lead - 0.5 FTE

**Digital Skills**

Digital Skills Project Manager - 1.0 FTE; Digital Skills Officer - 1.0 FTE; Compliance Officer - 1.0 FTE

Note that £0.4m Jobs and Skills expenditure is funded through the Investment programme (IP) and so is included with IP expenditure on all summary tables with this report but is included in the detailed Productivity and Skills table above in order to capture all workstreams.

<b>Productivity and Skills</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Prepare our young people for future life and work	Develop, test and deliver a range of approaches to prepare young people for future life and work, particularly those at risk of dropping out, including NEET prevention and re-engagement, work experience, mentoring and innovative approaches to communication and engagement.
Create regional networks of specialist technical education and training	Oversee an increase in courses developing higher technical skills, including more digital, construction and automotive training.
Accelerate the take up of good quality apprenticeships across the region	Work with levy payers to capture and deploy apprenticeship levy to maximise transfer of unused levy to SMEs, particularly in priority sectors.
Support inclusive growth by giving more people the skills to get and sustain good jobs and careers	Support inclusive growth by giving more people the skills to get and sustain good jobs and careers, including delivering the Connecting Communities Employment Support Pilot to help more people into work and test new approaches
Promote the concept of a skills ecosystem for the region	Continue to collaborate and test new ways of working with stakeholder across the skills system including local authorities, LEPs, DWP, DfE, FE, HE, ITPs and the private and voluntary sectors
Continue to test, develop and embed new approaches to commissioning and delivering provision funded through the Adult Education Budget	Ensure that AEB delivers more impact for businesses and communities.

Housing and Land Portfolio

<b>Housing and Land Portfolio</b>	<b>2019/20 Budget £</b>	<b>FTE (no.)</b>	<b>2020/21 Budget £</b>	<b>FTE (no.)</b>
Constituent / Non-Constituent Membership Fees	150,410		0	
Devolution Funding (Housing & Land)	2,201,321		2,382,276	
Other funding sources			89,025	
<b>Total Funding</b>	<b>2,351,731</b>		<b>2,471,301</b>	
Staff costs	1,173,231	15.0	1,367,801	16.9
Housing and Land delivery support - Development, investment and master planning expertise	1,175,000		1,100,000	
Travel & Subsistence	3,500.00		3,500	
<b>Total Expenditure</b>	<b>2,351,731</b>		<b>2,471,301</b>	
<b>Net Total</b>	<b>-</b>		<b>-</b>	

**Grant Funded Posts 2020/21:**

Director of Housing & Regeneration; Head of Policy; Strategic Delivery Advisor x3; Senior Development Manager; Senior Implementation Manager x2; Team Administrator; Development Manager; Development Manager (0.9); Senior Development Manager x2; Graduate; Housing & Regeneration Officer; Investment Advisor; Apprentice

<b>Housing &amp; Land</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Brownfield Investment & Acquisition Programme	Intervene, acquire, unlock and invest in priority brownfield sites across the region along public transport corridors that suffer from identified market failure to bring them forward for housing and employment delivery – building on the 15% increase in housing delivery over the last year in the region
Inclusive Growth Corridor Programme	Wave 1: Support local partners in finalising and launching the Corridor Delivery and Investment Plans for Walsall to Wolverhampton & West Bromwich to Dudley.  Launch Expression of Interest for next wave of Corridor Plans and upon selection create wide-ranging Corridor Delivery and Investment Plans and Programmes
Local Plans	Provide assurance to HMG on Local Plan progress under the Housing Deal by mapping local plan activity in the region and supporting local councils with the evidence base for local plans and duty-to-cooperate activities
Affordable Housing Policy and Delivery Programme	Affordable Housing Delivery Vehicle  Regional Affordable Definition  Affordable Housing Deal with Government
Town Centre Regeneration Programme	Intervene, acquire and invest in town centre sites in pilot town centres to support the regeneration and repurposing of those town centres
Town Centre Policy Programme	Wave 1: Support local partners in finalising and launching the Town Delivery and Investment Plans for 5 pilot town centres in Wave 1  Launch Expression of Interest for next wave of Town Centre Pilots and upon selection create wide-ranging Town Centre Delivery and Investment Plans and Programmes
Town Deals	Support local councils and LEPs in securing effective 'Town Deals' with Government by Summer 2020  Creation of Town Boards  Co-develop business cases to Government  Support development of town investment plans that meet Government requirements'
West Midlands Investment and Developer Frameworks	Update(s) to Single Commissioning Framework to respond to new policy (e.g. climate change) and delivery experience  Launch of West Midlands Investment Prospectus at MIPIM 2020  Expansion of Commissioned Partnership Programme including 10 new partners in 2020/2021
West Midlands One Public Estate (OPE) Programme	Completing mapping of OPE land  Launch OPE Single Disposals Plan  Development and submission of OPE Business Case to Government
Housing Deal	Providing compelling business cases to Government on brownfield regeneration, housing delivery and local plan progress to secure next tranches of Land Fund in February 2020 and November 2020  Secure outstanding HIF monies from March 2018 Housing Deal

<b>Housing &amp; Land</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
MMC Programme	MMC Strategy Launched MMC Advisory Group established MMC Delivery Programme Launched
Land and Transport Delivery Programme	Working closely with transport colleagues and local partners to secure new and maximise planned investment in transport infrastructure to open up new areas for development and regeneration.
Design Charter	Regional Design Charter launch in Q1 2020 and embed Charter into Single Commissioning Framework
National Development Projects	Continue to work with local partners to bring forward nationally significant development schemes – particular examples include National Brownfield Institute in Wolverhampton and UKC at Solihull.
Climate Change Delivery Programme	Housing and Regeneration Climate Change Action Plan and Delivery Programme

Economy & Innovation Portfolio

<b>Economy &amp; Innovation Portfolio</b>	<b>2019/20 Budget £</b>	<b>FTE (no.)</b>	<b>2020/21 Budget £</b>	<b>FTE (no.)</b>
Constituent / Non-Constituent Membership Fees	1,103,954		1,150,743	
Mayoral Capacity Funding	96,111		54,110	
Office of Data Analytics grant funding	284,041		256,837	
Assumed new funding stream to support Local Industrial Strategy	200,000		0	
Use of reserves	221,304		312,141	
<b>Total Funding</b>	<b>1,905,410</b>		<b>1,773,831</b>	
<b>Staff Costs</b>				
Industrial Strategy & Funding for Growth	380,585	4.0	476,994	6.0
Office of Data Analytics (ODA)	189,825	3.5	161,837	3.0
Growth Company Annual Membership Fee	700,000		700,000	
Economic Intelligence Unit - LIS support and education and skills intelligence	240,000		240,000	
LIS business case development & delivery	200,000		0	
Industrial Strategy - Project Support	100,000		100,000	
ODA Project / Consultancy Support	95,000		95,000	
<b>Total Expenditure</b>	<b>1,905,410</b>		<b>1,773,831</b>	
<b>Net Total</b>	<b>-</b>		<b>-</b>	

**Fee Funded Posts 2020/21:**

Director of Strategy; Strategy Graduate x2; Head of Strategy & LIS; Head of Policy & Programme Development; Senior Policy Officer

**Grant Funded Posts 20/21:**

Data Analyst Apprentice; Data Analyst; Senior Data Analyst

<b>Economy &amp; Innovation</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
<b>Economic Resilience:</b> Enable and coordinate cross-organisational and cross-partner working that builds economic resilience in the West Midlands	<p>Work with government and regional partners to establish new and evolve existing support infrastructure and mechanisms</p> <p>Complete deployment of Brexit pooled contingency fund</p>
<b>Local Industrial Strategy Delivery:</b> work with partners to secure and implement the priority projects and programmes	<p>Implementation support: embed aligned activity mapping and performance monitoring across market opportunities, sectors and productivity foundations.</p> <p>Develop, maintain and secure a pipeline of strategic projects and programmes</p> <p>Identify funding requirement to feed into Spending Review 2020</p> <p>Engage businesses, citizens and investors with a compelling communications and engagement campaign focused on our future growth opportunities</p>
Increase demand led business innovation in the wider economy, enabled by the Innovation Board and delivery of phase one of the West Midlands Innovation programme	<p>Develop a stronger and integrated business support offer</p> <p>Target support to business to access more national innovation funding</p> <p>Identify projects, programmes and funding opportunities to secure phase 2</p> <p>Proactively communicate innovation opportunities</p>
Through the ODA provide integrated intelligence to support decision making in the region on a range of economic and social issues	<p>Regional capacity: Roll out research, data and evaluation framework for the WMCA which can be used by partners across the region</p> <p>Direct delivery: through annual state of the region report and economic analysis regime</p> <p>Future proofing: deliver an exit strategy through the WM REDI that secures future sustainability of the ODA</p>
Create Central – mobilise the industry led board to convert 3 years of consultation into a clear plan for action that will secure substantial resource and investment into the sector	<p>Enhance and accelerate existing resourced regional activity</p> <p>Work with national partners to increase regional share of national resource available.</p> <p>Secure new resource to deliver new activity that fills identified gaps including identifying the gaps</p>
Creative Scale up pilot – to identify and deliver a programme of activity to support business growth and improve their investability	<p>Deliver an intensive business support programme</p> <p>Signposting to and engagement with investors</p> <p>Contribute to the development of a shared evidence base with government</p>

Culture and Digital Portfolio

<b>Culture &amp; Digital Portfolio</b>	<b>2019/20 Budget £</b>	<b>FTE (no.)</b>	<b>2020/21 Budget £</b>	<b>FTE (no.)</b>
Constituent / Non-Constituent Membership Fees	110,000		110,000	
5G Grant			231,551	
<b>Total Funding</b>	<b>110,000</b>		<b>341,551</b>	
Staff Costs	0		131,551	3.0
5G			100,000	
Culture & Tourism	110,000		110,000	
<b>Total Expenditure</b>	<b>110,000</b>		<b>341,551</b>	
<b>Net Total</b>	<b>-</b>		<b>-</b>	

**Grant Funded Posts 2020/21:**

5G Engagement Manager; Marketing & Events Executive; Creative Enterprise Scale Up Lead

<b>Culture &amp; Digital</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Support the deployment of circa £100m of government, private sector and regional contributions to an emerging 5G mobile network for the region.	Support the deployment of circa £100m of government, private sector and regional contributions to an emerging 5G mobile network for the region.
Develop our capacity to support digital public services across the region	Develop our capacity to support digital public services across the region
To support delivery of the Cultural Leadership Board's ambition to maximise the contribution of culture to enhance quality of life for our citizens.	Review current cross-CA activity to identify and secure opportunities to enhance and support cultural activity in the region
To support delivery of the Cultural Leadership Board's ambition to maximise the contribution of culture	Map existing and explore new mechanisms of securing finance and funding to the cultural assets and activities in the region
To support delivery of the Board's ambition to maximise the contribution of culture to delivering inclusive growth in the region and to enhance quality of life for our citizens.	Develop mechanisms to improve participation and leadership from underserved groups.
To support delivery of the Board's ambition to maximise the contribution of culture to delivering inclusive growth in the region and to enhance quality of life for our citizens.	Engage with local government partners, cultural bodies and citizens to define a shared long-term vision for culture in the region

Wellbeing Portfolio

<b>Wellbeing Portfolio</b>	<b>2019/20 Budget £</b>	<b>FTE (no.)</b>	<b>2020/21 Budget £</b>	<b>FTE (no.)</b>
Constituent / Non-Constituent Membership Fees	687,216		687,216	
Thrive into Work Grant	819,756		70,004	
Other funding sources	0		121,424	
Carry forward of efficiencies	0		56,316	
<b>Total Funding</b>	<b>1,506,972</b>		<b>934,960</b>	
Staff Costs	441,320	8.0	646,956	11.0
Staff Costs (Thrive into Work Programme)	28,512	1.0	70,004	3.0
Thrive into Work	791,243		0	
Mental Health Commission Expenses	31,000		31,000	
Mental Health Project / Consultancy Support	100,000		100,000	
Funding contribution to Fiscal Incentive Programme	27,897		0	
Health & Wellbeing Project / Consultancy Support	87,000		87,000	
<b>Total Expenditure</b>	<b>1,506,972</b>		<b>934,960</b>	
<b>Total</b>	<b>-</b>		<b>-</b>	

**Fee Funded Posts 2020/21:****Health & Wellbeing**

Senior Policy Officer X 3, Physical Activity Lead (Wellbeing), Programme Director, Mental Health Commission Coordinator x3.

**Grant Funded Posts 2020/21:****Sports England**

Graduate Project Manager

**Thrive into Work & IPS**

Programme Support Apprentice

Specialist Project Lead - Young People

Thrive at Work Mental Health Commission Coord

Thrive at Work Implementation Manager

Thrive at Work Assessor

<b>Wellbeing</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Deliver the Thrive programme and promote a culture of support and awareness for mental health issues across the region.	To deliver a number of key programmes of work that focus on improving the work and health agenda
Develop and deliver a childhood obesity strategy for the West Midlands	Develop a Healthy weight region to tackle the issue of obesity. Focus to be developed on Food (Retail offer, advertising Planning regulations) and increasing level of physical activity
Develop and deliver an innovative new funding mechanism, the Radical Prevention Fund	To deliver the Radical prevention fund for the West Midlands Region. Secure Funding from Government to enable innovative approaches to delivery in the prevention agenda. Test new financial models through grants and loans
Host a population intelligence hub within the Inclusive Growth Unit which provides holistic, real time data on the region's health and socioeconomic outcomes	With Public Health England develop a population health intelligence hub - seeks to link inclusive growth with emerging inclusive health agenda - Focus on developing a Health inequality lens for the region and develop a Marmot style region approach
Supporting place-based health and care	Commence the process to seek devolved Public Health Powers for the WMCA  Strengthen links with NHS England STP footprints in the region and drive to improve the health inequality agenda

**Public Service Reform & Social Economy Portfolio**

<b>PSR &amp; Social Economy Portfolio</b>	<b>2019/20 Budget £</b>	<b>FTE (no.)</b>	<b>2020/21 Budget £</b>	<b>FTE (no.)</b>
Constituent / Non-Constituent Membership Fees	560,735		555,803	
Mayoral Capacity Funding	100,000		100,000	
Veteran support funding			79,358	
Assumed new funding stream to support LIS	215,000			
Use of reserves	285,000			
<b>Total Funding</b>	<b>1,160,735</b>		<b>735,161</b>	
Staff Costs	560,735	6.0	635,161	9.0
PSR Project / Consultancy Support	100,000		100,000	
Delivery of inclusive growth, radical prevention & systems collaboration	500,000		0	
<b>Total Expenditure</b>	<b>1,160,735</b>		<b>735,161</b>	
<b>Net Total</b>	<b>-</b>		<b>-</b>	

**Fee Funded Posts 2020/21:**

Public Sector Reform

Director of PSR, Chief Executive Support, Implementation Director PSR & Inclusive Growth, Senior Policy Officer x 2, Apprentice plus Finance support.

**MCF:**

Programme Manager - Homeless Task Force,

**Grant Funded Posts:**

Policy & Delivery Officer - Veterans x 2

<b>Public Sector Reform</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Strengthen and grow the Inclusive Growth Unit, including its suite of products (Inclusive Growth Framework, Decision Making Toolkit and Tests) and services to WMCA members and partners.	Regular, structured engagement with IGU partners, supported with professionally presented resources.
Commence delivery of the recommendations from the Social Economy Taskforce.	Build awareness and visibility of the work and create an investment case for business support.
Develop a 'Commitment to Collaborate' across public services to help demand management and preventative outcomes for rough sleepers.	Use insights from public service roundtables to inform better partnership working between regional public services.
Contribute substantively to the development of a regional Violence Prevention Unit with other public service partners.	Invest WMCA resources into the establishment of the VRU   Continue to support the leadership of the VRU partnership
Collaboration to Support Radical Prevention	Exploring new priorities for collaborative reforms for public services, learning from the work relating to police and fire governance, and taking into account shared challenges around climate emergency, care and prevention.
Alignment of investment standards with inclusive growth	Shifting the terms of capital investment so that the 'point' of investment is social or environmental in nature, in line with the Inclusive Growth Framework. This will enable investments associated with #WM2041 to be judged on climate impact.

Environment, Energy and HS2 Portfolio

<b>Environment, Energy &amp; HS2 Portfolio</b>	<b>2019/20 Budget £</b>	<b>FTE (no.)</b>	<b>2020/21 Budget £</b>	<b>FTE (no.)</b>
Constituent / Non-Constituent Membership Fees	242,386	3.0	255,562	3.0
Carry forward of efficiencies			93,577	
<b>Total Funding</b>	<b>242,386</b>		<b>349,139</b>	
Staff Costs	157,386		181,614	
Environment Project / Consultancy Support	85,000		167,525	
<b>Total Expenditure</b>	<b>242,386</b>		<b>349,139</b>	
<b>Total</b>	<b>-</b>		<b>-</b>	

**Fee Funded Posts 2020/21:****Environment 2020/21**

Head of Environment, Policy / Project Manager, Graduate/Trainee

The costs of Energy and HS2 are funded through direct recharges to the Investment Programme

<b>Environment, Energy &amp; HS2</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Support the development of the evidence base for the WMCA 2041 zero emissions target	The target date for zero emissions is 2041. The evidence base to support the actions needs to be developed to break the target down into areas of maximum impact.
Develop a zero-emission strategy and action plan	<p>The action plan for the zero-emission target date of 2041 has been produced as a Green Paper that has been out for consultation. There will be refinement and development of the action plan through a series of avenues:</p> <ul style="list-style-type: none"> <li>• A clear analysis of the impacts of the actions will need to be made</li> <li>• There will need to be a robust investment plan built on the actions with costings attached</li> </ul> <p>The actions will need to be aligned to other strategic priorities of the WMCA</p>
Build and deliver on priorities within UK's first clean growth Local Industrial Strategy	To work with the Local Industrial Strategy Implementation group to maximise the low carbon economic and business opportunities for everyone and therefore includes consideration of jobs, skills and social inclusion
<p>Ensure the energy infrastructure of the region supports a competitive industrial base, clean growth and social inclusion.</p> <p>New technology</p>	To partner with the work of Energy Capital and to ensure that there is ongoing dialogue; aligned support for the portfolio holder; and, collaboration around asks for devolution.
Support partners to deliver HS2	To continue to develop the work of the Environment and Landscape Board and support the portfolio holder with the evidence to participate in conversations at a regional and national level.
Support the sustainability work and legacy for the Commonwealth Games	To support discussions on legacy as they relate to sustainability issues to maximise positive environmental impact for the Games and going forward
Decarbonisation of WMCA operations	Showing leadership from the front and understanding the measures that need to be taken to decarbonise WMCA operations

**Inclusive Communities Portfolio**

<b>Inclusive Communities Portfolio</b>	<b>2019/20 Budget £</b>	<b>FTE (no.)</b>	<b>2020/21 Budget £</b>	<b>FTE (no.)</b>
Constituent / Non-Constituent Membership Fees	0		119,747	
<b>Total Funding</b>	-		<b>119,747</b>	
Staff Costs	0		44,747	1.0
Youth Combined Authority	0		75,000	
<b>Total Expenditure</b>	-		<b>119,747</b>	
<b>Total</b>	-		-	

**Fee Funded Posts 2020/21:**

Leadership Commission Coordinator

<b>Inclusive Communities</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
<p>YCA:</p> <p>Support a diverse Young Combined Authority to influence and constructively challenge WMCA policy, better connecting the organisation to the communities it serves and building future political leadership capacity in the West Midlands.</p>	<p>Recruitment campaign to refresh/reboot YCA membership</p> <p>Opportunities to challenge, inform and influence WMCA decision-making</p> <p>WMCA decisions, policies and projects that have benefited from YCA input or involvement</p> <p>Engagement with the region's young / under 25 population on CA priorities and programmes (e.g. campaigns)</p> <p>Developing future political leadership capability and talent in the region (e.g. Be a Councillor sessions).</p>
<p>Inclusive Leadership initiatives:</p> <p>Develop and promote initiatives that encourage and support leaders and employers to commit to realising greater inclusivity.</p>	<p>A refresh / reboot of the Inclusive Leadership Pledge initiative to encourage employers to commit to realising greater inclusion.</p> <p>Collaboration with the University of Birmingham to shape and deliver inclusive leadership task forces (building upon the Leadership Commission recommendation for HR roundtables).</p> <p>Development and promotion of inclusive leadership case studies.</p>
<p>Campaigning and engagement:</p> <p>Lead and/or support activity to challenge, enable and support the WMCA and wider region to promote inclusivity, equalities and diversity.</p>	<p>Lead, support or coordinate campaigns (including working with partners and other stakeholders) on key challenges</p> <p>Collaboration with key partners on projects and engagement events that further inclusion and diversity in the West Midlands</p>
<p>Co-ordinate activity across portfolios:</p> <p>Help bring together activities and projects that tackle longstanding challenges that contribute to exclusion, inequality or unfulfilled potential.</p>	<p>Establish and lead a cross-portfolio taskforce that provides a focus and co-ordination of activity around an agreed policy area, challenge or marginalised community (e.g. making West Midlands a youth-friendly region).</p>

### Leadership & Corporate Support

Leadership & corporate support services work to support the WMCA to deliver sustained and inclusive economic growth by offering a joined-up solution and providing a range of services including Communications, Finance, Governance, Human Resources, Information Technology, Legal, Risk Management, Property, Programmes and Project support that help turn ideas into outcomes.

The role of corporate support services is to work collaboratively to deliver robust organisational support services that add value and help teams deliver outcomes that make a real difference to the people of the West Midlands.

Corporate support services have played a fundamental role in supporting the transition of the WMCA as it matures and have worked to standardise business processes and policies across the newly established organisation.

<b>Leadership &amp; Corporate Support</b>	<b>2019/20 Budget £</b>	<b>FTE (no.)</b>	<b>2020/21 Budget £</b>	<b>FTE (no.)</b>
Constituent / Non-Constituent Membership Fees	1,648,938		1,624,345	
Investment Income	1,693,500		1,766,040	
<b>Total Funding</b>	<b>3,342,438</b>		<b>3,390,385</b>	
Leadership	472,730	4.0	537,105	4.6
WMCA Central Project / Consultancy Support	100,000			
Corporate Support	2,769,708		2,853,280	
<b>Total Expenditure</b>	<b>3,342,438</b>		<b>3,390,385</b>	
<b>Total</b>	<b>-</b>		<b>-</b>	

#### **Fee Funded Posts 2019/20:**

##### **Leadership**

Chief Executive (CX), Head of CX Office, Executive Assistant to CX, Administrator (0.6), Executive Support Officer

Corporate Support Recharges to Operational Budget

Corporate support services reflect the distribution between Transport for West Midlands and the Delivery Budget agreed in 2018 to meet statutory requirements. In addition, the 2020/21 budget reflects capacity growth to support the wider West Midlands Combined Authority agenda, fully funded by additional income including a top-slice of grant income with no net impact on constituent authority fees.

Corporate support services capacity has been strengthened to reflect statutory obligations in relation to the building and build ICT capacity to meet increasing demands.

## APPENDIX 4 - TRANSPORT CAPITAL PROGRAMME

Portfolio (£M)	Project Name	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	2024 / 2025	TOTAL
Metro	Metro East Birmingham to Solihull Extension	6.7	12.2	163.6	129.6	139.6	451.8
	Metro Wednesbury to Brierley Hill Extension	70.6	200.3	86.3	45.5		402.7
	Metro Birmingham Eastside Extension	20.5	43.0	36.2	22.5	7.6	129.7
	Metro Edgbaston & Centenary Square Extension	25.4	13.2				38.6
	Metro Network Enhancements	8.6	5.1	1.5	0.5	0.0	15.7
	Wolverhampton Interchange Station and Car Park works	1.8					1.8
	Metro Wolverhampton City Centre Extension	3.8					3.8
	Buy Before Boarding	0.7	0.1	0.5	0.0		1.3
<b>SUB TOTAL METRO</b>		<b>138.0</b>	<b>273.9</b>	<b>288.1</b>	<b>198.2</b>	<b>147.2</b>	<b>1,045.4</b>
Rail	Rail - Camp Hill Line New Stations	6.6	40.3	1.2			48.1
	Rail - Walsall to Wolverhampton New Stations	18.4	26.5	0.0			45.0
	University Station Improvement Project	11.3	24.6				35.9
	Rail - Sutton Coldfield Gateway	9.3	12.0				21.2
	Rail - Snow Hill Lines	1.1	1.1	2.0	16.3		20.5
	Perry Barr Rail Station	5.1	13.6				18.6
	Coventry South Package - Tile Hill Station Improvements	1.7	1.5	4.6			7.8
	Snow Hill 3rd Access	1.5					1.5
	Park and Ride Delivery	0.7					0.7
	Snow Hill Public Realm	0.2					0.2
<b>SUB TOTAL RAIL</b>		<b>55.8</b>	<b>119.5</b>	<b>7.8</b>	<b>16.3</b>	<b>0.0</b>	<b>199.4</b>
Sprint	Sprint - A45 Birmingham to Airport and Solihull	27.8	26.6	1.2			55.7
	Sprint - Hagley Road Phase 2	0.5	3.8	8.8	10.7	27.6	51.3
	Sprint - Longbridge to Birmingham	0.3	8.1	9.0	11.0	13.4	41.8
	Sprint - A34 Walsall to Birmingham	24.7	14.9	0.1			39.6
	Sprint - Sutton Coldfield to Birmingham (via Langley)	12.5	12.8				25.3
	Sprint - Hall Green to Interchange via Solihull	0.2	2.6	1.6	3.1	5.7	13.2
	Sprint - Hagley Road Phase 1	6.9					6.9
<b>SUB TOTAL SPRINT</b>		<b>72.9</b>	<b>68.8</b>	<b>20.7</b>	<b>24.8</b>	<b>46.7</b>	<b>233.9</b>
Highway	Regional Transport Coordination Centre (RTCC)	7.1	6.0	3.8	0.0	0.0	16.8
	Birchley Island (Sandwell MBC)	2.0	5.4				7.4
	B4106 Spon End (Coventry CC)	4.1		1.1			5.2
	ADEPT Live Lab	0.9					0.9
	Key Route Network Safety	1.6					1.6
	Highway Investment Programme	1.3	0.4				1.8
	NPIF 2 Birmingham Growth Point	0.9					0.9
	Commonwealth Games (Transport Modelling / Strategy)	0.8					0.8
<b>SUB TOTAL HIGHWAY</b>		<b>18.6</b>	<b>11.8</b>	<b>4.9</b>	<b>0.0</b>	<b>0.0</b>	<b>35.3</b>
Bus	Dudley Interchange		7.5	2.2			9.7
	Real Time Information Upgrades	1.8	0.2				1.9
<b>SUB TOTAL BUS</b>		<b>1.8</b>	<b>7.7</b>	<b>2.2</b>	<b>0.0</b>	<b>0.0</b>	<b>11.7</b>
Cycling	Cycling Programme	1.0	3.0	17.0			21.0
	Better Streets Community Fund	1.3	0.2	0.1	0.0		1.7
<b>SUB TOTAL CYCLING</b>		<b>2.3</b>	<b>3.2</b>	<b>17.1</b>	<b>0.0</b>	<b>0.0</b>	<b>22.7</b>
Assets	Asset Management Programme	1.2	1.2	1.2	1.2		4.8
	Network Infrastructure Measures	0.5					0.5
<b>SUB TOTAL ASSET REPLACEMENT</b>		<b>1.7</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>0.0</b>	<b>5.3</b>
Other	Autonomous Highway,Rural & Parking Test Facilities	3.1					3.1
	AutopleX	0.1	0.0				0.1
	Connected and Autonomous Vehicles TestBed (CAV)	2.3					2.3
	Future Mobility Zone	3.3	6.9	8.5	0.0	0.0	18.8
	Gateway Controlled Project Development	0.3					0.3
	LTP Technical Development Nims Mattisse	0.0	0.0	0.0	0.0	0.0	0.1
	New St/High St/Victoria Sq Public Realm (Bham CC)	3.2	1.7				4.9
	Top Slice	0.1	0.1	0.1	0.1		0.3
<b>SUB TOTAL OTHER</b>		<b>12.3</b>	<b>8.8</b>	<b>8.6</b>	<b>0.1</b>	<b>0.0</b>	<b>29.8</b>
<b>TOTAL TRANSPORT</b>		<b>303.4</b>	<b>495.0</b>	<b>350.6</b>	<b>240.6</b>	<b>193.9</b>	<b>1,583.5</b>

The Transport Programme contains programmes schemes delivered from project specific grants (i.e. DfT grants for Edgbaston Metro), other grants such as Transforming Cities Fund and borrowing supported either through the Investment Programme financial model, or from the commercial model underpinning the Metro network which uses future passenger fares to facilitate the up front investment.

As detailed within the report, the Capital Programme as presented articulates the full anticipated programme of investment for the West Midlands. There will be areas of the programme where the decision to cap Investment Programme investment at the affordable limit will mean that progression through the assurance framework will be subject to WMCA Finance Directors working with WMCA to identify additional income to support the levels of borrowing required to deliver the full programme.

## APPENDIX 5 - HOUSING CAPITAL PROGRAMME

Portfolio (£M)	Project Name	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	2024 / 2025	TOTAL
Housing	Brownfield Land & Property Development Fund (BLPDF)	17.9	10.8				28.8
	LPIF (Black Country Consortium)	22.3	8.5	20.0	20.0	21.2	92.1
	Land Fund - Friar Park Sewage Disposal Works	5.2	4.8				10.0
	Land Fund - Other	30.0	30.0	20.0	6.8		86.8
<b>TOTAL HOUSING</b>		<b>75.5</b>	<b>54.2</b>	<b>40.0</b>	<b>26.8</b>	<b>21.2</b>	<b>217.6</b>

The Brownfield Land and Property Development and LPIF land remediation funds consist of the £200m allocation within the WMCA Investment Programme. These funds are all committed within the affordable limit agreed by WMCA Board in November. The Land Fund represents the grants provided to WMCA following Devoluton Deal 2. These funds are expected to be fully committed in line with the grant conditions which includes Tranche 1 being committed by January 2020. The phasing of expenditure reflects the profile of remediation works at a high level whilst procurement routes and details are being refined.

## APPENDIX 6 - INVESTMENT PROGRAMME GRANTS TO LOCAL AUTHORITIES

Portfolio (£M)	Project Name	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	2024 / 2025	TOTAL
Investment Programme Grants to Local Authorities	Commonwealth Games	10.0	15.0				25.0
	Coventry City Centre South Regeneration - CCS	5.0	11.5	54.6	0.1		71.2
	Coventry City Centre South Regeneration - Friargate	25.0	25.0	0.4			50.4
	Coventry UKC Plus - Coventry North Package	0.5	1.5	2.0	11.3	6.1	21.4
	Coventry UKC Plus - Coventry South Package	4.1	3.7	15.5	27.5	42.8	93.6
	Coventry UKC Plus - Coventry Station Masterplan (CSMP)	32.7	3.1				35.8
	Coventry UKC Plus - UK City of Culture 2021	23.5	5.0				28.5
	Coventry UKC Plus - Very Light Rail	11.8	1.8	1.7	15.8	15.8	46.9
	UK Battery Industrialisation Centre (UK BIC)	15.0					15.0
	UK Central HS2 Interchange	68.1	52.9	66.4	54.6	6.4	248.4
UK Central Infrastructure Package	31.2	40.7	46.8	46.0	34.2	198.9	
<b>TOTAL INVESTMENT PROGRAMME GRANT TO LOCAL AUTHORITIES</b>		<b>226.8</b>	<b>160.2</b>	<b>187.4</b>	<b>155.3</b>	<b>105.3</b>	<b>835.1</b>

All investments referred to above form part of the Investment Programme from Devolution Deal agreed 2016. The committed investments have all been assured through the WMCA assurance process agreed with Government. Elements of the expenditure detailed above would represent commitments that would be beyond the affordable limit agreed by WMCA Board in November 2019. Such items are not currently being submitted through the Assurance Process pending identification of income solutions which is being led by the WMCA Finance Directors.

**Overview and Scrutiny Committee****Mayoral Question Time Q and A - Budget 2020/21**

Members of the committee, along with Aisha Masood from the Young Combined Authority, questioned the Mayor on financial matters relating to the WMCA and its developing budget for 2020/21. The Portfolio Lead for Finance, Councillor Bob Sleight, was also questioned on matters relating to the Investment Programme that had been considered at meetings of the Investment Board.

Members questioned the Mayor on issues including financial transparency between proposed and actual spend, measures to achieve inclusive growth outcomes, targeting investments and outcome-based funding, the future funding arrangements for the Young Combined Authority, future intentions for a mayoral precept and a WMCA business rate supplement, and a greater focus on explaining to the public the outcomes that the WMCA had achieved.

In respect of specific matters to bring to the attention of the WMCA Board, it was recommended that:

- (a) A mechanism be developed that provided for assessing the impact on the WMCA's Investment Programme of new projects coming forward, and that this mechanism include an evaluation of carbon accounting, social impact and value-added assessments.
- (b) An environmental impact assessment be undertaken before any new WMCA policy was introduced so that its direct impact on the environment was assessed as part of wider policy considerations.
- (c) Any assessment of the regional skills gap be focused on addressing the future and projected skills needs of the region.
- (d) A commitment be given to fund the Young Combined Authority for the four-year period 2020/21- 2023/24.
- (e) Investment be prioritised to reflect the changing contexts within the region since the WMCA was initially established in 2016 (e.g. climate emergency, economic impacts).
- (f) Caution be exercised over the use of reserves to fund the WMCA's revenue expenditure and the need to identify a more sustainable longer-term approach.
- (g) The delivery and performance monitoring framework be further developed so that it provides greater public transparency and clarity regarding the successes and challenges in delivering the WMCA's policy objectives.

It be recommended to the WMCA Board that:

The matters identified above that arose out of the Mayoral Q&A on 18 December 2019 be considered further by the WMCA Board.



### WMCA Board

<b>Date</b>	17 January 2020
<b>Report title</b>	Local Industrial Strategy Implementation Update
<b>Portfolio Lead</b>	Economy & Innovation - Councillor Ian Brookfield
<b>Accountable Chief Executive</b>	Deborah Cadman, West Midlands Combined Authority email: <a href="mailto:deborah.cadman@wmca.org.uk">deborah.cadman@wmca.org.uk</a> tel: (0121) 214 7200
<b>Accountable Employee</b>	Julia Goldsworthy, Director of Strategy email: <a href="mailto:julia.goldsworthy@wmca.org.uk">julia.goldsworthy@wmca.org.uk</a> tel: (0121) 214 7941
<b>Report has been considered by</b>	Programme Board Strategic Economic Development Board

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

#### The WMCA Board is recommended to:

- (1) Note progress to date on delivery against our Local Industrial Strategy (LIS) and overall economic growth goals, including activity to ensure our economy is more inclusive and resilient to shocks, and that zero carbon priorities are embedded in all activity to deliver economic growth.
- (2) Agree the more detailed approach being taken to implementation and managing delivery, including actions we are taking to ensure delivery reflects the latest mid-year economic data and informs our future funding asks of Government.
- (3) To consider and agree next steps, as outlined in 3.36.

## 1.0 Purpose

- 1.1 The aim of this paper is to ensure that the WMCA board has a chance to fully engage with and input to the new opportunities identified in the LIS and to consider the approach being taken to implementation, in the context of the latest economic data, regional priorities for inclusive growth, environment and energy and priorities for future Government funding.

## 2 Background

- 2.1 The West Midlands Industrial Strategy was published on 16 May 2019, jointly with Government. It builds on 2016 Strategic Economic Plan, setting out our shared intent to continue recent growth and success, whilst tackling the issues of economic inclusion that remain embedded in our economy and communities.
- 2.2 At June's WMCA Board approval was given for the overall approach to implementation and gave delegated authority for the WMCA and 3 LEPs to work together to secure resource and drive delivery, with the SED Board taking an overview of progress and direction.
- 2.3 Future investment by Government is vital, but as outlined in June, our Industrial Strategy does not start from scratch but integrates existing investment across agreed priorities, for example the £350m Housing Deal, Regional Skills Plan, Skills Deal and the 2026 Delivery Plan for Transport, to ensure that our overall efforts to drive a more inclusive economy continue to be successful. This approach has enabled us to progress considerably with implementation activity over the summer.

## 3 Economic Context

- 3.1 The region continues to show strong growth in the indicators that lag, such as GVA and GDP despite our current economic climate. Economic performance in the region has held up well against other places overall. However leading indicators such as employment and PMI (Purchasing Managers Index) are mirroring national trends, showing we have relative stagnation across the economy.
- 3.2 The evidence base continues to be developed to support the original publication and is regularly updated and reviewed to ensure priority actions remain salient in light of latest developments. An **Economic dashboard** has been developed which is presented to each SED Board to report on the latest indicators across a range of thematic areas. The dashboard is attached as an appendix to this paper. Key trends are as follows:
  - **Economic growth:** Output is up 27% in the last five years, and our £99bn economy represents 5% of UK output. Regional GDP grew by 2.3% from Q1 2018 to Q1 2019 and the PMI is 49.4. However, the latest quarter shows growth slightly below the national average (+.5% vs .6%) with growth being propelled by the construction section. The **output gap** - the difference between current economic output and the output if we performed at the national average level stood at £15.1bn in 2018 and it grew by £0.8bn in 2017-18.
  - **Homes:** We have doubled the numbers of homes built since 2010 and increased by over 2000 in the last year alone to an annual figure of 16,615 2018/19 (net additional dwellings). However, in terms of affordability our house price to income ratio is growing faster than anywhere else in the country – in simple terms it is getting harder to get a foot on the housing ladder in the region.

- **International trade:** foreign investment has trebled since 2011 and we are a region in trade surplus with both China and the USA. However regional exports fell by £1.6bn (-4.8%) over the last year to £32bn compared with the same period as last year, while the UK increased by 3.3% leading to a trade deficit of £5.9bn. There is an **uncertain economic outlook** - foreign direct investment has weakened following the vote to exit the EU in 2016. Regional analysis from HM Treasury of trade only impacts from a range of Brexit scenarios suggests a 10% negative change in GVA in the region over the next 15 years compared to today's arrangements, making the West Midlands one of the most exposed regions in the country to "no deal."
- **Employment levels** continue to rise. In the year ending June 2019, the employment rate in the WMCA (3-LEP area) was 71.7% (1,848,300 people) compared to 75.5% for the UK overall. This is a net increase of 15,000 people (+0.8%) in employment compared to the previous year, resulting in a 0.5pp increase in the employment rate from 71.2%. The UK increased by 1.0% over the same time period. However, the youth unemployment claimant count continues to rise nationally and in the West Midlands, reaches 21,685 18-24-year-old claimants in the WMCA in October 2019.
- **Carbon emissions** reduced 19.1% over five years to 2017 and is current 5 tonnes per capita. To achieve net zero by 2030 would require a significant step change in the annual reduction.
- There are persistent **inequalities** - Healthy life expectancy was 3.8 years lower for females in the West Midlands and 3.5 years lower for males in the region compared to the national average in 2018. 19.2% of the WMCA is in the 10% most deprived in England – an increase from 18.9% in 2015.
- Positive growth in **apprenticeship** starts in 2018/19 - 31,740 apprenticeship starts across the WMCA three LEP geography. This is an increase of 8.7% or 2,540 in absolute numbers from 2017/18 compared to 4.7% nationally. Advanced Level apprenticeships across the WMCA increased by 10.3% compared to the national increase of 5.1%. However overall qualifications remain a challenge with 11% of the working age population (284,000 people) with no qualifications compared to 8% nationally.

### 3.3 Local Industrial Strategy Implementation

3.4 Implementation of the LIS through the Major New Market Opportunities, Sector Strengths and Foundations of Productivity will drive forward economic growth while ensuring inclusive and clean growth (from the region's many initiatives and emerging #WM2041 Climate Change approach) remain central themes. The Major New Market Opportunities and Sector Strength action plans, along with the Foundations of Productivity will create opportunities to deliver our region's inclusive and clean growth objectives by focussing on key areas which support youth employment and resilience in our wider community, while helping and supporting SMEs make the changes the region needs.

3.5 Moreover, as well as ensuring the Major New Market Opportunities, Sector Strengths and Foundations align to the region's cross cutting priorities, it is worth acknowledging that each opportunity, strength and foundation have different characteristics, are different in nature and therefore require different approaches with varying needs for resources and private/public interventions. As a result, the structure and programme(s) of LIS Implementation will be proportionate to needs. This will result in varied support and intervention requirements used by delivery partners and vehicles.

### 3.6 Major New Market Opportunities

3.7 Progress is being made in moving forward on the four Major Market Opportunities identified in our LIS, including:

#### a) Future of Mobility:

- UK Battery Industrialisation Centre (UKBIC): This purpose-built 18,000m<sup>2</sup> facility and research technology organisation in Baginton, near Warwick is open access to serve the UK's automotive industry as a whole, and has secured a total of £126m in funding to date. Construction is nearing conclusion and it is on target to open in March 2020. Recruitment is live to deliver c. 100 new jobs, and being industry-focused, supporting OEMs and suppliers, it will also provide a focal point to develop the regional skills base. Putting the region at the forefront of the growing automotive battery supply chain, forecast to be worth £5bn per year in the UK by 2035, there is both further Government investment of up to £50m anticipated and the potential for further FDI to accelerate battery development and production.
- In collaboration with Warwick Manufacturing Group (WMG) and Transport for West Midlands (TfWM), Coventry City Council (CCC) is taking forward the research and development (R&D) of a three-stage project leading to the creation of an affordable light rail network in and around Coventry. The project is currently delivering under phase 1 of its overall programme. It has completed its CWLEP Local Growth Funding Element in 2018/19 (£2.46m) to develop and deliver the virtual prototype vehicle. WMCA funding to Coventry has funded the retaining wall in Dudley. Phase 1b, if successful, will be funded via the Black Country LEP and includes Construction of a VLR National Innovation Centre (VLR NIC) and Test Track in Dudley to support the R&D phase and testing programme. The NIC itself is a £24m project due to open in April 2021.
- Battery and Hydrogen Trains – Warwickshire is home to Vivarail, the company that has built the first modern battery train, launched last year, which has a range of 60 miles, a fast-charging system able to recharge the train in 10 minutes and battery bank storing the energy needed to recharge the train. Vivarail's first fleet of trains were delivered in 2019. They were built as diesel trains but were adapted to run as battery trains. A second fleet are diesel/battery hybrid trains – the first of their kind in the country. At Quinton Rail Technology Centre at Long Marston, near Stratford-on-Avon, Rail Live took place in June 2019 showcasing the launch of HydroFLEX, the UK's first hydrogen-powered train delivered by the Birmingham Centre for Railway Research and Education (BCRRE), part of the University of Birmingham, and Porterbrook.
- The new Dudley Institute of Technology will focus its provision on advanced manufacturing, modern construction methodologies and medical engineering, all of which are critical transformational sectors for the regional economy. The £25m project will change the landscape of Dudley with the development of a three-storey 4,750m<sup>2</sup> building sited on Castle Hill adjacent to the new Metro stop, the Rail Innovation Centre and the Black Country Living Museum. By 2025 the IoT plans to support over 2,000 new learners following higher level technical programmes with an emphasis on Apprenticeships.

- The West Midlands is leading real-world, open road CAV operation– working beyond the test track. The major CAV trial will soon be operating in the region and is the largest in the UK. Engineering and professional services consultancy, WSP has already carried out the feasibility study and design phases for the Midlands Future Mobility project. The deliver phase will include installing roadside units to enable communication with CAV services on vehicles. Other technologies to be rolled out include hi-tech weather stations, live cameras and GNSS correction towers to provide high accuracy positioning for vehicles using GPS data. The tender invitation has been submitted and TfWM are anticipating the appointment of a construction partner for the delivery and commissioning stages of the CAV facility during January and February.
- Other progress is being made in co-development of the Future Mobility Zone (FMZ) with partners with population demographic work continues a-pace. TfWM anticipate having the updated and expanded Mosaic insights around March 2020. This is a foundation from which WMCA/TfWM can develop consumer understanding more deeply. The Swift One-App is due for first release in March 2020, this is being supported by FMZ and several iterations are planned over the next two years as we improve/understand MaaS better. Mobility credits trial is due to start June – Sept 20. This will be in Coventry only and is focused not only on air quality improvements but also on understanding travel behaviour through this incentivisation. Other demo use cases starting in June, which are targeting modal shift and specifically the human behaviour/psychology alongside the technical requirements for new mobility services.

Following November’s SED Board, TfWM and Coventry and Warwickshire LEP have been tasked with convening a business led task and finish group to inform the identification of priority projects and programmes [with the aims and principles of the Terms of Reference acknowledged and supported at 8<sup>th</sup> January SED Board].

**b) Creative Content, Techniques & Technologies:**

- Launch of Create Central has taken place since the Summer and work is currently underway to bid for further National Lottery Funding to support delivery activity. There is currently £0.5m WMCA to support the skills element
- £1.2m Creative Scale Up programme was launched in October 2019 with the first cohort of companies now on the programme.
- A major new market opportunities (MMO) Working Group has been established and scoping paper is being prepared with the visioning work for the MMO to be agreed with key stakeholders. On-going work is progressing to identify industry champions for Creative Technologies and Techniques
- An Academic piece of work is to be brought forward to assess the Business Impact of Creativity, justifying investment models for future programmes.
- High level programmes for investment identified to the value of over £50m

**c) Data Driven Health and Life Sciences:**

- Proposals to establish a WM Med Tech Commission, ambassadorial group, of industry, clinical, HE and government leaders is being progressed. Membership of the commission is being developed to ensure full regional input, with a view to launching in Quarter 1 of 2020.
- In parallel, work is underway on development and delivery of key interventions to support the future growth of the sector with initial focus on creating a new business-led cluster organisation, with strong support from industry and public sector stakeholders

- Activity also includes dedicated pan-West Midlands account managed support for local life sciences companies via the GBSLEP Growth Hub, intellectual property support in conjunction with the IPO and work on future talent development, led by Aston University.
- Ongoing activity to support cross-sector application of new and emerging digital technologies is continuing to be progressed including submission of the £95m Life Sciences Park through a Strength in Places Fund second stage bid.
- Ongoing delivery of the WM5G Citizen Well-Being test bed for health and social care.
- Inward investors are already starting to locate including Dignio Ltd – a Norwegian telehealth company.

**d) Modern Services:** The Modern Services MMO is one of the MMOs that requires a different approach to delivery and is less reliant on direct public sector intervention and more reliant on private sector uptake. The Modern Services MMO is reliant on having great connectivity, high skill outputs and great places to encourage future private sector investment. Therefore the delivery of the foundations of productivity and having strong sectors is crucial for this MMO to influence growth and respond to change.

Wider progress includes:

- Investment continues with Velocity Birmingham launching in November 2019, to support fintech firms locally. This is complemented by work commissioned by GBSLEP to develop potential interventions to support the development of finance and professional services technologies locally, which is due to report in early Q1 2020.
- Work is also ongoing with local universities to explore the impact of artificial intelligence on professional services firms with a view to implementing a programme of support for the sector to enable them to prepare for the future of the industry.
- In parallel to this, there is close work with the national sector plan to ensure appropriate account is taken of the needs of West Midlands based businesses.

### **3.8 Sector Action Plans**

**3.9** Delivery leads have been agreed for all twelve sectors, plans are being developed and, where applicable, aligned with the Major New Market Opportunities and the five foundations of productivity. The Sector Plans are being developed by the region's three Local Enterprise Partnerships and the West Midlands Growth Company, who are working with regional businesses in order to ensure evolving plans clearly address the challenges and opportunities faced by the sectors.

**3.10** As part of this work being undertaken on the development of the sector action plans, initial headline indicators have been identified for most sectors. These indicators include economic potential of each sector, what is currently going well, what the initial identified gaps are and where potential opportunities can be explored and developed. A summary of these initial draft indicators for each sector are provided in appendix 2.

**3.11** The next steps for the Sector Plans will be to review actions to ensure they are robust and that cross-cutting priorities such as clean and inclusive growth principles are embedded. Consideration also needs to be given to how the plans are approved and monitored. Where resource allows, each sector plan is exploring how best to implement delivery against the plan, with oversight from a relevant industry steering group and/or sector body, and a focus on priority interventions to drive that sector forward across the region.

**3.12 Progress to date: Foundations**

**3.13** The LIS sets out actions to tackle five foundations of productivity: Idea, People, Business Environment, Place and Infrastructure. These actions should benefit many or all of our sectors and opportunities. Most have their own delivery boards or programmes (for example on skills, housing and land, innovation and environment). This ensures that LIS implementation is integrated into the wider work of the West Midlands and associated investment.

**3.14** Good progress is already being made across our foundations including:

<b>LIS Foundation of Productivity</b>	<b>WMCA Initiatives</b>
Infrastructure & Environment	<ul style="list-style-type: none"> <li>- A £30m funding package secured to deliver the Vision for Bus objectives – Launching phase 1 delivery plan including air quality targets for buses.</li> <li>- A pipeline of brownfield sites that have already been invested in, accelerated or acquired to support housing and employment delivery.</li> <li>- Development of a Climate Change Action Plan with a consultation launched at the January CA Board.</li> <li>- Delivery of 5G Programmes including:               <ul style="list-style-type: none"> <li>- 1st UK demo on a 5G remote ultra-sound scan undertaken June 2019</li> <li>- 6 x 5G Imagine Events held within the region (LAs/Colleges)</li> <li>- Accelerated the roll-out of 5G to Wolverhampton (by at least 6 months)</li> <li>- Regional 5G demonstration events</li> <li>- Developed 1st ‘Connected Map’ of its kind which is an interactive tool that enables a true picture of the infrastructure and asset landscape</li> </ul> </li> </ul>
Place	<ul style="list-style-type: none"> <li>- The Town Centre Programme and Regional Taskforce have been set up to guide how we repurpose our local centres and are driving development and securing investment.</li> <li>- Inclusive Growth Corridors Toolkit Launched in June 2019.</li> <li>- 3 Inclusive Growth pilots launched.</li> <li>- Development of a regional spatial investment and delivery plan.</li> </ul>
Ideas/ Innovation	<ul style="list-style-type: none"> <li>- The first phase of West Midlands Innovation Programme and pilot projects developed. In principle approval for a £2.96m programme given at 24<sup>th</sup> June Investment Board.</li> </ul>

LIS Foundation of Productivity	WMCA Initiatives
People, Skills & Employment	<ul style="list-style-type: none"> <li>- WMCA has secured funding to enable bespoke construction training including on site hubs in Perry Barr, Wednesbury and Broad Street, Birmingham. These hubs are used to upskill existing workforce and new entrants to the sectors.</li> <li>- The WMCA's £5m Construction Gateway retraining programme, seeing 42% of participants going into employment (both programmes also <i>supporting delivery of the LIS Sector Plan for Construction</i>).</li> <li>- Good progress toward 5 year target for Apprenticeship Levy Funding. With £4.99m of Regional Apprenticeship Levy funding secured, and more than 100 apprenticeships supported.</li> <li>- Over 600 young people engaged through “progressions coaches” (achieving an in-work retention rate of 94%). And an extension to the Progression Coach Model due to its initial success, until 2020.</li> <li>- The Mayor's Mentors partnership network has expanded to include 6 new partners – all of whom deliver a range of mentoring support to young people. programme continuing to exceed targets and expand support offers to young people.</li> <li>- Testing new approaches to collaboration around training in local communities, using AEB delivery to support better connections between providers, local authorities and new job opportunities for local residents. Successfully commissioning new provision through our devolved Adult Education Budget.</li> </ul>
Business Environment	<ul style="list-style-type: none"> <li>- Business Growth Support Programme – strategically significant proposal in development for Spending Review submission.</li> <li>- Secured funding from the Brexit Contingency Pooled Fund, to deliver a regionally aligned Brexit readiness business support programme across the 3 LEP Growth Hubs.</li> <li>- Launched Creative Scale Up Programme (<i>supporting our Creative Sector plan and Major Market Opportunity</i>).</li> </ul>

**3.15** Inclusive growth priorities are already embedded and cross cutting through this delivery activity, with tools and support being developed by the Inclusive Growth Unit, that are being utilised to support existing and future delivery activity. Key products such as the inclusive growth investment toolkit, inclusive growth framework, public value framework and population health intelligence function will provide the foundation for supporting the development and delivery of LIS initiatives going forward.

- 3.16** Extensive investment in delivery activity is also being driven by our regions 3 LEPs. The Black Country Growth Deal, 'Made in the Black Country, Sold around the World' agreed with Government is worth over £190 million and will generate an additional £310 million in public and private investment totalling to £500 million. From 2015-21, the Growth Deal will create up to 6,384 new jobs, over 2,536 new homes, 3,200 additional businesses helped to grow and 9,014 additional learners supported to develop skills needed by businesses. Key projects in the Black Country Deal include: Improving Junction 10 of the M6, a major congestion-busting scheme by building new wider bridges over the motorway, which will increase the capacity of the circulatory carriageway and allow the junction to operate efficiently; A new Advanced Centre for Advanced Building Technologies and Construction at Dudley College, which will up-skill over 3,250 residents over five years and equip local people with the skills to take up the many construction sector opportunities that will be generated by HS2 across the West Midlands; The redevelopment of Wolverhampton Station into a fully integrated transport hub, providing an attractive and effective gateway for the Black Country and improved links to Birmingham and future HS2 connectivity. The development will include a new railway station, new commercial office accommodation and increased parking facilities. £8 million Access to Finance schemes to strengthen the capacity of Black Country businesses to take advantage of new market opportunities. This will provide Access to Finance via the Regional Growth Fund to grow Priority Sectors via capital investment in plant, machinery & property. The Black Country has enabled 1,800 homes to be Garden City accredited; invested in key strategic existing and future developments at Springfield Campus which will position Wolverhampton as a national and international hub of excellence for construction and the built environment including the National Brownfield Institute; £12.5 million investment into the Elite Centre for Manufacturing Skills; the forthcoming £28m Rail National Innovation Centre project will deliver a test track and a new national innovation centre and over £8m finance to 39 Black Country businesses through the Midlands Engine Investment Fund - the highest total amount out of the 10 LEPs in the Midlands Engine area.
- 3.17** Within the CWLEP programme, £131.8 million in Local Growth Fund allocations has supported 39 projects across the Coventry and Warwickshire LEP area, which will create 7,500 new jobs, 3,400 new homes and additional investment of £240 million over the next 5 years. These projects include major town regeneration schemes (Transforming Nuneaton), skills development support through apprenticeship provision (Trident Apprenticeship Centre, Warwickshire College Group and WMG Degree Apprenticeship Centre, University of Warwick), innovation (National Transport Design Centre, Coventry University), road infrastructure improvements (A46 Stanks, Warwick and A452 Europa Way, Leamington Spa), rail station redevelopment (Coventry and Kenilworth).
- 3.18** GBSLEP has invested £186 million through Local Growth Fund, across 75 different projects which will create 28,000 new jobs, nearly 12,000 new homes and provide skills support for more than 6,000 new learners. These projects include major new transport schemes including substantial contributions to Midlands Metro and Curzon Station but also connectivity schemes in Longbridge, Birmingham Cycle Revolution and Lichfield Southern Bypass; skills projects such as the Hybrid Vehicle Technology Training Centre at Solihull College and University Centre and the Prince's Trust Young People's Skills & Enterprise Hub and sector specific schemes including Tyseley Energy Park for low carbon technologies and Birmingham Dance Hub for creative industries.

### **3.19 Cross cutting themes**

**3.20** Supporting clean growth: WMCA Environment and Energy activities/actions are integral to LIS delivery activity, critically ensuring emerging opportunities or sector plans align with existing or emerging priorities and support delivery of WMCA ambitions. Heads of Environment and Energy are involved in proposals that are being developed and are helping to shape these accordingly, ensuring benefits and opportunities are maximised, duplication and silo projects/programmes/initiatives are avoided and regional approaches adopted.

**3.21** We are also working to ensure that the actions and opportunities in the LIS which can have the highest impact on making our economy more inclusive are clearly identified and integrated to our work on short term economic shocks. For example, work is underway to develop a new enterprise and business support programme and to review support for innovation in our supply chain SMEs – helping them stay competitive. We are also ensuring that the inclusive growth corridors are effectively resourced – so that where large scale transport and other infrastructure investment is committed, the work is done to ensure that local communities see the maximum benefit.

### **3.22 Implementation support**

**3.23** Additional staffing resources to support LIS implementation activity has been secured, with dedicated resources working full time on LIS implementation activity, supporting the WMCA and 3 LEPS. A Head of LIS Implementation post has also now been filed, with this new appointment starting in January 2020.

**3.24** Through these new resources, work has been progressed to map existing delivery activity at both a WMCA and 3 LEP geography against LIS actions. We now have a comprehensive 'matrix' of LEP and WMCA projects, programmes and initiatives, including associated funding and timescales. This is vital as it has enabled us to ensure existing delivery is aligned with the LIS and is helping to identify where there are existing funding gaps and where existing funding streams come to an end in the next couple of years

**3.25** Work is also progressing to develop pipeline projects and programmes, through sector action plans and major opportunities. Taken together, this analysis of gaps and pipeline projects and programmes will inform future discussions with Government about a range of funding streams and prioritisation of any remaining uncommitted local funding (although this is minimal). Consideration is being given to the wider economic landscape, including Brexit impacts on sectors with opportunities and actions are being prioritised accordingly.

### **3.26 Engagement Activity**

**3.27** Wider stakeholder engagement was critical in the development of our LIS and continues to remain a priority in our ongoing development and implementation activity. This is essential in order to ensure proposals being developed continue to meet the needs of our region's businesses and citizens and engages with key groups such as our Young CA.

- 3.28** Current work is focused on the development of key messages in order to engage with key government officials/departments to reinforce budget ask as regional priorities, activity to re-engage with businesses, stakeholders and sector groups to review LIS implementation activities, priorities and proposals, the development of regional collateral to ensure common messaging and 'one regional voice' ensuring consistent asks and messaging through all engagement activity at LEPs or WMCA levels.
- 3.29** Workshops with key government officials are also being arranged in order to scope opportunities and reinforce our priorities as a region. Early workshops have already been held with CLG/DfT with further proposals for a workshop with DiT, BEIS and HMT/No10.
- 3.30 Future funding**
- 3.31** In parallel to LIS implementation activity, work is progressing on future budget asks. Emerging programmes are being reviewed, refined and developed that align with our Local Industrial Strategy priorities recognising what is going well but also where, as a region we still have challenges, which are also considered in light of the most recent economic data.
- 3.32** These challenges combined with the priorities emerging through our Local Industrial Strategy Implementation activity, are being used to help shape and prioritise our asks to Government and will also form a critical part of our engagement and communications activity.
- 3.33** It should be noted that delivery partners remain concerned about the uncertainty about future funding given the resource requirements needed to fully implement the aspirations and emerging priorities for the economy as identified within the Local Industrial Strategy. These issues are also reflected in the financial implications and proactive work is underway to identify new and better ways of resourcing these emerging priorities, programmes and actions.
- 3.34 Next Steps**
- 3.35** The integrated approach and four key principles recommended and agreed in the June 2019 Board paper are being used to drive the development of LIS implementation activity and are critical to its success, work to date and going forward will continue to ensure these principles are applied to all emerging activity:
1. Creates a single pipeline of significant, strategic projects and programmes.
  2. Is proactive – biased toward action.
  3. Is collaborative and complements existing activity.
  4. Insists and ensures that projects and programmes integrate our commitment to a balanced and a more inclusive economy, engaging with communities and employees.
- 3.36** As outlined within this report work on LIS Implementation will focus on:
- Reviewing and refining budget asks, aligned to challenges and opportunities.
  - Clear alignment to regional priorities including energy and environment.
  - Embedding inclusive growth in emerging action plans.
  - Further work to develop a consistent set of Sector Action Plans, including prioritised implementation plans, outputs, outcomes and resource requirements clearly set out.
  - Ongoing work to support the development and work of associated forums/boards responsible for leading on the LIS Major New Market Opportunities.

- Development of clear dashboard reporting mechanisms for SED Board, including output/outcome measures (an example of this is provided at appendix 1). In relation to this dashboard, the January SED Board (and based on evidence) have identified a number of priority actions which will be taken forward, including: Deep dive into FDI trends – to be coordinate by Growth Company, Deep dive into youth unemployment and Deep dive into exports.
- The further development of a regional LIS communications and engagement activity.

**3.37** The Board are asked to note progress made, note priority actions outlined in 3.36 and to receive a further update report in Summer 2020

## **4 Financial implications**

**4.1** Delivery of the LIS will have financial implications going forwards. At this time the WMCA and the three Local Enterprise Partnerships are deploying all available resources to deliver LIS objectives but there are emerging priorities that are not resourced. Therefore Spending Review asks will be drawn up to identify/support these gaps to enable the LIS to be delivered across the four agencies.

**4.2** There are direct financial implications arising from this paper. Wider additional funding for the region is in place through the WMCA investment programme, recent housing and skills deals, transport investment and existing LEP funding. Existing funding streams and delivery will be aligned to deliver this strategy. However, in the current uncertain financial environment and with significant funding still to be secured to deliver the existing WMCA programme, delivery of the LIS strategy objectives will require additional and replacement funding secured through government and other sources and from which we will continue to lever private sector funding. The LIS implementation process will feed into the wider West Midlands input to a future spending review, through drawing together a single pipeline of strategic projects and programmes and which will be deployed to ensure robust funding bids are ready for any potential funding opportunities as they arise.

## **5.0 Legal implications**

**5.1** None directly arising from this report.

## **6.0 Equalities implications**

**6.1** None directly arising from this report

## **7.0 Other implications**

**7.1** None directly arising from this report.

## **8.0 Schedule of background papers**

Appendix 1. Economic Data Summary

Appendix 2. LIS Implementation – Sector Action Plans - Initial identified key elements

UNESCO Sustainable Development Goals	Themes	Indicator <sup>1</sup>	Where we are now <sup>2</sup>	Change over the last year <sup>3</sup>	Direction of Travel <sup>4</sup>	Relative to Peer Group <sup>5</sup>	Source	Last Updated	Frequency	Commentary/ Context	Target <sup>6</sup>		
Decent Work and Economic Growth 	Business	Purchasing Managers Index (PMI)	49.4 (Nov 2019)	-1.1 (50.5 - Nov 18)	-9.4 (58.8 Nov 2014)	WMCA – 5 <sup>th</sup> Highest Region UK: 49 London: 51.8 (1 <sup>st</sup> ) Northern Ireland 42.3 (12 <sup>th</sup> )	NatWest: UK Regional PMI	December 2019	Monthly	There has been a reduction in business activity in the region's private sector. At 49.4, down from 50.6 in October, the reading signalled a slight fall in activity that was the fifth in the past six months. The reduction in output in the West Midlands was broadly in line with the UK average, with sector data pointing to manufacturing weakness.	To be the Region with the Highest PMI		
		Business Confidence	69% (Avg. Q3 2019)	-1pp (Avg. Q3 2018)	-	-	Chamber of Commerce: QES	October 2019	Quarterly	Business confidence is generally higher in the service sector rather than in the manufacturing sector, however due to the uncertainty stemming from Westminster continuing to linger, confidence overall has started to slightly decrease	Have the Highest Business Confidence		
	Labour Market	Apprenticeship Vacancies <sup>7</sup>	2,556 (Oct – Nov 19)	-368 (12.6%) (Oct – Nov 18)	-284 (-10.0%) (Oct – Nov 16)	WMCA – Highest CA GMCA: 2,092 (2 <sup>nd</sup> ) North of Tyne: 194 (10 <sup>th</sup> )	EMSI	December 2019	Monthly	Apprenticeship Vacancies still stand over 2,500 but have slightly decreased compared to the previous year.	-		
		Employment Rate	71.7% (Jul18 – Jun19)	+0.5pp (Jul17 – Jun18)	+4.3pp (Jul13 – Jun14)	WMCA – 2 <sup>nd</sup> Lowest CA UK: 75.5% C & P CA <sup>8</sup> : 79.5% (1 <sup>st</sup> ) Tees Valley 68.6% (10 <sup>th</sup> )	ONS: Annual Population Survey	October 2019	Quarterly	Employment levels continue to rise in the WMCA; however, the growth rate is slightly slower rate than the UK at +0.5pp compared to +0.6pp. The employment rate reached 71.7% in the year ending June 2019, within the WMCA – CWLEP's Employment rate is above the UK average with 75.9% compared to 75.5%	75.5% +97,939 People		
Decent Work and Economic Growth 	Economic Growth	Regional GDP	+0.5% (Q4 18 – Q1 19)	+2.3% (Q1 2018)	-	WMCA – 5 <sup>th</sup> Highest Region England: +0.6% London +1.2% (1 <sup>st</sup> ) Wales -0.5% (11 <sup>th</sup> )	ONS: Quarterly Country and Regional GDP	October 2019	TBC	Regional GDP grew by 2.3% from Q1 2018 to Q1 2019. However, the latest quarter shows growth slightly below the national average (+.5% vs .6%). The difference between current economic output and the output if we performed at the national average level stood at £15.1bn in 2018	No Output Gap		
		Gross Disposable Household Income Per Head	£16,479 (2017)	+£186 (+1.1%) (2016)	+£1,067 (+6.9%) (2014)	WMCA – 4 <sup>th</sup> Highest CA UK: £19,514 C & P CA: £19,829 (1 <sup>st</sup> ) SCR: £15,098 (10 <sup>th</sup> )	ONS: Regional Gross Disposable Household Income	May 2019	May 2020	Total GDHI in the WMCA area was £68,256m, a 2.0% increase from 2016 – above the UK growth of +1.6%. The WMCA GDHI per head in 2017 was £16,479, a 1.1% increase from 2016, compared to +1.0% growth for the UK. Compared to the UK average of £19,514 per head, the WMCA has a shortfall of £3,035 per head.	£19,514 per person		
	Productivity	Regional Exports	£32bn (Q3 2019)	-£2bn (Q3 2018)	+3.6bn (Q3 2014)	WMCA – 4 <sup>th</sup> Highest Region South East: £47.3bn (1 <sup>st</sup> ) Northern Ireland: £9.2bn (12 <sup>th</sup> )	HMRC: Trade Statistics	December 2019	Quarterly	Regional exports fell by £1.6bn (-4.8%) over the last year to £32bn compared with the same period as last year, while the UK increased by 3.3%. The West Midlands region imports increased by 0.9% to £37.4bn - leading to a trade deficit of £5.9bn	Highest Exporting Region		
		Foreign Direct Investment (FDI)	4,666 New Jobs (2018/19)	-3,267 Jobs (2017/18)	-3,458 Jobs (2014/15)	In 2018/19, the West Midlands region accounted for 8.8% of new jobs created from FDI projects in the UK – the highest share of any region outside of London.	Department for International Trade	June 2019	Annual	In the WMCA, the number of FDI projects has nearly trebled since 2011 to reach 131 in 2018/19. However, there was a slight decrease since 2017/18 which stood at 140 projects. New Jobs have increased by 46.8% (+1,488) since 2011 and stands at 4,666. Compared to 2017/18 jobs have decreased by 3,267. Recent trends in projects and jobs mirrors the national pattern.	Highest Performing		
	People	Top 10% most deprived areas	19.2% (2019)	-	+0.3pp (2015)	-	Ministry of Housing, Communities & Local Government	October 2019	Every 4 years	Overall deprivation is high in the WMCA area; the proportion of Lower Super Output Area's (LSOA's) within the top 20% and top 10% most deprived areas in England stands at 34.5% and 19.2% respectively whilst compared to 33.4% and 18.9% in 2015.	10% of people in Deprivation		
	Quality Education 	Skills	Apprenticeship Starts	31,740 (2018/19)	+2,540 (2017/18)	-11,490 (2014/15)	WMCA – Highest CA GMCA: 22,240 (2 <sup>nd</sup> ) C & P CA: 4,360 (10 <sup>th</sup> )	Department for Education	November 2019	Annual	Apprenticeship starts have increased by 8.7% from 2017/18 compared to 4.7% nationally. Advanced Level apprenticeships across the WMCA increased by 10.3% compared to the national increase of 5.1%. Within the WMCA the Black Country increased by 13.6% in Advanced Level Starts.	84,000 Apprenticeship Starts	
			No Qualifications	11.0% (2018)	-0.4pp -7,400 (2017)	-3.0pp (2014)	WMCA – 2 <sup>nd</sup> Highest CA UK: 8.0% Tees Valley CA: 12.0% (1 <sup>st</sup> ) West of England 3.9% (10 <sup>th</sup> )	ONS: Annual Population Survey	April 2019	Annual	Qualifications remain a challenge with 11% of the working age population (284,000 people) with no qualifications compared to 8% nationally.	8.0% -78,284 People	
	Sustainable Cities and Communities 	Unemployment	Youth Claimants (Aged 18 – 24)	21,830 (5.5% of people aged 18 – 24 Nov. 2019)	+4,970 FY	+4,780 (Nov. 2014)	WMCA – 3 <sup>rd</sup> Highest CA UK: 4.0% Tees Valley: 7.8% (1 <sup>st</sup> ) West of England: 2.0% (10 <sup>th</sup> )	Department for Work and Pensions	November 2019	Monthly	The WMCA had the highest number of youth claimants in November 2019. However, when proportioned to the total number of claimants the Tees Valley had the highest percent at 7.8% with the lowest in West of England CA at 2.0%.	0 claimants	
		Sustainability	CO <sub>2</sub> Emissions	5.0 tonnes Per Capita (2017)	-0.1 (2016)	-0.6 (2014)	WMCA – 5 <sup>th</sup> Highest CA England: 5.1 Tees Valley: 10.2 (1 <sup>st</sup> ) North of Tyne 3.6 (10 <sup>th</sup> )	Department for Business, Energy & Industrial Strategy	June 2019	Annual	Carbon emissions reduced 19.1% over five years to 2017 and is current 5 tonnes per capita. To achieve net zero by 2030 would require a significant step change in the annual reduction.	Net 0 Emissions	

<sup>1</sup> Indicators are linked to the Regional Outcome Indicators in the State of the Region report

<sup>2</sup> Unless otherwise stated all data relates to the WM 3 LEP Geography (BCLEP, CWLEP & GSBLEP) – the data by LEP level is also available.

<sup>3</sup> 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.

<sup>4</sup> Where available the direction of travel is from 2014, otherwise it will be earliest available data

<sup>5</sup> The peer group selected varies by indicator – regional is based on all the regions in the UK – showing a range from highest to lowest to understand how where the West Midland compares and where available the WMCA (3 LEP) has been used and compared to other combined authorities on a highest to lowest bases.

<sup>6</sup> The circle infographics represent what the WMCA has achieved (the red, orange or green part of the circle) and the remaining scale of challenge (grey part). The highest RAG rating is used for each indicator i.e. green if it is green and amber in the table, where RAG rating was not applicable the colour blue has been used and there is no arrow in the middle.

<sup>7</sup> There were 10 combined Authority used: Cambridgeshire and Peterborough, Greater Manchester, Liverpool City Region, North East, North of Tyne, Sheffield City Region, Tees Valley, West Midlands (3 LEP), West Yorkshire and West of England.

<sup>8</sup> C & P CA is an abbreviation for Cambridgeshire and Peterborough Combined Authority.

This page is intentionally left blank

APPENDIX TWO: LIS Implementation – Sector Action Plans - Initial identified key elements

Sector	Economic Potential	Going Well	Current gaps	LIS Opportunities
Aerospace	<p>GVA: Current: £1bn (Midlands Aerospace Alliance)</p> <p>JOBS: Current: 25,000 Around 10% of all UK aerospace jobs (Midlands Aerospace Alliance)</p>	<p>25% of UK aerospace sector is based in the Midlands (7% of Europe's &amp; 3% of the world's).</p> <p>Midlands Aerospace Alliance (over 300 members) represents the largest aerospace cluster in Europe.</p> <p>High quality, sector focused science &amp; research facilities and institutes, mainly used by OEMs.</p>	<p>Unrealised potential for smaller/supply chain companies to become more innovative.</p> <p>Poor industry perception and patchy careers advice.</p> <p>Harnessing innovation to build on tech capabilities (e.g. Industry 4.0) &amp; building a cluster for electric flight.</p> <p>Live skills shortages/difficulties delivering T-levels &amp; apprenticeships. Coding/programming skills a major need.</p> <p>High energy prices and power availability.</p> <p>Lack of capacity &amp; resource in region to support local Ind.</p> <p>Large pools of know-how that is not currently converted into knowledge and IP.</p>	<p>Strong position in aerospace's growth sectors (e.g. civil aircraft) and well-positioned for new technology such as electrification - helping deliver the WM Future of Mobility opportunity.</p> <p>Major new factory moves/modernisations in recent years: Moog to i54, Rolls Royce to Birmingham Business Park, Meggitt to Ansty Park.</p> <p>Unrivalled lead in component design and manufacture, with a specific clusters in electro-mechanical systems and metals production, treatment and modification.</p> <p>Supply of land for industrial use is key for the sector.</p>
Automotive	<p>Current: GVA: £3.2bn Jobs: 46,000 Supply Chain Companies: 1100</p> <p>2030 Ambition: GVA: £4bn+ Jobs: 50,000-65,000</p>	<p>Leading UK centre for vehicle design, test and development; powertrain, EV and CAV development</p> <p>Premier UK location for premium, luxury and specialist vehicle and off-highway machinery manufacture</p> <p>NAIC (Lord Bhattacharyya Bldg), MIRA Technology Park, UK Battery Industrialisation Centre and NTDC are globally significant automotive R&amp;D assets</p>	<p>To retain and grow this employment, the sector needs to meet the coming challenges of: low carbon powertrain, autonomous tech, new ownership models; and digital services</p> <p>Other challenges to the sector include: Brexit risks and opportunities, while also continuing to attract and retain the best talent.</p>	<p>Creation of a new centre to make the WM a global hub for battery, research and manufacturing scale up, supporting the development of new and innovative low carbon propulsion systems for future transport.</p> <p>WMCA and partners will support creation and development of test beds to showcase and embed future mobility technologies.</p>

Sector	Economic Potential	Going Well	Current gaps	LIS Opportunities
				<p>Creation of Automotive Skills Taskforce.</p> <p>Focused business support to support existing supply chain e.g. UKBIC and Gigafactory</p>
Construction	<p>GVA: Current: £6.8bn 2030 ambition: £10.8bn (+£4bn) 16% growth since 2013</p> <p>JOBS: Current: 127,000 2030 ambition: 235,000 (+108,000)</p>	<p>Large West Midlands sector, currently 16,150 Enterprise in WMCA a total of 11%. Well-developed network of research &amp; educational assets Existing work on procurement and spatial frameworks (SIDP, SCF)</p>	<p>Low productivity sector with a slow adoption of new technologies. Regional skills shortages with demand not currently met by suppliers. confusing business support landscape Traditional commissioning and procurement holding sector back, hampering investment in skills and innovation. A lack of high-quality sites &amp; availability of facilities. Climate &amp; environmental challenges.</p>	<p>Exploiting advanced methods of construction and our unique 5G opportunity. Major regional infrastructure investment including HS2 and Housing Deal, and a collaborative regional plan for construction sector skills development. Two new Institutes of Technology to further add to construction education cluster. Exiting work on procurement and spatial frameworks.</p>
Creative	<p>£4bn+ in GVA 9,975 Creatives enterprises,  48,800 jobs plus 40,000 further creative jobs in non-creative industries</p>	<p>Birmingham has the largest Jewellery, Crafts and Designer Maker Cluster outside of London</p> <p>A substantial advertising, marketing &amp; design sector, inc. web, product, fashion design, PR and data analysis supports growth opportunities</p>	<p>Lack of incubation space to support early stage businesses</p> <p>Career pathways difficult to see and talent development not systematic across all parts of sector</p> <p>Specialist business support, although growing, remains relatively limited</p>	<p>10% of the UK Games Industry (£224m) is in the region, with opportunities around digital manufacturing, VR, AR applications and innovative screen production</p> <p>Next Generation Content Creative is a key strength</p> <p>NESTA has identified the region as a 'Creative Challenger' cluster, with strong collaborations, sector specialisms, a diverse ecosystem &amp; on track to becoming a central node in the UK</p>

Sector	Economic Potential	Going Well	Current gaps	LIS Opportunities
Food & Drink	<p>GVA: Current: The sector accounts for £1.04bn GVA</p> <p>JOBS: Current: 21,000 jobs in the West Midlands</p> <p>Target to increase GVA of the sector to £2.05bn and increase the number of jobs to 22,000</p>	<p>The region's central location and strong transport links with the rest of the UK makes it an attractive place for food and drink manufacturers to locate since they are especially reliant on logistics and supply chains</p> <p>There are a number of high-quality, sector specialised, science and research facilities within the region</p> <p>The region has niche strengths in Food and Drink machinery, food and fluid control technology and Photonics R&amp;D</p>	<p>The withdrawal of the United Kingdom from the European Union is a risk to the sector since it relies heavily on the EU for Exports.</p> <p>The dispersed geography and fragmented nature of the sector have limited the tendency for firms to engage in sector-wide organisation at a local level</p> <p>Food &amp; drink companies are encountering a skills shortage for engineering roles which hinders their ability to improve productivity by process innovation.</p>	<p>Capitalise on flagships in financial services, accountancy and law to further position as a globally relevant centre for BPFS sector.</p> <p>Build on existing strengths and depths in sector and regional university research teams to lead on development of 'next-gen' services within UK and internationally.</p> <p>Ability to attract and retain top talent based on narrative and reality of high quality of employment opportunities and quality of life, increasing labour market density further to attract top firms.</p>
Life Sciences	<p>Global growth of med tech projected at 5.6% CAGR 2017-2024 reaching sales of US\$595bn by 2024 (source: Deloitte, 2019).</p>	<p>Strong research &amp; clinical base relating to translational medicine and accelerated drug trials, incl. national centres of excellence</p> <p>Large population/patient data sets covering a diverse and stable population – a vital asset for DDH</p> <p>WM has 3rd largest no. med tech employees in the UK</p>	<p>Industry base mainly small companies with no anchor companies</p> <p>Limited external awareness of regional capabilities and lack of coordination of partner offers is limiting investment and growth</p>	<p>Ideas – proposed Precision Health Technologies Accelerator (PHTA) on forthcoming Birmingham Life Sciences Park, proposed digital platforms and citizen engagement strategies</p> <p>People – proposed training capacity as part of PHTA, industry engagement to develop new education and training pathways including apprenticeships</p> <p>Business environment – proposed cluster organisation and associated business support programmes</p> <p>Infrastructure – Birmingham Life Sciences Park, WM5G</p>

Sector	Economic Potential	Going Well	Current gaps	LIS Opportunities
Logistics / Transport Technology	Further meetings with sector experts and industry to aid development of this emerging Sector Plan are taking place. Subsequent to this, the detailed plan will be available.			
Low Carbon Technology	The sector is expected to grow by 11% per year between 2015-2030 across the UK.	<p>Most productive sector in WM economy with potential for significant future growth given global decarbonisation agenda</p> <p>WM has an inbuilt natural global competitive advantage in its energy infrastructure, energy sector skills, diversity of local markets and innovation asset base in energy systems</p> <p>Significant potential in the development and commercial application of a range of technologies in energy storage including batteries and hydrogen storage</p>	<p>The Low Carbon and Environmental Technology sector is a small (3.1% of the GVA in the WMCA.</p> <p>Skills shortages are an impediment to growth in the low carbon and environmental technology sector with 36% of vacancies, nationally, attributed to skills shortages – a higher percentage than for any other sector.</p> <p>Require significant improvements in infrastructure to meet the growing demand for energy.</p>	<p>Regional opportunity to pre-empt the low carbon transformation by making use of public procurement and capital expenditure to bolster demand for LCET services in the region.</p> <p>significant potential in the development and commercial application of a range of technologies in energy storage including batteries (materials and chemistry), and hydrogen storage</p>
Metals and materials	<p>GVA: Current: £3.3bn 34% since 2012 (WM7MET)</p> <p>JOBS: Current: 64,000 (3-LEP) 12% of the England Total (ONS BRES)</p> <p>ENTERPRISES: Current: 4,425 3% of total businesses in the WMCA (ONS Business Counts)</p>	<p>Historic presence within metals &amp; materials manufacturing &amp; metals treatment. Innovation from the region's universities is helping develop metals and materials for industrial use and future applications.</p> <p>Highly concentrated industry in WM. The West Midlands also has the largest concentration of materials related jobs in the UK. Representation from key industry bodies locally – e.g. UK Metals Council, RAPRA</p>	<p>Lack of capacity and resource in regional business support and communication agencies.</p> <p>Unrealised potential for smaller/supply chain companies to draw on technology knowledge from Uni's/Catapults.</p> <p>Skills shortages - demand not currently met by suppliers. Poor industry perception and patchy careers advice. A need to strengthen the brand of WM metals and materials.</p> <p>Climate change and need for the sector to decarbonise and become more energy efficient.</p> <p>High energy prices and power availability.</p>	<p>Major infrastructure investments in the region (HS2)</p> <p>The significant presence of automotive, aerospace and rail in the area ensures a strong number of metals &amp; materials firms, feeding into these industries' supply chains. There is widespread demand for these products locally.</p>
Business, Professional & Financial Services (BPFS)	<p>GVA: Current: £24bn in GVA</p> <p>JOBS: Current: 400,000 people employed within sector – 20% of overall employment</p> <p>WMCA's target is to add £49bn in GVA (over 100% increase) and 126,000 jobs by 2030</p>	<p>Birmingham is a nationally significant centre and core strength is founded on the globally competitive capabilities; Coventry is the other regionally significant centre.</p> <p>Key sub-sectors are: Financial services (4th largest centre in UK), legal (2nd largest centre in UK) and accounting services (4th largest centre).</p> <p>New HSBC UK Retail bank headquarters flagship presence strengthening credentials as a major financial centre.</p> <p>High value jobs in the sector (all jobs = good jobs).</p>	<p>Requirement to prioritise the adoption and diffusion of new technologies for SMEs and large regionally embedded firms.</p> <p>Engagement gap stemming from legacy of low intervention sector</p> <p>Fragmentation and lack of access to relevant research funding streams to support sector</p> <p>Strong competition with other sectors for the same well-rounded, technology/ digitally enabled skilled people.</p> <p>Housing stock, education and transport offerings</p>	<p>Capitalise on flagships in financial services, accountancy and law to further position as a globally relevant centre for BPFS sector.</p> <p>Build on existing strengths and depths in sector and regional university research teams to lead on development of 'next-gen' services within UK and internationally.</p> <p>Ability to attract and retain top talent based on narrative and reality of high quality of employment opportunities and quality of life, increasing labour market density further to attract top firms. And also to 'grow our</p>

Sector	Economic Potential	Going Well	Current gaps	LIS Opportunities
				own' diverse talent pool to meet business needs, particularly for tech adoption/ next gen services.
Rail	GVA: Current: £1.98bn 44% of Midlands Rail GVA (Oxford Economics report)  Current: 38,570 46% of Midlands Rail Jobs (Oxford Economics report)	High quality, sector focused science & research facilities and institutes. 1.72% of WM jobs are railway-related. Heavy cross-over relationships with significant local automotive/aerospace/ other manufacturing activity. Pan-Midlands cluster with large-scale rail activity in the East Midlands; Midlands Connect partnership. A multiplicity of sector support organisations working collaboratively.	Unrealised potential for smaller /supply chain companies to draw on technology knowledge from universities/Catapults to become more innovative. Live skills shortages due to an ageing workforce, competition for skilled staff, lack of STEM graduates. Poor industry perception and patchy careers advice. Fragmented business support landscape. Banks/ funders have limited knowledge of the sector. Multiple technologies are available; a coherent regional approach to the adoption of these is required so firms can plan ahead with greater certainty.	WMG at University of Warwick is a leading institution for battery and energy storage and lightweighting. University of Birmingham - BCRRE is a lead partner in the national UKRRIN, and Major investment is creating huge opportunities in rail: HS2 with its WM-based HQ, National Rail College and national control centre; Midland Metro; VLR.
Tourism	GVA: Current £12.6bn 2029: £13.7 (+£1.1bn)  Jobs: current 135,725 (5% of working population) 2029 ambition: 154,725 (+19,000)	Launch of West Midlands Tourism Strategy with industry priorities Critical to regional perception for visitors, inward investment and student & business retention Tourism is a fast-growing sector Connections with other regional priorities: innovation, creative industries & events, digital innovation	Diverse, sometimes uncoordinated, industry base with a plethora of micro- and SMEs Low productivity – can be addressed through internationalisation to extend season and focus on business tourism Poor perception of careers – tourism and hospitality to become a career of choice through integrated skills & careers plan Brexit – fall in EU visitors and loss of EU tourism & hospitality staff	Align with national Tourism Sector Deal to evidence a 3-LEP bid for a regional Tourism Zone Collaborative region-wide business support and skills development opportunities Exploitation of 5G testbed for digital visitor services across major events – City of Culture & CWG

Further Sector Plan info available at:

<https://www.blackcountrylep.co.uk/about-us/west-midlands-combined-authority/local-industrial-strategy-sector-action-plans/>

<https://gbslep.co.uk/local-industrial-strategy>

<https://www.cwlep.com/work-and-priorities>

This page is intentionally left blank



## WMCA Board

<b>Date</b>	17 January 2020
<b>Report title</b>	#WM2041: Our Actions to Meet the Climate Challenge
<b>Portfolio Lead</b>	Environment, Energy & HS2 - Councillor Ian Courts
<b>Accountable Chief Executive</b>	Deborah Cadman, West Midlands Combined Authority tel: (0121) 214 7200 email: deborah.cadman@wmca.org.uk
<b>Accountable Employee</b>	Jacqueline Homan, Head of Environment tel: 07584 449339 email: jacqueline.homan@wmca.org.uk  Claire Spencer, Acting Head of Inclusive Growth & Public Service Reform tel: (0121) 214 7669 email: claire.spencer@wmca.org.uk
<b>Report has been considered by</b>	Environment Board - 24 October 2019 Programme Board - 20 December 2019

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

#### The WMCA Board is recommended to:

- (1) Receive and endorse the climate green paper (Appendix A) as an important stage in a programme of collaboration, engagement and policy development to address the climate challenge in the West Midlands.
- (2) Agree for the next steps outlined in section 4 – including the development of an investment pipeline with priority investments as part of our Spending Review /

Budget proposition to Government – and to delegate this collaborative task to the Environment Board, supported by the WMCA executive.

## **1. PURPOSE AND BACKGROUND**

- 1.1 West Midlands authorities have taken the bold collective step of declaring a climate emergency – recognising the urgency of addressing an issue that has fast escalated in public and political importance. In July 2019, the WMCA Board approved a report outlining a regional carbon budget and a headline target for transition to net-zero levels of CO<sub>2</sub> “no later than 2041”. Inspired by the Youth Strike 4 Climate protesters that attended the July meeting, the Board recognised the need for sustained focus and a blueprint for the future that recognised the systemic nature of the issues that climate change will create.

In line with this call to action, the Board asked for a plan to be developed, which would outline:

- a) the areas and sectors within which our response to the climate challenge will need to be focused – based on what the existing national, regional and local evidence base currently tells us
- b) a set of principles upon which our collective response will need to be based – including important questions about leadership, governance and the need for strong collaboration to ensure a fair transition for citizens, communities and businesses
- c) a range of short, medium and longer term actions that will be needed – recognising there is a gap between what we may need and what we are currently able to do; but that action and behaviour change starts now
- d) inspiration from other places – because this is a global challenge, and we can gain much from collaboration and engagement with other cities and regions; and examples of what ‘good’ looks like
- e) a call to citizens, services, businesses, universities and other partners in the region to help us develop our West Midlands response – because we know this isn’t a simple challenge we can ‘fix’, and collective endeavour is vital.

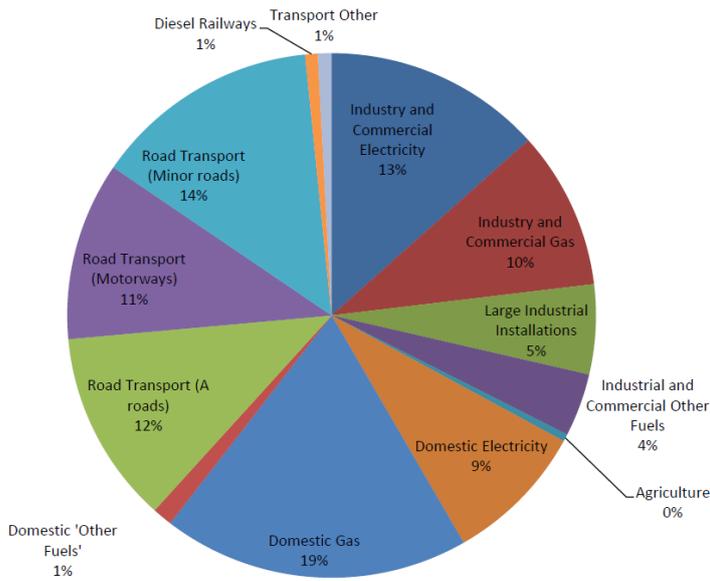
- 1.2 The plan appended to this covering report is the WMCA executive’s response to this challenge. It is a ‘green paper’: an opportunity to create a shared plan with WMCA members, our stakeholders across the region, and the citizens, communities and businesses for whom all of this is ultimately for. It is not an attempt to ‘regionalise’ a challenge that needs to be met at all levels. Individual cities, towns and places within the region are developing their own targets and action plans. This document asks what can be done in support of those; what can usefully be addressed at a collaborative and/or regional level; and how we can come together to make the case for the investment into the region that we will need for things to really change.

- 1.3 The paper also recognises that climate change is not the only challenge that faces the region. Our Strategic Economic Plan, our Industrial Strategy and our plans for Skills, Housing, Transport and Public Service Reform show the scale of change that is needed to maximise our productivity and ensure that all of our communities can flourish. Brexit will add a further layer of complication. #WM2041 does not seek to supplant these plans. But it does require some real questions to be asked about what we want as a region and as a partnership. There are trade-offs that will inevitably need to be made; and the need to dramatically reduce emissions and transition to clean growth and reform will impact on all of our sectors and programmes.
- 1.4 The flip-side of this challenge is an opportunity – to be on the front foot in the search for new forms of cleaner industry; different ways of living and working; and of using our past to help define our future. There is much being done already – from work at a LEP level to support SME transition, to city-level initiatives like Birmingham’s ‘Road to Zero’ taskforce, to the high-level investment cases being created in line with the region’s Industrial Strategy. We will need to support and amplify all of this and more.
- 1.5 The recommendations in this report ask the Board to consider the framework presented in the Appendix; to endorse its principles and priorities; and to signal the beginnings of what will be a sustained approach to citizen engagement, systemic collaboration, behaviour change and collective policy development with the purpose of galvanising the region around its climate challenge.

## **2. RECAP OF OUR CLIMATE COMMITMENTS**

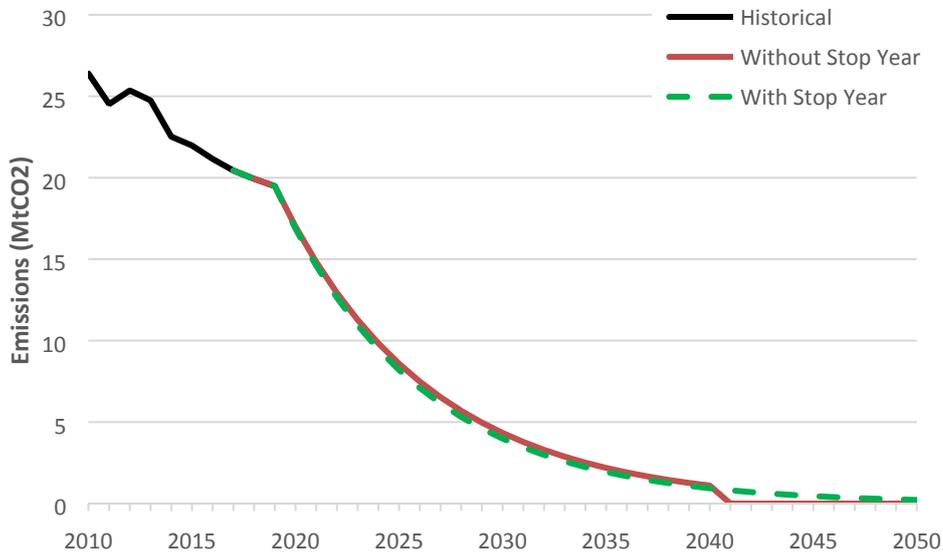
- 2.1 The Board paper endorsed in July committed the region to the following:
- The WMCA 3-LEP region should reach net zero carbon emissions by no later than 2041 – with interim targets of 36% reduction by 2022, and 69% reduction by 2027. This is the minimum progress required to contribute our part to the Paris Agreement.
  - The appropriate ‘carbon budget’ for the region – the net amount we can emit within the above period if we follow this recommendation – is 126 megatonnes (MtCO<sub>2</sub>). At our current progress rate of reduction, the carbon budget left to use between 2020 and 2041 would be used up within six years.
  - This means that to meet the 2041 ambition, we will need to reduce our emissions annually by 13% from 2020. Our current annual reduction rate for the WMCA area (based on latest figures which are 2016-17) is 3.8%, with individual local authority areas varying from 1-8%.
  - This is an over-arching target. If individual local authorities are minded to declare earlier targets than 2041, this would need to be accompanied by a concomitant reduction in their overall carbon budget.
- 2.2 The following diagrams recap the major sources of our emissions as a region, and the trajectory of our carbon reduction pathway should we meet these interim and medium term targets.

**2016 CO<sub>2</sub> Emissions (21 MtCO<sub>2</sub>) for WMCA Area**



Note: Sectoral split of 2016 CO<sub>2</sub> emissions for WMCA Area from BEIS statistics – showing a relatively even split between commercial/industrial, domestic and transport sector emissions. Source: WMCA use of Tyndall Centre research, July 2019

**Energy CO<sub>2</sub> only emissions pathways (2010-2050) for WMCA premised on the recommended carbon budget**



Note – options are stop year so zero emissions by 2041, or 5% emissions by 2041 and this continuing to reduce afterwards. Both approaches are compatible with the Paris agreement requirements. Our recommendation is a stop year by 2041.

### 3. PRINCIPLES UNDERPINNING THE #WM2041 PAPER

3.1 The plan detailed in Appendix A is based on five underlying principles, reflecting the ambitions of the Board articulated above. They are:

- **Principle 1** - *We need to make the journey to 2041 without leaving anyone behind.* By 2041, we want the West Midlands economy to have shifted to one which is zero carbon and abides by circular economy principles, while enabling the people of the region to build and enjoy their prosperity. The choices we make now will determine whether we can deliver on our obligations, and the extent to which we can do so in a way which alleviates poverty, deeper inequality, and disenfranchisement.
- **Principle 2** - *We need to boost our resilience to 'locked in' climate breakdown.* Some changes to the climate are inevitable – either because they have already happened, or will already happen. This means that the people, places and infrastructure that comprise the West Midlands will need investment in order to withstand impacts like increased rainfall and extreme temperatures. This will require us to think differently about nature-based solutions to climate change, as well as how we build homes and communities.
- **Principle 3** - *We need to reconcile our past with our future.* The West Midlands has a proud industrial past, and our strengths in sectors like automotive are deeply embedded in our psyche. Cars are not just how many people get around: they are part of who we are. We need to take this part of our identity forward without locking the region into congestion, polluted air and climate breakdown. This means we need to prioritise mobility solutions that support public health and social outcomes.
- **Principle 4** - *We need to build more places, and more connectivity between places.* Our Strategic Economy Plan commits us to building 215,000 homes by 2031 to house an additional 500,000 people. Those people will need more than a home to live in: they will need schools, shops, GP surgeries, bus routes, broadband connections, leisure facilities, places to send their household waste, and more. All while investing into the quality and connectivity of existing places. Our region needs to grow while our emissions shrink.
- **Principle 5** - *We need to reduce demand for energy and resources without impacting on shared prosperity.* We want people in this region to become more prosperous, together – but we will need to do this while reducing demand for energy, resources, and recalibrating our demands on the land and natural environment more broadly. Moving away from single-use plastics is an active shift that we can learn from, but there will need to be a lot of these types of shifts happening simultaneously across the sectors.

3.2 The Paper uses these principles to outline a number of actions (over five, ten and fifteen year timeframes), which include:

1. *Active travel and cleaner transport* – including incentives to adopt low emitting modes

2. Infrastructure to support the transition to *electric charging* at scale in the region.
  3. The transition to more *eco-friendly homes*, including a West Midlands 'new green deal'
  4. Creating breathable places, including big ambitions for *tree planting*
  5. The proposing of *behaviour change* campaigns at-scale, including on single-use plastics
  6. Investment to support *re-skilling and employment* as a result of sector transitions
  7. Incentives for business innovation, including '*clean growth challenges*'
  8. Commitments we can make as '*anchor institutions*' (as the public sector) within the region
  9. Consideration of *new fiscal mechanisms* – such as workplace levies – to support clean air
  10. *Energy devolution* so that we can combine sustainability with reduced fuel poverty
- 3.3 We will need to decide – as a region – how we deliver these actions. Some will be things that local authorities lead, or indeed citizens and communities from the bottom up; many will need business to the fore. There are some actions that the WMCA can take which would bring benefits across the region. And there are several areas where we will need to come together and speak with one voice to government to make a compelling investment case – such as areas like EV charging, boiler scrappage, energy devolution or funding for re-skilling.
- 3.4 What the Plan does is provide a framework against which we can hold ourselves to account collectively – and which can function as our statement of intent as to the seriousness with which we take action on climate change as a region.

#### **4. NEXT STEPS - HOW WE PROPOSE TO USE THE PLAN**

- 4.1 We noted above that #WM2041 is written as a form of 'green paper'. This means it contains proposal and propositions, not pre-determined activities and outcomes. It should be the beginning of a #WM2041 campaign – of quality dialogue and collaboration across the region to flesh out the ways in which we deliver against our ambition, and the way in which we build a social and system movement around this. We propose, for example, that:
- Local authorities consider how this Plan can support their own plans for zero-carbon transition, and where we might align to share resource and/or expertise. For example, Solihull Council has developed its own commitment drawing from the evidence base for the West Midlands provided by the WMCA/Tyndall Centre research published in July.
  - Where taskforces and local initiatives have been set up, we look to make constructive links and don't re-invent wheels. For example, Birmingham's Route to Zero Taskforce will drive forward thinking and practice on many of the initiatives highlighted in the attached paper. Their efforts can provide insight and expertise for the region as a whole.

- LEPs and WMCA consider how #WM2041 should influence the operationalisation of the Local Industrial Strategy and existing commitments around sector support and business infrastructure development – recognising that the investment case we make in ‘clean growth’ could achieve a win-win in terms of climate and economic progress.
  - Public services consider how they can lead progress in changing behaviours and practices. For example, University Hospitals Birmingham are actively developing plans to use digital technology and more agile working practices to dramatically reduce the carbon footprint of the hospital, its fleet, and that of health system around it.
  - Planning authorities consider their response to the need for environmentally progressive development – and, for example, where there might be opportunities for the region to take a lead on encouraging investment in modern methods of construction that deliver future-proofed housing development.
  - TfWM and its partners consider how we can come together to create an investment case in bringing forward commitments to greening the network – a principle which is already central to the re-fresh of the region’s strategic transport plan already being scoped.
- 4.2 The WMCA team is small and has limited resource. So we will need to focus our efforts on where we can leverage the most regional collaboration; and where it is most advantageous for us to act. We will need WMCA members, business and local communities to steer us towards that – helping to focus the capacity and expertise we have as a whole-region on levering in the most resource to make the boldest transitions. Influencing and bringing the public with us is critical. It is a collective challenge.
- 4.3 The enclosed climate change report will be published at an event in Birmingham on 23 January. This will be supported by a press release and social media posts. The WMCA will launch the paper and the associated engagement period, and we will share content with councils and other partners so they can also promote the report. The engagement period will run for six weeks throughout which we will be seeking comments from councils, businesses, organisations and communities on our proposed actions, as well as identifying media and other publicity opportunities (for example, The Royal Institute of Chartered Surveyors (RICS) is working with a number of organisations to formally respond to the report and will launch the response at an event at MIPIM 2020). Submissions to the consultation can be made via an online portal. Alongside this, the WMCA is procuring public engagement specialists to start the ‘climate change conversation’, which will seek views from a broad community on #WM2041, as well as to understand how people want to be actively engaged in the longer-term.

- 4.4 There will be some immediate initiatives launched during the consultation period, most notably a ‘crowd planting platform’ that will bring together stakeholders to collectively address the challenge of a tree for every person in the WMCA area. Simultaneously, the aim of the #WM2041 consultation is to enhance and build the action plan that has been started in the green paper. A summary highlighting the main findings of the consultation process will be brought back to the Combined Authority Board in March, with a revised action plan to come to the Combined Authority Board in May. A comprehensive investment case, that highlights carbon savings and, where appropriate, other social benefits of the actions will be produced as we go forward; this will enable informed decision making in terms of the actions that have the greatest impact, as well as the investment required to realise them.
- 4.5 In the immediate term – subject to approval of CA Board – WMCA executive will work collaboratively to create an investment pipeline to deliver the actions contained in this report.

## **5. Wider WMCA / Geographic Implications**

- 5.1 The activity proposed here are relevant across the three-LEP geography of the WMCA. They will support the delivery of the SEP and Local Industrial Strategy goals, though of course some are more relevant to the challenges posed in urban areas. The Tyndall Centre analysis mentioned above (and published in July) is conducted across a three-LEP geography. Our hope is that all of our authorities can use the Paper in support of their own frameworks for climate adaptation and transition.

## **6. Financial Implications**

- 6.1 The longer term financial implications of adaption to climate change are still not yet fully understood – though we do know they will be substantial. The CCC estimates that the annual costs of meeting net-zero emissions are between 1-2% of GDP in 2050<sup>1</sup>. The region alone cannot bear the costs of transition – making the investment case built by this portfolio (and its links with economy, transport and housing) absolutely critical. These investments are inevitably part of a whole-system transition in which each organisation across the public, private and social sectors will need to play a part. The ongoing financial implications of all of these activities will need to be considered on a case-by-case basis, and are of course highly contingent on resources that are not yet in our control.

---

<sup>1</sup> The cost attached to tackling climate change for the WMCA area has been estimated to be £40bn over 21 years, but will be the subject of detailed work and much will depend upon the speed with which action is taken, the type of action that is necessary and the buy- in we obtain across the region.

## **7. Legal Implications**

- 7.1 As a public authority the WMCA is affected by the implications of environmental legislation in all its activities. Furthermore, there are environmental implications in all the functional activities of the Combined Authority and many of those areas will be affected by specific environmental legislation and controls. The environmental portfolio demonstrates how the authority both responds to those requirements and contributes to regional leadership in partnership with constituent and non-constituent authorities in the authority's area.
- 7.2 Where specific power is required to authorise actions which are not otherwise explicitly provided within the existing functions of the Authority, the WMCA has a functional power of competence under s113A of the Local Democracy, economic development and Construction Act 2009 to undertake actions which are related to or incidental to the performance of its functions.

## **8. Equalities and Inclusive Growth Implications**

- 8.1 The equalities implications of this paper – and the activities it proposes – should create net positive effects in terms of the impacts on citizens and communities. It demonstrates support for 'just transition' (deliberately mitigating the cost of changes for those least able to bear it), and seeks to embed environmental goals as part of an overall approach to economic growth that is more inclusive. We will use the WMCA's Inclusive Growth Framework to assess these impacts, and work with civil society to ensure that the range of voices across the region are heard within this work. This outward engagement and citizen voice is a critical part of what we propose in the Plan.

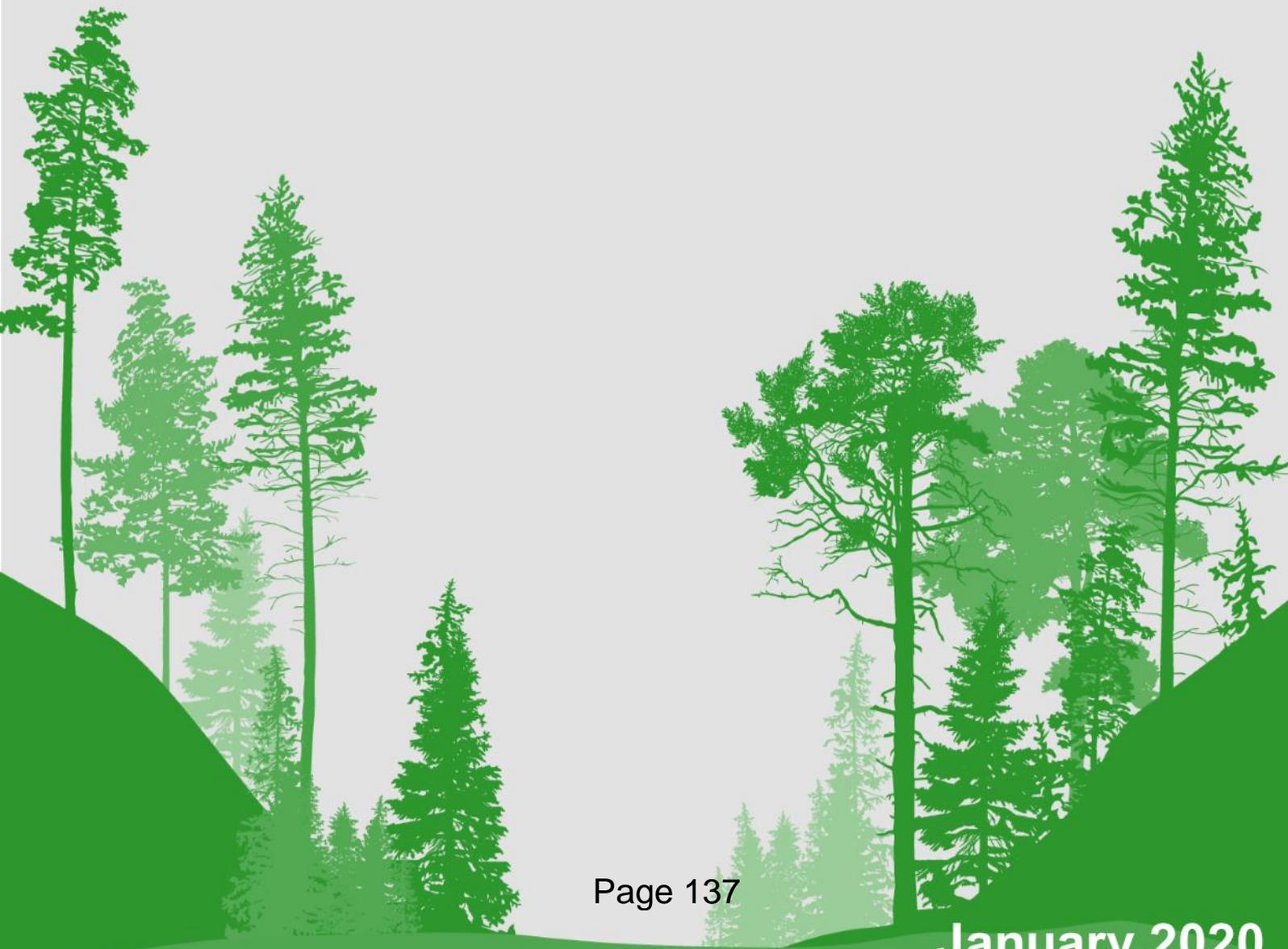
### **Appendices**

#WM2041: Our Actions to Meet the Climate Challenge – Green Paper

This page is intentionally left blank

# #WWM2041

**Actions to meet the climate crisis  
with inclusivity, prosperity and  
fairness: a discussion document.**



## Contents

<b>This needs all of us: a call to action</b>	3
<b>Navigating the action plan</b>	5
<b>More action, faster</b>	6
• <i>Why we need to change</i>	6
• <i>What has the region committed to?</i>	7
• <i>Emissions explained</i>	10
<b>1   We need to make the journey to 2041 without leaving anyone behind</b>	11
<b>2   We need to boost our resilience to locked-in climate breakdown</b>	12
<b>3   We need to reconcile our past with our future</b>	13
<b>4   We need to build more places, and more connectivity within places</b>	14
<b>5   We need to save energy and resources without affecting shared prosperity</b>	15
<b>The UK context</b>	16
<b>Links to the Local Industrial Strategy</b>	17
<b>Fellow travellers</b>	18
<b>Doing things the West Midlands way</b>	19
<b>Actions</b>	23
• <i>We will change our economy without leaving anyone behind</i>	22
• <i>We will invest in the resilience of our places</i>	27
• <i>We will use our industrial past to create a new future</i>	33
• <i>We will create places and connections that help us to meet the climate challenge</i>	37
• <i>We will decouple prosperity from the consumption of energy and resources</i>	43
<b>Next steps: write our story</b>	51
<b>Appendix 1: existing policies and asks</b>	53

## This needs all of us: a call to action

*Councillor Ian Courts, Portfolio Holder for the Environment*



Human beings learn through storytelling. There are some stories about the West Midlands that we know well, and share with pride. We changed the world through vision, innovation, and industry. We remade places by using strong local government. We became a region of work, trade, and play, connected in thousands of ways to the world.

Now, we are writing a new volume of the West Midlands story, with new authors, in a new time – but we need these familiar themes to carry through. Once again, we are marshalling our talents and capacity for innovation to meet a global challenge. Local government leadership of place matters more than ever, and we are going to use that leadership to build a movement, from where we are, to where we would like to be. Our strengths in engineering combined with technical innovation will give us an edge that we can sell across the planet. Indeed, we are connected to the world in ways that Boulton and Watt could never have imagined, and we will use those connections to share, learn and trade.

The framework outlined in this paper is the storyboard: it outlines why we need to address climate breakdown and to adapt to climate change the opportunity it provides to create a highly productive, low carbon economy; it reflects on what we might need to do (and when we need to do it) it suggests who needs to take a lead, and how it must be done if we are do it in a way which is thoughtful and inclusive. It also suggests – based on the estimates in the July 2019 carbon budget – that an investment programme substantial enough to meet this challenge will be in the order of **£40bn** over **21 years** (2020-2041).

The actions we propose are things that individuals, communities, businesses and government at all levels can lead. They include:

1. **Active travel and cleaner transport**, including keep your car at home schemes to reduce emissions, reduce unnecessary travel and encourage low carbon connectivity. We will also be working with the 5G Team to support infrastructure for digital connectivity to reduce the need to travel.

2. Infrastructure to support the transition to **electric charging** at in the region and to put our region at the forefront of change in one of its anchor sectors. This would be complemented by the UK Battery Industrialisation Centre and ongoing discussions about creating the UK's first Gigafactory in the region.
3. Transition to more **eco-friendly homes**, proposing the development of a West Midlands 'new green deal' that learns from history and leverages devolution. Our proposed actions on this focus on both the financing of retrofit, as well the introduction of a zero carbon standard for new builds.
4. Creating breathable places, including big ambitions for **tree planting** programme with one tree for each resident, as well as building on Wildlife Ways and advancing plans to establish a West Midlands 'national park'.
5. A number of **behaviour change** campaigns at-scale, including on single-use plastics, energy use, waste and cycling, walking and active travel. The WMCA has already committed to eliminating single-use plastics from all activities by 2020, and we will work to see how other organisations and individuals across the region can make similar commitments.
6. Investment to support **re-skilling and employment** as a result of sector transitions – including further work to scope a climate re-skilling workstream over time. An example of this is encouraging FE colleges, universities and other training providers to incentivise transition into careers linked with climate adaptation and the natural environment.
7. Incentives for business, including '**clean growth challenges**' which boost the R&D capacity and pace of technological innovation of the region in support of its Industrial Strategy.
8. Commitments we can make as '**anchor institutions**' (within the public sector) to use our size, scale, procurement practice and employers' policies. One area we are keen to explore is securing the means to help all places in the region to shift to LED street lighting.
9. Consideration of **new fiscal mechanisms** – such as workplace levies, carbon accounting and Green Bonds – to incentivise clean growth and make the devolution case to Government.
10. Pursuing **energy devolution** so that we can combine a shift to sustainable energy with a medium-term reduction in fuel poverty. We will work closely with Energy Capital around the need for devolution of resources and responsibilities to support this, for example securing devolution of Energy Company Obligation funding to the WMCA .

These are just some of the actions that will be needed to make a success of a society and system-wide change in the way we live, connect and work. But we are not starting from scratch: from our efforts to secure creating the UK's first Gigafactory in the region, and our commitment to driving investment into charging infrastructure for electric vehicles, through to our community-level Better Streets funds and pledge to eliminate single-use plastics (some of these existing commitments can be found in Appendix 1). Likewise, local authority and community partners have already taken many steps on the journey to a climate-resilient society.

Nonetheless, there is a huge amount to do, and we understand the scale of the change required. We know that this is a load that needs to be shared, from people in their communities, to public services and our business community. It is in partnership that we will come up with the solutions that will best serve our region. So please: think about the challenges, the proposals to address them, and join us in writing a story that future generations will live.

## Navigating the action plan

*Each set of actions responds to the challenges laid out before. In reflecting on and responding to this plan, the following should be considered:*

1. **These ideas are not set in stone:** the WMCA Climate Action Plan is a green paper. It is making a set of proposals, and using those as a basis for iteration and dialogue. Indeed, it is impossible to embark on changes of this magnitude without that dialogue. Some of the proposals will be existing policies and investments, but most of them will be ideas that the region will need to develop. If you want more, or something different, now is the time to ask for it.
2. **WMCA is not leading everything:** this is an attempt to outline what is required, at what level, and by when. It is an exercise in trying to lay out a collective challenge for the people and places of this region. The Mayoral WMCA is answerable to local people and the local authorities that comprise it, and a great deal of the sub-national legwork will be led by neighbourhoods, towns, and cities. Central Government also has an important part to play: whether it is in regulation, devolving its power, or investing money. As such, this plan will try to identify what is necessary and 'who leads'.
3. **Pace matters:** in averting climate breakdown, the rule of thumb is "the earlier the better". It is why WMCA Board plans to reach zero carbon 21 years into its

80 year carbon budget – the more we can do, the less climate change we lock in (and therefore have to adapt to). As such, the paper will estimate timescales for the suggested actions:

- those which will need to be done within five years,
  - those which will need to be done between five and fifteen years,
  - those which will need to be done in the final five years leading up to 2041.
4. **Find yourself, your place, and your organisation:** everyone will have a role to play in getting this region to become zero carbon by 2041. Anyone who reads this plan should be able to see where their home, neighbourhood, town, city or place of work fits. If that isn't clear – get in touch.

## More action, faster

### Why we need to change

Summer 2019 saw two significant events in the West Midlands. In June, at the WMCA Annual General Meeting, the Board declared a climate emergency – inspired by the Youth Strike 4 Climate movement, who told the Board that they expected more from the region's leadership.

In July, WMCA Board passed an **80-year carbon budget**<sup>1</sup>, which estimates the maximum carbon that can be emitted by the region whilst delivering on our obligations under the Paris Agreement. The Board also agreed that an estimated investment of **1-2 percent of regional GVA** was required to ensure that it was possible to meet that budget. Between **2020** and **2041**, this works out at about **£40bn**: an investment programme over five times larger than the one WMCA and its partners is currently delivering.

---

<sup>1</sup> WMCA area comprising of the geography of the Black Country, Coventry and Warwickshire, and Greater Birmingham and Solihull Local Enterprise Partnerships. This made up of the unitary and district councils of Walsall, Wolverhampton, Sandwell, Dudley, Birmingham, Solihull, Cannock Chase, East Staffordshire, Lichfield, Wyre Forest, Bromsgrove, Redditch, Tamworth, Coventry, North Warwickshire, Nuneaton and Bedworth, Rugby, Stratford Upon Avon and Warwick. See: <https://governance.wmca.org.uk/documents/s3219/Appendix.pdf>

Without that investment, regional emissions will lock in between **3-4 degrees of warming** – and the likelihood of reaching zero carbon *at all* by 2100 sharply diminishes.

## Public Private Partnership

It is clear that we cannot create this money via prudential borrowing and taxation alone, even if that were supported by local people. Government must support the region through devolution, regulation and investment, and we need to work in partnership with businesses and third party organisations to stimulate the creation and use of innovative financial products, from community share issues to green bonds.

It is also clear that achieving our climate goals will require an unprecedented reduction in emissions, which is why WMCA has set a realistic timeframe for its zero carbon target, for 2041. Previous reductions have been possible because of a number of factors, which we either cannot or will not replicate. Firstly, because of EU directives<sup>2</sup> mandating the closure of coal-fired power stations, and national scale installation of renewables. Large reductions in industrial emissions have also been caused by local deindustrialisation, but consumption has not declined at the same rate – suggesting we are just ‘offshoring’ our emissions to other countries. Finally, we need to understand that people living in poverty tend to contribute to emissions reductions. Our commitment to lifting people out of poverty remains implacable, but the consequences of doing so may well be increased emissions unless we change how we do this.

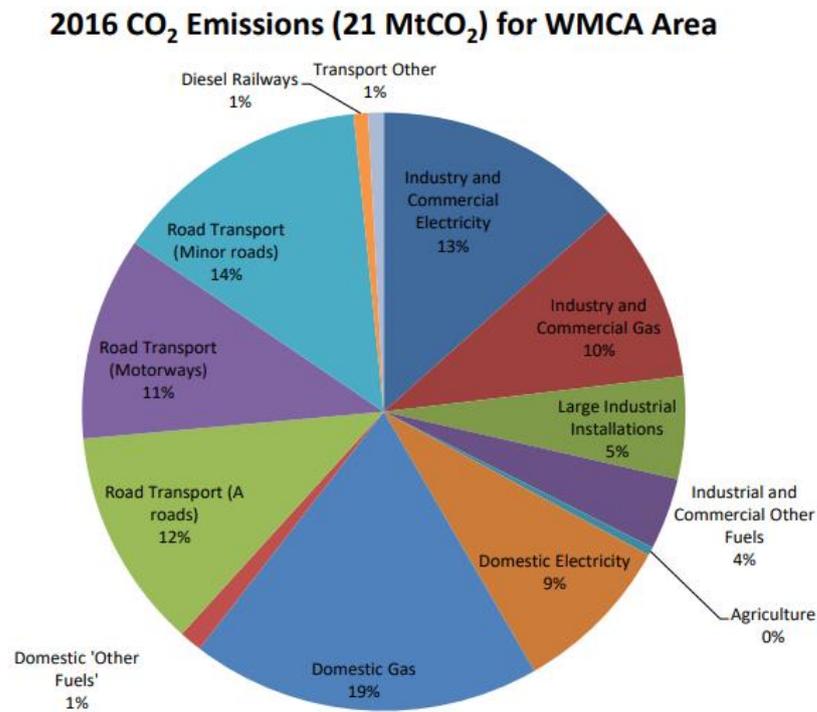
Some WMCA local authority partners have agreed to reach net zero carbon – either for their operations or the whole area – by 2030. This level of ambition is something that WMCA supports, and will strongly back any local authority partner that signs up to an earlier target – but in setting the regional target, we take into account that what we are aiming to do is unprecedented in this country, will require collaboration at all levels, and will require building the regional capacity to deliver and hold partners accountable, which takes time.

---

<sup>2</sup> Initially, the Large Combustion Plant Directive (2001/80/EC), followed by the Industrial Emissions Directive (2010/75/EU).

## What has the region committed to?

The carbon budget committed the region to the following:



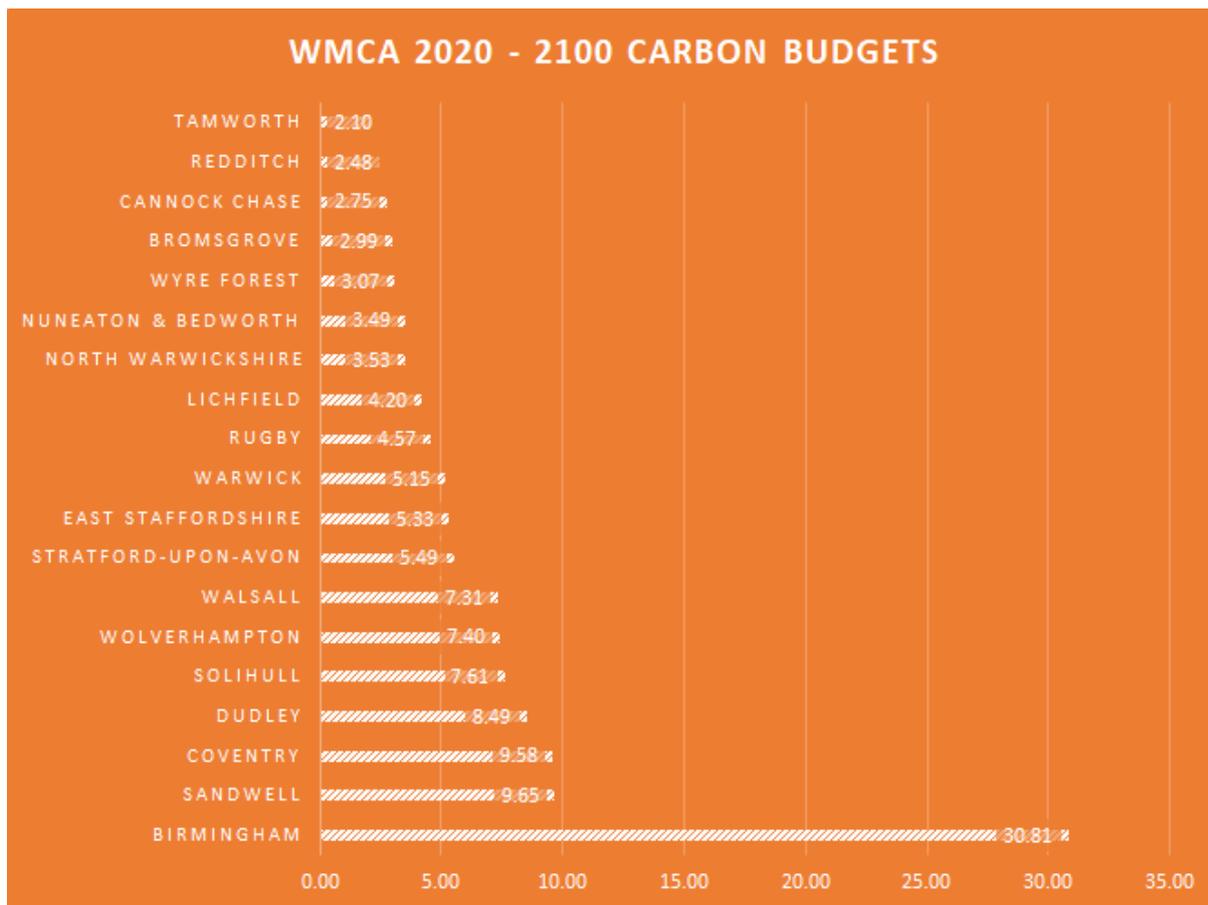
*Staying within a cumulative carbon dioxide emissions budget of 126 million tonnes (MtCO<sub>2</sub>) for the period of 2020 to 2100.*

A West Midlands target of **net-zero emissions no later than 2041**, with interim targets based on a 2018 baseline of **36% reduction by 2022**, and **69%**

**reduction by 2027**, supported by the corresponding carbon budgets was set.

*Figure 1 – WMCA emissions in 2016: like most areas there is a relatively even split between commercial/industrial, domestic and transport sectoral emissions.*

By using a similar approach to the Tyndall Centre for Climate Change, we can infer the estimated 2020 – 2100 carbon budgets for all of the local authorities in the WMCA 3-LEP area:



*Figure 2 – The 2020-2100 carbon budgets for each local authority in the WMCA 3-LEP area, expressed in MtCO<sub>2</sub> – these are estimated in order to frame action, and are not binding on the authorities listed above.*

So, what does this mean? Firstly, let's look at 2016 emissions on a per person basis, in each of the local authorities in the WMCA area:

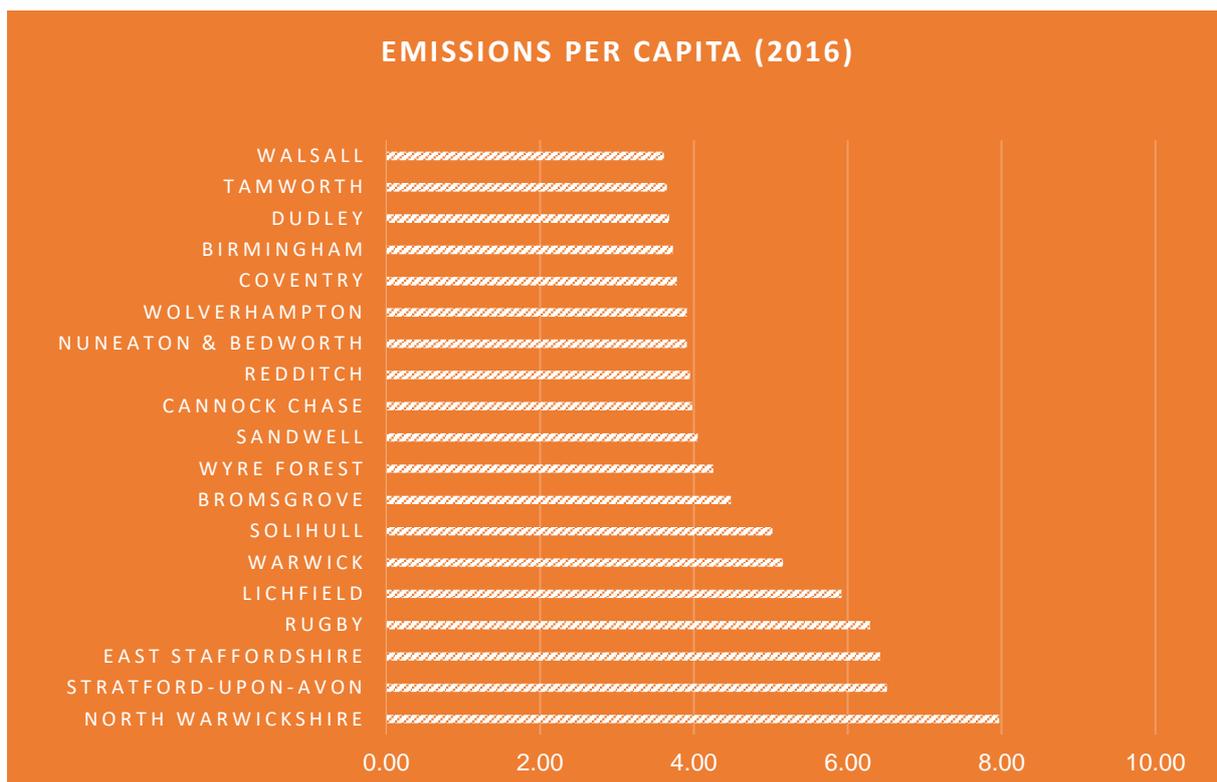


Figure 3 – Emissions (in tonnes) per capita for the year 2016, for each local authority in the WMCA 3-LEP area.

By looking at differences across the diverse places of the West Midlands, the following can be inferred:

- **Density makes a difference:** in cities / conurbations, people, energy, and items have less far to travel, and economies of scale are easier to realise. Furthermore, some homes in rural areas have less amenity to enable different choices: e.g. poorer public transport, or homes that are not connected to a gas main.
- **People living in poverty are already low carbon:** they are less likely to own a car, and generally consume less – e.g. by rationing heating to pay for food. As such, areas with significant poverty in the region tend to have lower per capita emissions – and emission drops in these areas can be partly attributed to rising poverty.

Understanding these differences will help us to come up with the right policies and investments for the many different places of the West Midlands.

## Emissions explained



A small family living in a Victorian mid-terrace, with one parent at home emits **4.5 tonnes of CO<sub>2</sub>**.

A typical family car would emit **5.37 tonnes of CO<sub>2</sub>** if it drove around the circumference of the earth.

Balancing the region's carbon budget, and becoming zero carbon en route, will be a huge challenge to the West Midlands. If we carry on emitting carbon dioxide at 2016 levels, we will 'spend' **80 years of emissions in just six years**.

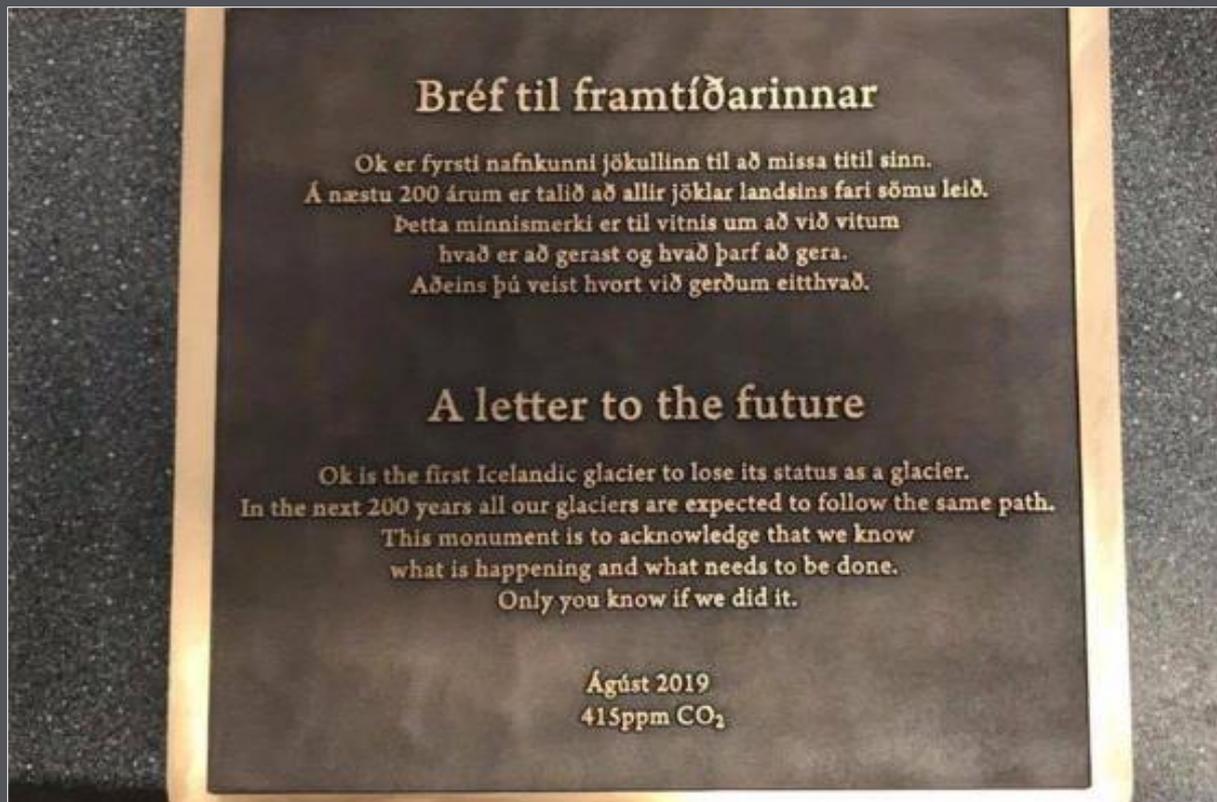
Carbon budgeting for big investments will help us to ensure that they stack up: but this carbon budget is not the only challenge, and it is important to not see it as the only motivator for change.



# 1

## **We need to make the journey to 2041 without leaving anyone behind**

By 2041, the West Midlands economy needs to shift to one which is zero carbon and abides by circular economy principles, while enabling the people of the region to build and enjoy their prosperity. That is not where we are at the beginning of 2020. The choices we make now will determine whether the region can deliver on its obligations, and the extent to which we can do so in a way which alleviates poverty, deeper inequality, and disenfranchisement.



## 2

### **We need to boost our resilience to 'locked in' climate breakdown**

Some changes to the climate are inevitable – either because they have already happened, or will already happen. This means that the people, places and infrastructure that comprise the West Midlands will need investment in order to withstand impacts like increased rainfall and extreme temperatures. This will require us to think differently about nature-based solutions to climate change, as well as how we build homes and communities.



# 3

## We need to reconcile our past with our future

The West Midlands has a proud industrial past, and our strengths in sectors like automotive are deeply embedded in our psyche. Cars are not just how many people get around: they are part of who we are. We need to take this part of our identity forward without locking the region into congestion, polluted air and climate breakdown. This means we need to prioritise mobility solutions that support public health and social outcomes.



# 4

## We need to build more places, and more connectivity between places

In the West Midlands, we need to build 215,000 homes by 2031 to house an additional 500,000 people. Those people will need more than a home to live in: schools, shops, GP surgeries, bus routes, broadband connections, leisure facilities, places to send their household waste, and more. All while investing into the quality and connectivity of existing places. Our region needs to grow while our emissions shrink.



# 5

## **We need to save energy and resources without reducing shared prosperity**

We want people in this region to become more prosperous, together – but we will need to do this while reducing demand for energy, resources, and recalibrating our demands on the land and natural environment more broadly. Moving away from single-use plastics is an active shift that we can learn from, but there will need to be a lot of these types of shifts happening simultaneously across sectors.

## The UK context

- **UK Climate Change Act 2008<sup>3</sup>**: this legislates a commitment to 100% reduction in greenhouse gas emissions by 2050 from 1990 levels, with five yearly carbon budgets to set actions and review progress. However, the level of these budgets is not aligned to the Paris Agreement.
- **Committee on Climate Change**: This is the UK Government's advisory body on climate change. They have highlighted the need to close the gap between rhetoric and action – setting a carbon reduction target is the 'easy part' – identifying the actions on how to reach it is much more challenging. The areas of focus they have suggested are lagging is in mobility and the built environment.
- **Government target of net zero carbon emissions by 2050**: so far, national level installation of renewables and decommissioning of coal has reduced emissions from electricity. **The UK will have phased out coal completely by 2025.** The continued decarbonisation of energy, especially the management of peak demands across the power grid, is a significant challenge. The Queen's Speech in October 2019 introduced a new Environment Bill, which will influence how this target and other related goals – such as ending the sale of fossil fuel powered vehicles by 2040 – are delivered.
- **Clean Growth identified as a Grand Challenge at the heart of the UK Industrial Strategy**: with clean growth identified as a Grand Challenge, with missions to at least halve the energy use of new buildings by 2030 and establish the world's first net-zero carbon industrial cluster by 2040 and at least 1 low-carbon cluster by 2030.
- **Sustained protests led by Extinction Rebellion and Youth Strike 4 Climate**: both movements have organised local and national protests and



with honesty: acknowledge the scale of the problem. WMCA's climate

other types of action to draw attention to the need to address climate breakdown. Whilst not everyone has been won over, the issue is justifiably a high priority among a majority of people of all ages. Both movements have asked Government to meet the reality of climate breakdown

<sup>3</sup> See: <http://www.legislation.gov.uk/ukpga/2008/27/contents>

emergency declaration is that acknowledgment at regional scale – although the next step, to meet that emergency with the thought, care, and resources that requires will take more effort to achieve.

## The Local Industrial Strategy and economic opportunity

The West Midlands Local Industrial Strategy<sup>4</sup> will boost productivity and earning power in a way that is clean and inclusive by focusing on distinctive regional economic assets and challenges. The region’s clean growth aims potentially give local businesses a competitive advantage in growing global markets, with exports of low carbon goods and services set to be worth between £60 billion and £170 billion to the UK by 2030<sup>5</sup>.

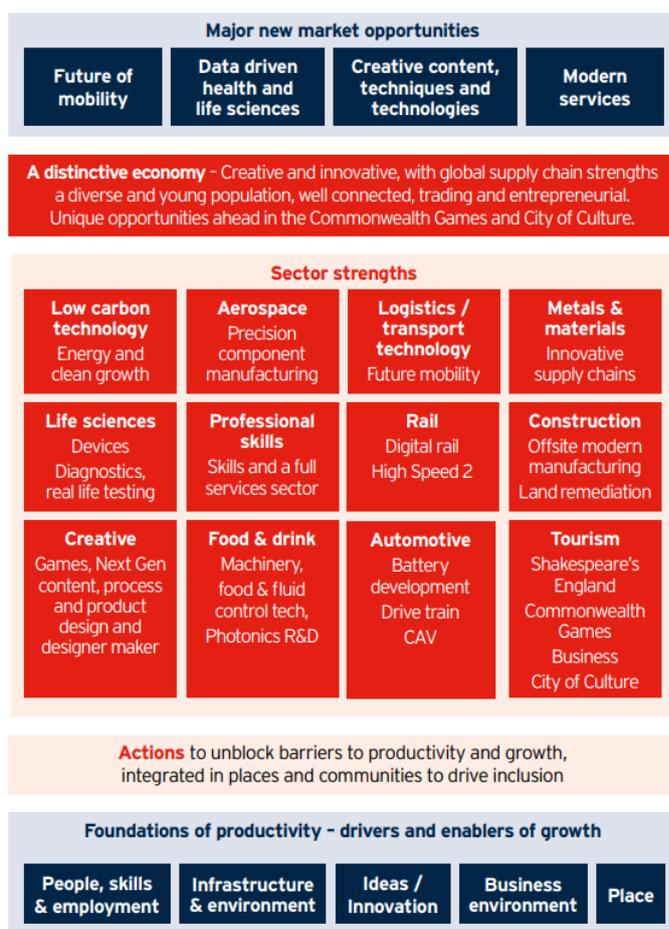


Figure 4 - The Local Industrial Strategy on a page

Developed by the region and agreed with Government, the Local Industrial Strategy creates an investment pathway for the high value, high productivity, future-proof sectors that will underpin the region’s economy. This plan on a page illustrates some of the sector strengths in the region. While ‘low carbon technology’ is there in its own right, it is vital that each sector makes a positive contribution to the climate challenge – building resilience and ensuring that its economic activity is low carbon, circular, and resource efficient.

The region’s three Local Enterprise Partnerships (LEPs) – Coventry & Warwickshire, Black Country and Greater Birmingham & Solihull - are leading on four of the sectors each, and are in the process of writing the associated action plans. Given that this is current work, this

is an excellent opportunity to ensure that these plans make a strong contribution to tackling the region’s climate challenge, including by coordinating business support.

<sup>4</sup> See:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/802092/west-midlands-local-industrial-strategy-double-page.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/802092/west-midlands-local-industrial-strategy-double-page.pdf)

<sup>5</sup> From Ricardo Energy and Environment for the Committee on Climate Change (2017) UK business opportunities of moving to a low carbon economy for the UK’s Clean Growth Strategy (April 2018).

## Fellow travellers

While the West Midlands has a serious challenge to face, it is not a challenge we are starting from scratch, without capacity or expertise. This is a region of innovation, particularly relating to energy. It hosts substantial national research and innovation assets in the Energy Systems Catapult, Climate-KIC, and the universities of Aston, Birmingham and Warwick, which are part of the Energy Research Accelerator. These universities have highly complementary research expertise in energy.

Wolverhampton, Coventry and Birmingham City University further enhance regional energy capabilities, particularly around energy in buildings, smart systems, local skills development, and industry engagement. Our local authorities and LEPs are already working on the means to effect the changes we will need to see at a local and sub-regional level



## Doing things the West Midlands way

Investing in mitigating and adapting to climate breakdown is essential for the future of this region, but it is also an opportunity to make sure that we achieve other goals. WMCA is committed to a model of inclusive growth which judges economic activity by the quality of its outcomes for people and place:

*A more deliberate and socially purposeful model of economic growth – measured not only by how fast or aggressive it is; but also by how well it is created and shared across the whole population and place, and by the social and environmental outcomes it realises for our people.<sup>6</sup>*

The WMCA Inclusive Growth Framework lays out ‘what good looks like’ for economic activity, and its influence should carry through to the region’s climate action.

However, this is also part of an international effort, and WMCA will indicate where its efforts will contribute to the United Nations Sustainable Development Goals (SDGs)<sup>7</sup>. This will help the region to both benchmark against and learn from local partners.

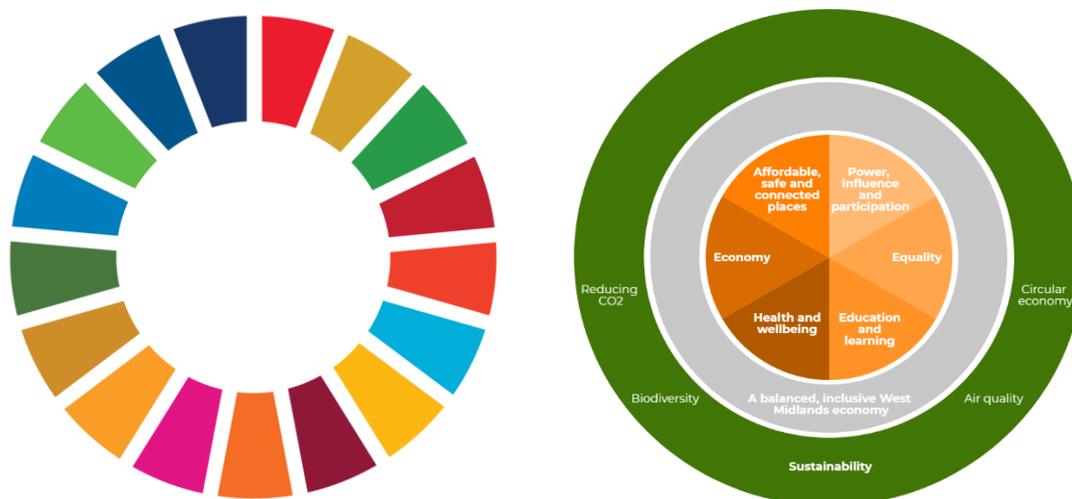


Figure 5 - SDG Wheel alongside WMCA's Inclusive Growth Framework

Throughout this section of the document, you will see icons which denote which SDGs relate to how the West Midlands will meet the climate change challenge<sup>8</sup>.

<sup>6</sup> 'Inclusive Growth – Update and Next Steps' WMCA Board, 24 May 2019:

<https://governance.wmca.org.uk/documents/s2910/Report.pdf>

<sup>7</sup> See: <https://sustainabledevelopment.un.org/sdgs>

<sup>8</sup> See Footnote 6, which explains each of the SDGs in detail.

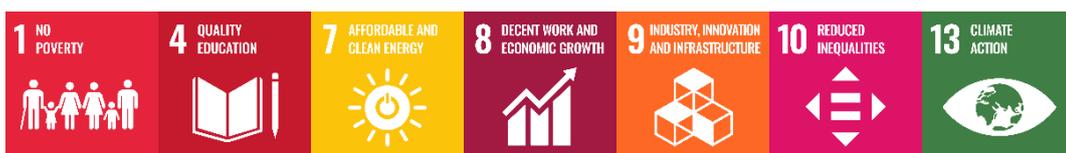
When it comes to assembling investment cases for this work, the SDGs will form an important part of how we demonstrate that we are focusing on the right things, and delivering against the social and environmental outcomes that people of this region will judge us by.

In that spirit, the West Midlands will:

1. **Respect subsidiarity:** leadership on tackling climate change will come from individuals, households, organisations, neighbourhoods, public institutions, universities, central Government, and everything in between. The WMCA will ensure that it creates the right spaces for leadership, partnership and action, and will know when to lead, when to follow, when to ask difficult questions, and when to make space. Furthermore, we will be open to learning from other places – nationally and internationally – that have already made progress on the same journey.



2. **Build wealth, and recycle it throughout the region through skills and community ownership:** people in the West Midlands can become more prosperous as we invest into tackling climate breakdown. Developing skills that meet the challenges of climate breakdown are useful beyond the region, and have a clear, motivating social purpose. The generation and storage of clean energy and heat will always be in demand. Municipal, co-operative or local business ownership of generating capacity provides stability to the region's energy systems, and a revenue stream that can be invested back into places and people.



3. **Boost health and wellbeing:** many aspects of tackling climate breakdown align with improving health and wellbeing. Spending time outdoors in green space. Active travel. Breathing cleaner air. Living in a comfortable home. A

steady income. Investments into tackling climate change will put these opportunities front and centre.



4. **Take a ‘circular’ approach:** circular economies ‘design out’ waste and pollution, keep products and materials in use, and regenerate natural systems. This encompasses the reduction, re-use, and recycling of waste, as well our commitment to biodiversity net gain and the quality and quantity of our green spaces, canals, rivers, and lakes<sup>9</sup>. There are also economic opportunities – through the bioeconomy, for example – that could be explored in how we work with our waste streams.



5. **Invest in comfortable homes and buildings:** whether a home, commercial unit or community building is old or new, it should be easy and affordable to keep it at a comfortable temperature (encompassing heating and cooling). Investing into the energy performance of buildings can help to achieve this, addressing homelessness, fuel poverty and waste.



6. **Make space for sustainable transport:** space is precious, and how we use it for travel needs to reflect our priorities. Alongside tackling climate breakdown, our priorities are reducing congestion and pollution. As such, space will gradually and thoughtfully be allocated away from solo occupancy cars, and towards walking, cycling, and mass transit.



<sup>9</sup> See: <https://www.ellenmacarthurfoundation.org/circular-economy/concept>

7. **Champion young leadership:** this is a young region, and it is because of young leaders that we are focusing on adapting to and mitigating climate breakdown. Continuing in that spirit, we will invest into the creativity, education, skills and capabilities of young people in this region, and will make space for them to create and lead.



8. **Unite people across the region by creating common cause and addressing inequalities:** tackling climate breakdown should be seen as a common cause, around which people from the region can unite. In a time where priorities are shifting, we can seize on the movement to ensure that people who are economically and democratically excluded have a part to play – closing gender, ethnicity, and disability employment and activity gaps. Those people are already more likely to be exposed to the negative impacts of climate change. It can also support the region’s violence reduction agenda. Neither crime nor violence are inevitable, and we will use investments into tackling climate breakdown to create opportunities for people to live lives free of both.



## CASE STUDY | Core Cities

### *Collaboration on shared goals*

Core Cities UK, an advocacy group representing the ten largest cities outside of London (including Birmingham), worked together to create a series of ‘asks’ that each will need from Central Government to meet the climate challenge:

- £1bn Low Carbon City Investment Fund to support and accelerate high impact green projects.
- £1bn Clean Air Fund to support the delivery of clean air zones, estimated to be worth £6.5bn to the economy.
- Tax and incentives to boost and encourage investment in low carbon enterprises.

- A target of 2025 for net-zero buildings to minimise the impact of the millions of homes which the Core Cities will be required to build.
- Whole Building Retrofit fund of at least £1bn a year to enable all homes to have a whole-house efficiency treatment by 2035, focussing on those in fuel poverty first with a 'able to pay' initiative for wealthier households.
- Investment in transport infrastructure to reduce road congestion.

## Actions

### We will change our economy without leaving anyone behind

The investments we make in order to meet the climate challenge will be into the people who need them to thrive: tackling fuel poverty, giving people space to change career direction, improving skills, providing affordable connectivity, cleaning the air and ensuring the quality and availability of public spaces and assets.



### What does this look like?

We prepare thoroughly for the economic shifts we can anticipate

This is about the human side of big economic shifts. No-one wants to look another person in the eye and tell them that, soon, no-one will be able to buy what they are selling. This is a region that remembers what it is like to lose industry, a local brand, or a beloved high street retailer. That isn't just about a job that pays the bills, important as that is. It is about doing something purposeful, something that makes

you proud, something that matters to the people you know and the place you call home.

All of this means that we cannot take this part for granted. Some of these changes will be painful, even if we manage them with care and precision. To soothe that sting, our new industries will have a sense of place and pride, a story we can all shape and tell.

### People have space to learn new skills and broaden their horizons without risking poverty

Changing career is not easy, even when you have space to plan. Many people will not have that – every hour they spend in training, development, or even thought is an hour they could be spent earning money, or caring for their families. We need to give people space in their minds and their budgets, so that they can work out what they would like to do, and how they would like to get there, without being pushed into illness or poverty.

### Everyone's air is safe to breathe

The emissions that pollute the air and warm the planet are not always the same ones<sup>10</sup>, but there is a great deal of overlap, and they stem from the same behaviours – burning fossil fuels in the places where people travel, live, work, and play.

### No-one has to choose between heating and eating

People in energy poverty cannot afford energy to meet their needs, and often have to choose what to do without: transport, hot food, or a warm home. The poor energy efficiency of many homes contributes to this dilemma. There are 1.7 million existing houses in the West Midlands, and at least 200,000 of these are in 'energy poverty'. In order for everyone to stay on the journey to 2041, people must be able to afford the energy they need to participate in society.

---

<sup>10</sup> Air pollution tends to be caused by soot (PM10 and PM2.5), oxides of nitrogen (NOx) and ozone (O<sub>3</sub>).

EXAMPLE ACTIONS | Changing our economy  
without leaving any of our communities behind

First Five Years	Secure Government support for an enhanced 'Clean Air Deal' for the region	Launch communications campaign to celebrate the pride and skill of 'green jobs'	<b>Secure devolution of Energy Company Obligation funding to WMCA</b>	Learn from existing clean air policies and expand in line with network improvements
	Explore partnership with DWP to pilot proactive welfare support for people in at-risk industries	Secure resource to drive energy efficiency standards for private rented sector homes	Strengthen energy efficiency standards for private rented sector homes to EPC 'C'	Introduce LHA+ to incentivise energy efficiency in private rented sector homes
	Design a regional pay-as-you-save home retrofit scheme, backed by a low-cost borrowing line	Secure means to help all places in the region to shift to LED street lighting		
Between Five and Fifteen Years	Collaborate to create joined-up skills support mechanism for people in at-risk industries	Expand 'Mobility Credits' vehicle scrappage scheme to the whole region	Work with Treasury to change Green Book standards for long term investment	
The Last Five Years	<b>The sale of petrol and diesel vehicles is banned by 2040, in line with national targets</b>			

## Changing our economy without leaving anyone behind: **the first five years**

- **New investment standards based on climate impact:** in negotiating the region's next devolution deal, the region will work with Government to broker new investment standards for the West Midlands. In this way, all public spending can be judged by the positive social and environmental outcomes it creates, and not on GVA uplift alone.
- **Expansion of low emission places:** learning from the current development work on Birmingham's Clean Air Zones, and the car exclusion zone pilots around schools that have been run in Birmingham and Solihull, places across the region will collaborate to plan how this can be expanded in line with upgrades to the transport network.
- **Review of Movement for Growth:** Transport for West Midlands has already started the process of reviewing the strategy, with climate emergency as one of its key themes. This is partly about ensuring credible, sustainable public transport, partly about reducing demand, but also,

ensuring that the region is able to balance the delivery of goods to people and businesses with the need to create safe spaces for people to walk and cycle. The 'last mile' is particularly important to get right, notably the demand for home delivery continues to escalate.

- **Enforcement and strengthening of energy efficiency standards:** secure resources to enforce Minimum Energy Efficiency Standards (MEES) regulations for private rented sector (PRS) properties – currently need to achieve an EPC rating of E. In addition, seek Government support to strengthen the MEES threshold from E to C.
- **Introduction of LHA+:** As per the development work of WMCA Homelessness Taskforce<sup>11</sup>, develop a new deal – LHA+<sup>12</sup> - with PRS landlords who are willing to commit to good standards and fair access. This would involve landlords agreeing to meet the Decent Homes<sup>13</sup> standard, provide reasonable lengths of tenancy, and accept tenants referred by local authorities. This could equate to social rents at 50th percentile.

---

11 See: <https://governance.wmca.org.uk/documents/s3029/Report.pdf>

12 Local Housing Allowance – essentially, the rates used to calculate how much housing benefit can be paid in rent to private sector landlords.

13 See: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/7812/138355.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/7812/138355.pdf)

- **ECO devolution:** continue to pursue devolution of Energy Company Obligation (ECO) 3<sup>14</sup> funding, including of the ability to join up fragmented funds for more effective local delivery.
- **Pay-as-you-save energy efficiency scheme:** scope a regional energy efficiency scheme using prudential borrowing, or other financial products like green bonds. These could be backed by various sources, including the UK Municipal Bonds Agency<sup>15</sup>, institutional investors, and innovative start-ups like Bankers Without Boundaries<sup>16</sup>.

### Changing our economy without leaving anyone behind: **between five and fifteen years**

- **Focused support for people in at-risk jobs:** collaboration to merge resources from education, adult skills, social security, and industry to create focused support for people working in 'at risk' industries, as well as for people who would like to return to the labour market.
- **Pride in green jobs campaign:** develop a campaign where the stories of people who do work that contributes to meeting the climate challenge are given space to tell their stories, so we

can share in the pride and purpose of their work.

- **Financial support for people moving from at-risk roles:** develop a protocol which creates financial provision for people working in 'at risk' industries, as part of the offer to incentivise retraining.
- **Mobility Credits expansion:** explore creating a regional vehicle scrappage scheme wherein it is more advantageous to swap a petrol powered car for a travel pass or CAZ-compliant secondhand car than it is to trade it for a new vehicle. This is currently being piloted in the West Midlands as 'Mobility Credits'. A variant on this policy could be introduced for business with significant fleet.

### Changing our economy without leaving anyone behind: **the final five years**

- **Government:** as outlined by the Government's Clean Growth Strategy, the sale of new petrol and diesel vehicles will be banned in the UK from 2040 onwards.
- **WMCA / Councils / Government:** there will be no fossil fuel powered vehicles permitted on the roads of the West Midlands, with safer spaces for walking and cycling.

<sup>14</sup> See: <https://www.gov.uk/government/consultations/energy-company-obligation-eco3-2018-to-2022>

<sup>15</sup> See: <https://www.ukmba.org>

<sup>16</sup> See: <https://www.bwbuk.org/>

## We will invest in the resilience of our places

Changes to the climate are likely to mean that the West Midlands experiences higher rainfall and a greater likelihood of extreme temperatures. These changes will occur, even in the IPCC<sup>17</sup>'s most optimistic scenario – 1.5 degrees of warming<sup>18</sup>. This means that we need to invest in our ability to live with both of those things: by enhancing green spaces, designing out flooding and extreme temperatures from our places, and upgrading our infrastructure.

If we breach 1.5 degrees of warming, we can expect all of these impacts to intensify, along with increased migration of people globally, and higher potential for biodiversity loss and vector-borne disease. All of this will require a different approach to maintenance, investment and development of our places.



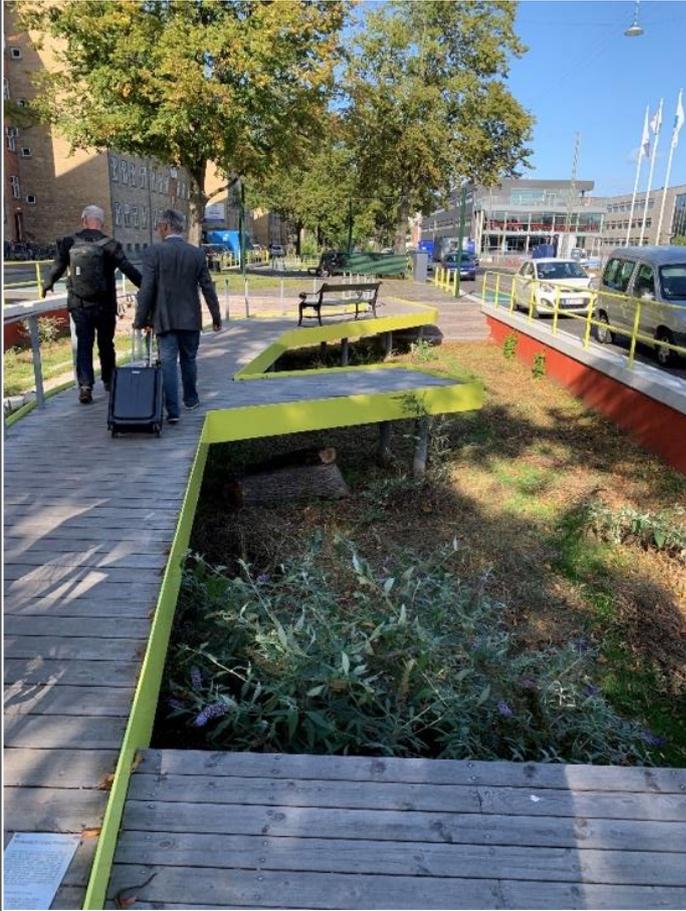
## What does this look like?

We plant trees and other greenery to help us manage increased temperatures and rainfall

Our investment in tree planting is not about aesthetics alone: we plant strategically, based on evidence around the need for cooling, exposure to flooding, and to achieve maximum carbon sequestration. This means planting in places which we would otherwise develop and improving our approach to forestry management. We will also need to be conscious of the interplay between urban greening and microgeneration – e.g. sometimes you can have a combined green roof and solar array, but on other occasions, you have to choose between them, depending on what is most suitable for the area.

<sup>17</sup> Intergovernmental Panel on Climate Change.

<sup>18</sup> Special Report – Global Warming of 1.5°C: <https://www.ipcc.ch/sr15/>



## CASE STUDY | Scandiasgade Park, Copenhagen

*A community park that  
alleviates flooding*

Copenhagen is well known for its urban green credentials. Aiming to be carbon neutral by 2025, it is one of Europe's leading cities in addressing climate change.

Nonetheless, it is still looking to improve social inclusion, resilience and liveability in its approach to tackling urban renewal and development. As such, the city has prioritised a number of areas for more in-depth community-facing work

around the role that climate change solutions might play in day-to-day life; including the role of nature-based solutions in improving adaptation.

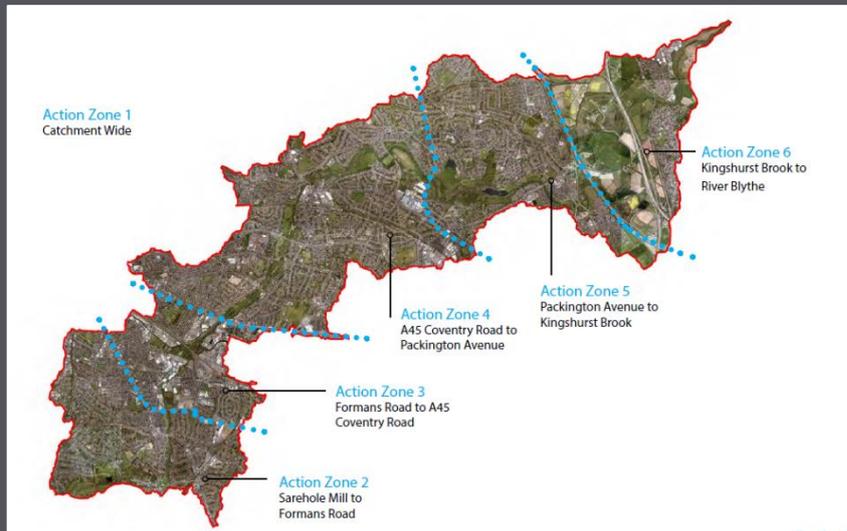
Copenhagen has increasingly suffered detrimental effects from flooding. For example, in July 2011, a huge storm struck the city with rainfall higher than the estimated 2000-year return period. There was significant infrastructure damage across Copenhagen with claims from building owners exceeding £800m. So they took action. In Sydhavnen District a citizen-based approach was taken to develop adaptation measures to reduce the risk of future flooding. What was developed was a pocket park, Scandiasgade Park.

The park that was finally built is around 13m wide and 365m long. It is divided into 'zones' that support nature (for example an area with plants to attract pollinators) as well as community-focused areas – for example a 'beach'-style park, with charging infrastructure so that community events can be held there. These zones are sunk below the level of the pavement and roads, with an elevated walkway across them all. The park, which is yet to be tested by a major flood event, can absorb approximately 1,500m<sup>3</sup> of rainwater.

## CASE STUDY | A vision for the Cole Valley

*Investing to benefit wildlife, heritage and people*

This vision was published in October 2019 by the Environment Agency and the



Tame Valley Wetlands Landscape Partnership. It covers a substantial section of the River Cole, and is split into two elements. Firstly, to drive “**cultural interest**” in the area, to encourage investment. Secondly, investing in biodiversity, flood mitigation and water

quality enhancements, ensuring that the River Cole and its surrounds continue to benefit the wildlife and residents of Birmingham, Solihull and North Warwickshire for many years to come.

Underpinning the vision are **four** objectives:

- **Create** a high quality blue/green corridor along the River Cole through East Birmingham, North Solihull and North Warwickshire that can be used as an alternative travel route for local or commuting journeys without the car.
- **Enhance** the natural and historic environment, improve biodiversity and water quality, reduce flood risk and highlight the opportunities for natural capital and environmental net gain.
- **Re-connect** local communities and businesses with their local public open space, help them value what the River provides for them, improving wellbeing and resilience through social prescribing and identifying links between behavioural change and flooding/environmental improvements.
- **Stimulate** partnership working across multiple stakeholders to coordinate approaches to catchment-wide issues, deliver local policy aspirations and unlock multiple funding opportunities.

The blend of catchment-wide and locality approaches is consistent with the spirit of this plan, and will boost the resilience of places along the river to climate breakdown.

We ensure that land is used wisely

It is impossible to become a 'self-sufficient' region when it comes to local food production, but we can ensure that the food we produce has high nutritional value, suits the locality, and makes best possible use of the space. We will also need to think about the resilience of the food we import<sup>19</sup>, which will be subject to increased demand due to population growth, geopolitical tensions and locked-in climate breakdown.

### CASE STUDY | Saturn Bioponics

*Space and resource-efficient food production*

Saturn Bioponics, based in Birmingham, is one of the first 3D 'vertical farming' businesses to create a business model that can grow and sell healthy food at commercial scale. Their model is based on hydroponics, which has a higher production rate and lower environmental impact than soil farming, and gives people clarity on how their food has been produced.



It also means that land which is unsuitable for soil farming could be used to produce food – an option for brownfield land.

---

<sup>19</sup> See 'Back From The Future' by Birmingham Food Council, which indicates that our imported food – which currently comprises 40% of our intake – is likely to no longer be available by 2050: [https://www.birminghamfoodcouncil.org/wp-content/uploads/2018/09/BackFromTheFuture\\_HorizonScanningProjectReport\\_BirminghamFoodCouncil\\_January2018.pdf](https://www.birminghamfoodcouncil.org/wp-content/uploads/2018/09/BackFromTheFuture_HorizonScanningProjectReport_BirminghamFoodCouncil_January2018.pdf)

## EXAMPLE ACTIONS | Investing in the resilience of our places

First Five Years	<b><i>Deliver Natural Capital Investment Plan (currently in development)</i></b>	Bus shelters located in places at risk of flooding and overheating to include green roofs	Build a workforce strategy and investment programme for the natural environment	Launch comms campaign to enable people to nurture and develop urban greenery
	Collaborate to strengthen local planning requirements for green spaces	<b><i>Establish the 'West Midlands National Park', to include active management</i></b>	Launch West Midlands 'crowd planting' tree challenge: one tree for each resident.	Work with TfWM and partners to create 'climate audit' on resilience of current network
Between Five and Fifteen Years	Expansion of Natural Capital Investment Plan	Create employment 'deal' for the natural environment	Collaborate to create and deliver a sustainable urban drainage investment plan	Planting of 'green barriers' between motorways and homes or workplaces.
	Contribute to the formation of a national Food Security Institute			
The Last Five Years	Sustainable urban drainage plan delivered in vulnerable areas	Investments made into food security, coordinated nationally		

## Investing in the resilience of our places: the first five years

- **Natural Capital investment begins:** the Natural Capital Investment Strategy and Delivery Programme (currently in its early stages) will be delivered.
- **Urban greening on transport infrastructure:** bus and Metro shelters located in places exposed to heat and flooding could be replaced with 'green roof' shelters.
- **West Midlands National Park:** developing the commitment to creating a regional National Park, building on work developed by Birmingham City University.
- **Expanded natural environment workforce:** explore development of a workforce strategy for the natural environment, drawing on employment pathways that already exist in the sector – e.g. the Heritage Lottery funded 'Natural Prospects' scheme run by the Birmingham & Black Country Wildlife Trust<sup>20</sup>.
- **West Midlands 'crowd planting' tree challenge:** WMCA commitment to plant a tree for every resident, via a 'crowd planting' platform.

## Investing in the resilience of our places: between five and fifteen years

- **Expansion of natural capital investment:** explore expansion of the initial WMCA Natural Capital Investment Plan, enabling investments in green and blue spaces across the region – this will take both biodiversity net gain and boosting resilience to climate breakdown into account.
- **Sustainable Urban Drainage investment plan:** attracting investment in the ability of developed places to deal with increased rainfall via the use of sustainable urban drainage systems.
- **Employment deal for the natural environment:** explore development of an employment deal for the natural environment, working with FE colleges, universities and other training providers to incentivise transition into careers linked with climate adaptation and the natural environment.

---

<sup>20</sup> See: <https://www.bbcwildlife.org.uk/naturalprospects>

## We will use our industrial past to create a new future

This is a region of many perspectives, and many stories, bound together by challenge and opportunity. The industrial revolution that changed the world, started here. People came to the West Midlands from the world over: to work, create, and trade. The idea of local government shaping its place and economy was brought to life by Joseph Chamberlain. Things have changed a great deal since then but the region is proud of its history, its heritage, and the work that has shaped us all. Today, the West Midlands still has the highest concentration of manufacturers of any region, and accounts for nine percent of all manufacturing employment in Britain.

This identity looks slightly different across the region. In the east, there is an emphasis on transport and mobility, where Coventry's strength in transport and automotive grew out of over 250 companies manufacturing bicycles. In the west, there are still over 240 medium-sized businesses focused on traditional metal forming and component production, largely for the high-technology and demanding aerospace and automotive supply chains.

Now we need to write some new chapters for our new challenges. A West Midlands that is powerful enough to power itself: via its democratic institutions, its businesses, and its energy systems. A West Midlands where smart technology and low carbon connectivity create shared prosperity. A West Midlands where we come up with place and people-focused solutions to big challenges and export them to the world. A West Midlands where anyone and everyone contributes to our shared missions, and where different kinds of contributions are valued equally.



## What does this look like?

We will have an energy system which responds to our needs and is controlled by the region's people, businesses and public sector institutions

Between 2018 and 2030, more than £15bn will be invested in local energy projects across the WMCA. £74bn will be spent on products and services where the quality of local energy systems will determine how well our businesses will perform against global competitors, and how easy and comfortable the lives of citizens will be. Finally, a further £80bn will be spent on fuel and power for our industry, our transport, and our home lives. All of this investment will have to be made in a way which helps us meet the climate challenge while increasing prosperity – and devolution will be fundamental to realising that opportunity.

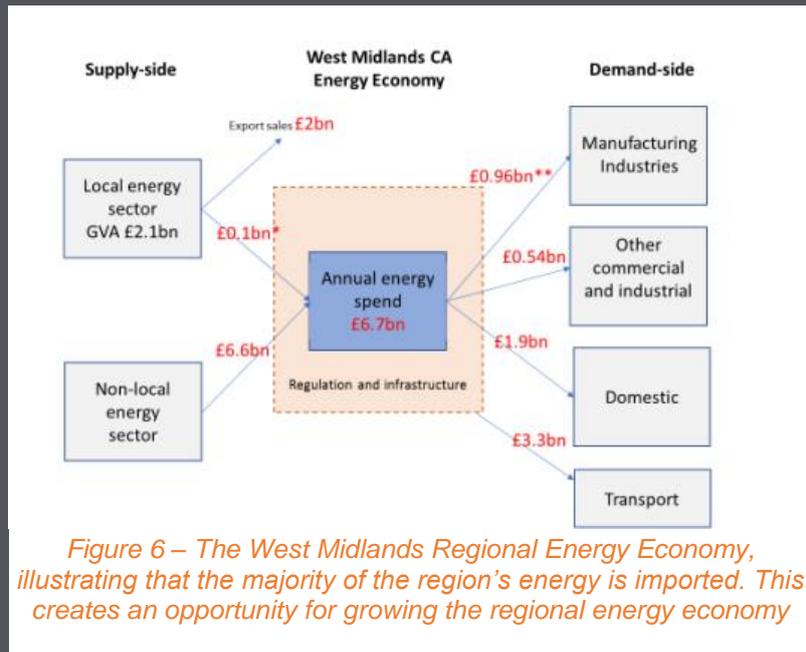
## WORK UNDERWAY | West Midlands Regional Energy Strategy

### *Planning for future energy systems*

This is the region's vision for energy across the region by 2030. It has been developed by Energy Capital, a regional, cross-sector partnership that has formed to address and overcome the structural issues with the UK energy system. It includes the following aspects:

- Reducing energy costs for our strategic industrial sectors to at least match those of our international competitors.
- Reducing the incidence of fuel poverty across our region by hitting current government targets for energy efficient housing five years ahead of schedule.
- Delivering the West Midlands' share of national and global carbon budgets by reducing regional carbon emissions.
- Creating a regional energy infrastructure that adds £1bn to GVA by 2025 by putting the region at the leading edge of the global energy and transport systems transition.

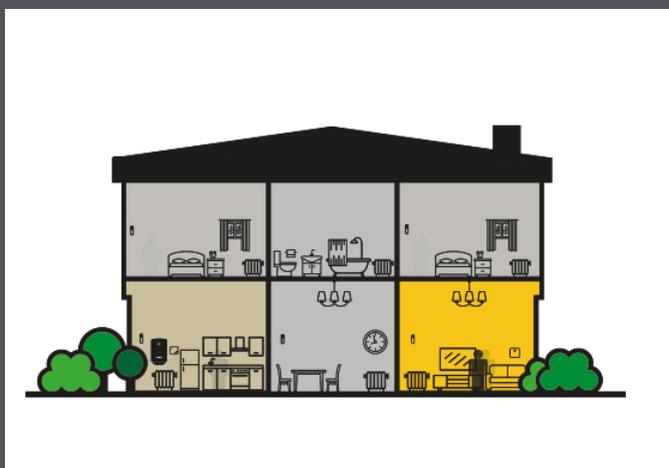
The main delivery mechanism for this vision is Energy Innovation Zones (EIZs): local partnerships which are brought together to focus on the energy innovation and investment needs of their place. The first four pilot EIZs have already been established, and will act as a focus for energy systems investment of between £270m and £490m over the next 15 years.



There is a significant opportunity for the regional energy economy: the more we can generate, the less we need to import. Although the local energy sector contributes approximately £2.1bn of GVA to the regional economy, most of this is earned outside the region. Furthermore, it is dominated by companies like E.ON, who sell energy nationally. Businesses and households in the West Midlands spend £6.7bn annually on energy, and more on average than their European competitors. Over £960m is spent by the industrial and manufacturing sectors and an additional £540m by the remainder of the commercial and industrial sector

## CASE STUDY | Genius Hub

*A heating system that learns from you*



Created in Dudley and now based in Birmingham, Genius Hub helps people use smart technology to keep their homes comfortable and energy efficient. They specialise in managing 'complex' environments: large properties (more than three bedrooms) or non-standard heating such as underfloor, ground source heat pump, biomass and solar.

Our industrial processes will work in ‘symbiosis’, with waste from one part of production supplying another

## CASE STUDY | International Synergies<sup>21</sup>

### Enabling complex industrial networks to design out waste

International Synergies, which has its head office in Birmingham, is a world leader in ‘*industrial symbiosis*’. In simple terms, this is when surplus resources generated by an industrial process are redirected into another process by one or more other companies, providing a mutual benefit or ‘symbiosis’. It works to facilitate links between those companies, by building networks of companies that can use one another’s waste. With this expertise in the region, WMCA, local businesses and partners are in a good place to build symbiotic networks in key areas and sectors.

### EXAMPLE ACTIONS | Using our industrial past to create a zero-carbon future

First Five Years	Investment prospectus and fund for energy system innovation	<b>Ensure Energy Innovation Zones have the necessary regulatory flexibility</b>	Influence Government policies on renewables and carbon storage	Work with LEPs to ensure LIS maximises climate investment goals
	Commission a regional industrial symbiosis investment plan	<b>Develop fiscal and R&amp;D incentives to support auto OEM shift to EVs</b>	Roll out collaborative solution to EV-charging at-scale (e.g. ULEV strategy)	WM5G team to work with public services to create infrastructure for more remote working
Between Five and Fifteen Years	Work with Government to ensure energy costs are apportioned strategically to boost key sectors	<b>UK Battery Industrialisation Centre in Coventry operational</b>	Roll out in-school education programmes, e.g. UN Climate teachers in schools	Work with Universities and providers to create regional ‘cluster’ of climate change education

<sup>21</sup> See: <https://www.international-synergies.com>

### Using our industrial past to create a zero-carbon future: **the first five years**

- **Energy systems innovation fund:** create a specialist investment fund to unlock energy systems innovation as part of an overall 'deal' for the energy economy.
- **Create regulatory flexibility for Energy Innovation Zones:** collaborate with legislators and regulators to detail the legal implications and requirements for Energy Innovation Zones (EIZs).
- **Influence energy generation, storage and distribution policies:** in line with the UK Government's own commitments, ensure that the region is able to influence its policies relating to renewable energy, heat, and energy storage.
- **Boost generation and sale of energy in the region:** support existing city-led efforts to create energy infrastructure that keeps money from the sale of energy recirculating in the area. These initiatives could be led in a number of ways and could support people on low incomes through more appropriately designed social tariffs.

- **Design in industrial symbiosis:** commission an industrial symbiosis investment plan, to work out the areas with most potential for carbon reduction, resource efficiency and return on investment and which could keep resource and build eco-supply chains within the region.

### Using our industrial past to create a zero-carbon future: **between five and fifteen years**

- **Strategic allocation of energy infrastructure costs:** use regulation to 'favour' key sectors when it comes to the apportionment of energy infrastructure costs. It may not be long until the price of fuels essentially falls to zero. In this situation, it follows pricing cannot meaningfully be based directly on usage. Instead, it will be entirely focused on ensuring infrastructure investment costs are recovered and this may be done in a number of ways to meet industrial strategy or political objectives.

## **We will create places and connections that help us to meet the climate challenge**

When we build transport infrastructure, or new neighbourhoods, we will use low carbon processes and materials, making use of recycled and repurposed materials.

The ways in which we adapt existing places will need to be considered – ensuring that everyone benefits, and that the place retains its identity and appeal. These challenges will enable us to build expertise in ‘urban transition’; essentially, how you change a region from being reliant on fossil fuels, resource extraction and at risk of flooding, to one that is low carbon, resource efficient, and resilient.



## What does this look like?

All new build infrastructure is constructed thoughtfully and is energy efficient

WMCA has ambitious plans to build a further 215,000 homes by 2031. As well as the emissions associated with construction, this could easily add £100-300m to annual regional energy spending (at current prices). As such, ensuring that new homes are zero carbon and are able to generate and store renewable energy will be an economic boost to the region.

The UK Green Building Council suggests that to put the UK on course to meet both domestic and international climate change commitments, all buildings must be net zero carbon in operation before 2050, with new buildings meeting this standard by 2030. WMCA is aiming to deliver on both sets of commitments so will align with both targets.

The challenges of achieving this are not (on the whole) technical in nature. What is required is innovation in business models, regulations, and in the delivery and financing mechanisms.

## LEARNING FROM THE PAST | The Green Deal

### *Pay as you save energy efficiency*

The Green Deal was a Government-backed 'pay as you save' policy that existed between 2013 and 2015.

The concept was simple: people would install energy-saving measures in their homes by taking out a 'Green Deal Loan', which remained attached to the house. People paid nothing up front on the expectation that they – and future residents of that home – would pay the loan back via savings realised in their energy bills.

The WMCA could develop a similar policy, but there were a number of faults in the implementation of the original that we need to learn from<sup>22</sup>:

- **DEMAND**: people did not want the energy saving measures that they needed the most – notably internal and external solid wall insulation. Both measures are disruptive to home life, with long payback times, and were not well understood by homeowners, who had been 'sold' the Green Deal based on financial savings rather than thermal comfort. Furthermore, the least efficient homes tended to be in private ownership making it hard to treat multiple properties at once – for example, an entire terrace. This suggests that demand for these measures will need to be stimulated via incentives, regulation, or a combination of the two.
- **FINANCE**: demand for Green Deal Loans was suppressed by being more expensive<sup>23</sup> than other comparable forms of borrowing. For people who could access credit, it was more cost effective to extend a mortgage, or to take out a secured loan.
- **VALUE FOR MONEY**: the Green Deal Finance Company invested £25m in its set-up costs to service activity that was never undertaken, and the Department for Energy and Climate Change (DECC) did not have voting rights on its board (so could not stop this). Being able to start small and scale with demand is key to realising value for money.
- **DATA**: it was hard to measure progress on key objectives like fuel poverty because DECC did not have access to the right data – notably on household income. It was also tricky to blend Green Deal measures with existing fuel poverty support.

Crucially, succeeding at delivering energy efficiency at scale will mean that the region will need to be able to pool different kinds of support and investment and set its own definition of what success looks like.

---

<sup>22</sup> Laid out in detail by the Public Accounts Committee, see: [https://publications.parliament.uk/pa/cm201617/cmselect/cmpubacc/125/125.pdf?utm\\_source=125&utm\\_medium=module&utm\\_campaign=modulereports](https://publications.parliament.uk/pa/cm201617/cmselect/cmpubacc/125/125.pdf?utm_source=125&utm_medium=module&utm_campaign=modulereports)

<sup>23</sup> Interest rates on Green Deal Loans were between 7% and 10%.

We move around the region using mass transit and active travel.

Car journeys are on the wrong trajectory in this region – anyone who has been stuck in traffic will recognise this. While there has been a small fall in overall emissions, the improving efficiency of vehicles means that the number of car journeys has actually increased.

It is not practical to transfer this use over to electric vehicles. The Regional Energy Strategy sets this out: the 42,547 GWh of energy currently delivered to vehicles in the region as petrol and diesel<sup>24</sup> is nearly equal to the amount of energy delivered through the entire gas network in the region and almost twice that delivered by the electricity system. The implications for local energy infrastructure of shifting transport fuel use from petrol to electricity or gas are significant. As such, a lot of that demand will need to be met or otherwise eliminated by mass transit or active travel.

If this carries through, by the time we reach 2041, a majority of people will not own cars, with most car use taken up on an ad hoc basis through electric car clubs. All other journeys are completed by walking, cycling, scoots, and use of buses, Metro and trains.

### EXAMPLE ACTIONS | Creating and connecting clean, sustainable places

	Work with Government to improve National Planning Policy Framework	WMCA and Councils explore introduction of zero carbon standard for new builds	<b><i>Regional Design Guide principles to be applied to new developments</i></b>	Develop a regional investment plan for renewable heating and cooling
	Partner with Cemex and other industry partners to create low carbon cement supply chain	Develop other industrial symbiosis solutions for key infrastructure	<b><i>'Sprint' bus rapid transit routes</i></b>	Explore potential of fiscal levers to manage demand and invest in sustainable infrastructure

<sup>24</sup> Worth around £3.3bn per year.

	<i>New Metro Lines</i>	<i>Approve strategy for electric car charging infrastructure</i>	<i>Google partnership on Environmental Insights Explorer</i>	Reallocate highway space to walking, cycling and mass transit
	<i>Increased suburban rail and park and ride capacity at train stations</i>	Evaluate the impact of potential bus regulation on climate impact	<i>Accelerated transition of buses to low carbon, low pollution variants</i>	<i>Deliver first tranche of Better Streets Fund</i>
<b>Between Five and Fifteen Years</b>	Councils to use licensing to migrate all taxis to electric cars	Deliver at least one 'electric bus town' with Government investment	Use smart technology to help people save time and energy	Birmingham Airport commits to net zero carbon and is on track for 2041

Creating and connecting clean, sustainable places: **the first five years**

- **NPPF reform:** collaborate to reform the National Planning Policy Framework to ensure that planning authorities have a robust basis on which to demand zero carbon / carbon negative developments and to assist localities in improving transport and in planning their decentralised energy and waste systems.
- **Zero carbon homes standard:** explore introducing a zero carbon homes standard for all new builds – this can occur without a change to Building Regulations<sup>25</sup>. Collaborate with

other regions to reduce ‘gaming’ of the changes by developers.

- **Design Charter to shape new neighbourhoods:** aim for the Design Charter, which provides guidance to developers building new homes with WMCA resources (including on low carbon construction, operation, and resilience), to be applied to all new developments.
- **Investment plan for renewable heating and cooling:** develop a joint regional investment plan for renewable heating and cooling, including any planned expansions of the region’s existing district heating networks and introduction of technologies like anaerobic digestion<sup>26</sup> (AD). The first

<sup>25</sup> See: <https://www.ukgbc.org/ukgbc-work/advancing-net-zero/>

<sup>26</sup> AD comes in various forms, but in essence, turns putrescible waste (like food) into biogas, which can be used in gas-fired heating systems.

investments should be signed off by the end of this period.

- **Decarbonise cement:** create a plan in conjunction with Cemex and other industry partners to replace all cement used in regional construction with low carbon alternatives.
- **Waste into infrastructure:** work with International Synergies and other industrial symbiosis experts to assess the potential in using locally produced industrial waste to create building and construction materials – for example, in creating bitumen surfaces for highways.
- **More green space:** collaborate to increase planning requirements for green space and energy efficiency<sup>27</sup>.
- **Boost numbers of electric taxis:** use licensing to encourage take-up of electric taxis.
- **Reallocate parking spaces:** as pricing structures are updated, explore reallocating parking spaces to car shares and electric vehicles and reduce parking charges for both as an incentive.
- **New fiscal levers:** identify new revenue streams to invest in walking, cycling, and public transport.
- **Fewer parking spaces in new developments:** over the medium-term, ensure that parking spaces per dwelling is

reduced across the area, but notably in city centres, where density is highest and existing public transport access is greatest.

- **A regional approach to ULEV:** approve electric vehicle strategy at WMCA Board in early 2020, which outlines a collective approach to installing charging infrastructure across the region.
- **Refresh Movement for Growth:** refresh of the West Midlands Movement for Growth transport strategy to further the detail and thought on how the transport network can help the region meet the climate challenge – both in terms of resilience and the overall carbon budget.
- **More space for walking and cycling:** continue reallocating road space to walking, cycling, and mass transit. Consider creating a regional body for walking and cycling so that investments made as part of Movement for Growth can be held accountable to the overall goal of achieving a modal shift that aligns to the climate challenge. We need to continue to create a ‘buzz’ around walking and cycling – telling stories which show how good life can be when you move around in this way.
- **More powers to invest for change:** assess the powers and investment that are needed

---

<sup>27</sup> See: <https://www.ukgbc.org/news/government->

[confirms-local-authorities-can-set-energy-standards-beyond-part-l-in-nppf/](https://www.ukgbc.org/news/government-confirms-local-authorities-can-set-energy-standards-beyond-part-l-in-nppf/)

at regional and local level to unlock necessary changes in the transport network. This could include analysis to assess whether bus regulation powers as outlined in the 2017 Bus Services Act will help to deliver a low carbon, well-used bus network relative to the status quo.

### Creating and connecting clean, sustainable places: **between five and fifteen years**

- **Net zero airport:** Birmingham Airport commits to reaching net zero, ideally at the same time as the wider region in 2041.
- **Smart places:** learning from the 5G testbed pilots and existing technology, we will deploy smart technology in a way that enables low carbon living whilst respecting people's rights.

## **We will decouple prosperity from consumption of energy and resources**

We will ensure that people can live good lives without doing irreparable harm to the environment. This is partly about only using low carbon energy but it is also about reducing, reusing, recycling and recovering waste – in our day-to-day lives, but also at work and in our industrial processes. It is also about how we source our food, and how we consume the goods and services that enhance our lives. As businesses, consumers and regulators make the shift to processes and lifestyles that regenerate the environment, boost adaptation and minimise harm, there are exciting business opportunities that we can benefit from.



## WORK UNDERWAY | Setting the WMCA carbon budget

*Ensuring that balancing emissions is taken as seriously as balancing budgets*

The WMCA's 'carbon budget' – the maximum CO<sub>2</sub> associated with energy use in WMCA area – is tethered to the UK's Paris Agreement commitments. The latest scientific consensus on climate change in the IPCC Special Report on 1.5°C<sup>28</sup> is used as the starting point for setting sub-national carbon budgets that enable the UK to meet this commitment. Shipping and aviation are not included, as both are being dealt with in a separate, national carbon budget for those activities. Land use, land use change and forestry (LULUCF) should be seen as a separate piece of work, focused on increasing carbon sequestration from these sources.

Based on these parameters, the Tyndall Centre for Climate Change Research suggests that a budget of 126 million tonnes (MtCO<sub>2</sub>) for the years 2020 to 2100 should amount to a fair contribution. The zero carbon year (2041) is defined as the point at which WMCA's annual average CO<sub>2</sub> emissions fall below a threshold level of 0.9 MtCO<sub>2</sub> – over 96% lower than 2015 levels.

Given that WMCA used 21MtCO<sub>2</sub> in 2016, this will be a huge challenge – if we carried on emitting at that level, we would blow the entire budget in six years, and lock in 3-4 degrees of warming.

## What does this look like?

We will use innovative financial products to unlock good outcomes

Everything in this document will require investment – the estimate suggested as part of setting the WMCA Carbon Budget was 1-2 percent of GVA (roughly £2bn per year on average). How we create those investments matters: we want it to lower the cost of living, boost prosperity and to carry on recirculating through the places of the West Midlands.

---

<sup>28</sup> See: <https://www.ipcc.ch/sr15/>

Some of this will be about the levers of government: borrowing and taxation. But we can also work with financial institutions and investors to create products that unlock positive outcomes, whether it is a revolving loan for energy efficiency investment, a green bond to unlock sustainable urban drainage schemes or a co-operative share issue to deliver community-owned renewable energy system



## CASE STUDY | Climetrics

### *A green rating for pension funds*

Climetrics provides an independent, holistic assessment of a pension fund's climate-related risks and opportunities. It looks inside each fund, measuring its exposure to climate risks and opportunities, as well as the fund's investment policy and the asset manager's public action on climate change.

Climetrics ratings are free to search, providing investors with transparency on climate change-related risks when comparing funds. These sort of decision-making tools are invaluable in helping institutional investors avoid 'traps' like stranded assets – investments that need to be written down or written off because they are not consistent with the future needs of society.

## LOOKING TO THE FUTURE | Fewer flights

### *Cleaner connectivity*

The WMCA carbon budget does not include aviation. Nonetheless, it is useful to reflect on the tension between staying connected to the world around us and our climate change obligations. Globally, emissions from aviation can only grow by 25% if the sector is to deliver on the Paris Agreement – a challenge, given that most of the world's population does not fly.



Facing this issue is likely to involve the following:

- **Collective investment in international rail.**
- **Collective investment in low carbon flight.**
- **Frequent flyer levy:** everyone gets one tax free return flight per year with a sliding levy scale for each subsequent flight. All returns to be invested into sustainable alternatives.

We will ensure that food is local, seasonal and with more plant-based options

We will create a region where it is easy to eat good food without adding to climate breakdown. This means eating meat like beef and lamb more sparingly and eating more seasonal food to ensure low food mileage and low production costs. Per person emissions associated with food are falling.

## PERSONAL ACTION | **Becoming Flexitarian**

### *More variety, not less*

Sometimes called 'casual vegetarianism', the spirit of flexitarian eating is one of inclusion: introducing more seasonal, plant-based options without completely eliminating meat. This has several advantages:

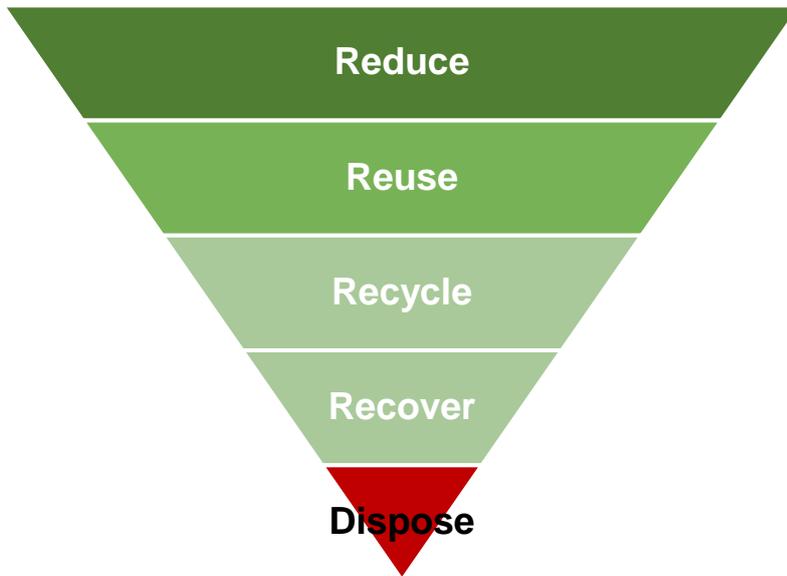
- A reduction in greenhouse gas emissions – as much as 52 percent, assuming everyone switched to a flexitarian diet<sup>29</sup>. Other research indicates that if every family in the UK swapped a red meat meal to a plant-based meal just once a week, the environmental impact would be the same as taking **16 million cars** off the road<sup>30</sup>.
- Reducing demand for meat would reduce the need for intensive animal farming, which has a negative impact on the environment. However, sustainable cattle farming has a role to play in reducing soil erosion by locking in nutrients and sequestering carbon emissions.
- A healthy option with lower cholesterol and plenty of nutrition.
- It is more appealing to more people as it increases options for mealtimes. Furthermore, the meat eaten can be better quality, as people will have more budgetary headroom to eat meat that is organic and locally sourced.

---

<sup>29</sup> See: <https://www.nature.com/articles/s41586-018-0594-0>

<sup>30</sup> Research commissioned by The Meatless Farm Company, see: <https://meatlessfarm.com/meatless-consumption-target/>

We will ensure that there is no such thing as waste



Waste and pollution will be designed out of how we live our lives. We will keep products and materials in use, by reducing, reusing, and recycling the things we consume. We will see this as an opportunity to create new economic models, services and businesses, which will help us to achieve this.

*Figure 7 – The waste hierarchy, indicating the order of preference for managing waste.*

## CASE STUDY | The ReUsers

*Secondhand can be first choice*



Located at Norris Way Household Recycling Centre in Sutton Coldfield, the ReUsers social enterprise (part of the Jericho Foundation) rescue unwanted items so that they can be resold to someone else at a fair price. They change their offer to meet local needs – for example, opening a Christmas shop to

give people a cost-effective, sustainable alternative to buying new Christmas decorations.

This sort of enterprise can be scaled up, to offer people a different shopping experience. Looking to Sweden, the ReTuna shopping centre – located on the outskirts of the small city of Eskilstuna – sells only reused and sustainably produced items<sup>31</sup>.

<sup>31</sup> See: [https://www.huffingtonpost.co.uk/entry/recycled-mall-sweden-retuna\\_us\\_5bfd0762e4b0eb6d931346b3?ri18n=true&guccounter=1&guce\\_referrer=aHR0cHM6Ly93d3cuZ29vZ2xILmNvbS8&guce\\_referrer\\_sig=AQAAALgYIVLvw3WYoSqU5S6UN1hJYesgH2zNhLKdzoNoJIHoojHfpbdNgW1AltUsuE7HAC1a2J6c3iwKorP7mR5k5rErndPx\\_6TmdU9J7UgYeeooPukF\\_NxjdY5ihKIBKZH3vngB4ghznPq5DdWydwtypP5p6nra40zxJjGszvNYa9S](https://www.huffingtonpost.co.uk/entry/recycled-mall-sweden-retuna_us_5bfd0762e4b0eb6d931346b3?ri18n=true&guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xILmNvbS8&guce_referrer_sig=AQAAALgYIVLvw3WYoSqU5S6UN1hJYesgH2zNhLKdzoNoJIHoojHfpbdNgW1AltUsuE7HAC1a2J6c3iwKorP7mR5k5rErndPx_6TmdU9J7UgYeeooPukF_NxjdY5ihKIBKZH3vngB4ghznPq5DdWydwtypP5p6nra40zxJjGszvNYa9S)



*Figure 8 – An overview of EBRI's work*

## CASE STUDY | EBRI

### *A regional centre for bioenergy expertise*

The Energy and Bioproducts Research Institute (EBRI) at Aston University researches all aspects of bioenergy - an overview of which can be seen in Figure 6.

It acts as a focus for international activities on the scientific and technological aspects of biomass conversion and utilisation of products for renewable power, heat, transport fuels, hydrogen and chemicals. EBRI works to extract the maximum value from all types of biomass, including waste resources. It also furnishes students with the skills and competencies they need to put their academic work into practice.

## EXAMPLE ACTIONS | Working to decouple prosperity from consumption

First Five Years	Roll out citizen behaviour change campaigns with partners (energy, waste, travel)	Work with other CAs to create climate change devolution framework	Develop a green bond to stimulate investment in low carbon infrastructure	Public sector work to procure food with a smaller climate impact
	Ensure climate smart nutrition is embedded in the school curriculum	<i>Extend WMCA commitment to eliminate single-use plastics from all activities by 2020</i>	<i>NHS regionally to create a climate action plan and target for its operations</i>	<i>WMCA to launch the first Clean Growth Challenge - demand-led innovation</i>
Between Five and Fifteen Years	Divest the Local Government Pension Fund from fossil fuels, and into climate smart investment	Ensure that large infrastructure or service investments balance a carbon budget	Re-refresh the region's SEP incorporating growth goals in line with climate ambitions	
The Last Five Years	No putrescible waste to be sent to landfill or incinerated			

### Decoupling prosperity from consumption: the first five years

- **Balance carbon budgets on long term investments:** collaborate so that large investments balance a carbon budget without offshoring emissions. This would signal serious intent.
- **Devolution framework for climate:** collaborate with the other combined authorities to develop a devolution framework

and series of deals which relate to meeting the climate challenge. This should include new powers to generate revenue and to regulate.

- **Create green financial products:** work with financial institutions to design financial products like a 'green bond', to stimulate investment in the region and to boost local businesses. This could position the region to take real

commercial advantage of the transition to low carbon economy that we will need to collectively embark on.

- **Factor climate impact into procurement:** all catering contracts to take into account climate impact, including supply chain and freight. Collaborate to learn from what is easiest to measure and to build a supply chain of trusted local suppliers.
- **Embed climate smart eating into the curriculum:** ensure that catering offer is complemented by embedding healthy eating in the curriculum. This can be as part of cooking classes that will also ensure children recognise a wide variety of seasonal foods.
- **Eliminate single-use plastics:** work to eliminate single-use plastics from all activities. This is consistent with a pledge made by the Mayor in September 2019<sup>32</sup>, which promises that single-use plastics will be eliminated from all WMCA / TfWM operations by the end of 2020.

- **Build a case for the NHS contribution:** to develop a plan for its contribution to various elements of the climate challenge: including single-use plastics, catering, waste, transport and estate. To be developed via collaboration between the integrated care systems (ICSs) of the WMCA 3-LEP area.

#### Decoupling prosperity from consumption: **between five and fifteen years**

- **Divestment of WM LGPF from fossil fuels:** divest the West Midlands Local Government Pension Fund from fossil fuels and invest in renewable energy.

#### Decoupling prosperity from consumption: **the last five years**

- **No waste:** no putrescible waste is sent to landfill or incinerated – it will be significantly reduced, with the remainder used in compost or anaerobic digestion.

---

<sup>32</sup> See: <https://www.wmca.org.uk/news/mayor-commits-west-midlands-combined-authority-to-ditching-single-use-plastics/>

## Next steps: write our story

This paper is a first attempt at a WMCA position of what actions need to be taken in order to meet the climate challenge without leaving anyone behind. It is the storyboard, waiting for people across this region to bring it to life. Some of the actions are about doing things we already do differently. Some are already being developed and delivered as part of business as usual. Others will require new powers and investment.

Either way, we need to turn to the region's people, businesses, Councils and community organisations, to give us a sense of whether we are in the right place. This will be part of an overarching campaign, '**Let's Talk 2041**', which everyone can participate in, championed by the Mayor Andy Street, the Environment Portfolio Holder, Councillor Ian Courts, and the wider leadership of the WMCA.

To get you started, here are some key questions – but your responses can cover anything relevant:

1. **Is anything missing**: do the action areas provide the right impetus for change? Which policies, investments and changes do you think are the most important?
2. **Barriers and opportunities**: many people, places and businesses in this region have been pushing for action on climate change for a long time now, or have been quietly and diligently delivering that change. What do you see as the main barriers to meeting the climate change challenge, and which opportunities are too good to miss?
3. **Accountability and governance**: how do we ensure that we as a region do what is necessary to avert climate breakdown? Should WMCA and local councils have oversight of this, or do we need to create new partnerships?
4. **Citizen involvement**: people exercise their democratic rights at the ballot box, but there are many other ways for that to happen. Should we create a citizen's assembly or similar, to shape and drive this work? Or are there better ways to involve people?

The responses to this paper, and **Let's Talk 2041** will help us to create an investment programme to accompany this report. Now is the time to help us get this right.

Email your thoughts, or offer to host a discussion with your organisation, place, or network: [WM2041@wmca.org.uk](mailto:WM2041@wmca.org.uk). WMCA staff will provide you with a presentation and facilitation notes and will attend where possible.

## Appendix 1: existing policies and asks

Existing	Asks
Investment in Metro extension to Centenary Square, Wolverhampton City Centre and between Wednesbury and Brierley Hill.	Investment in further extensions of the Metro, including from Birmingham to the HS2 interchange at UK Central.
Pledge to end the use of single-use plastics by WMCA.	Government backing for energy and clean air-themed demand-led innovation challenges.
Increased suburban rail capacity serving central Birmingham with 20,000 extra morning rush hour seats and more new carriages.	Investment in our strategic cycle networks and high-profile engagement and behaviour change programmes inspired by Manchester’s Beelines initiative
New suburban rail stations including stations at Moseley, Kings Heath, Hazelwell, Fort Parkway, Castle Bromwich, Darlaston and Willenhall.	Deliver the regions mass transit network - new Tram and Bus Rapid Transit routes by 2026:
Increased park and ride capacity for the West Midlands rail network, including expansion at Tipton, Sandwell and Dudley, Whitlocks End and Longbridge.	Introducing new cleaner rail rolling stock through the West Midlands rail franchise.
<p>Three new Bus Rapid Transit routes (‘Sprint’) by 2022:</p> <ul style="list-style-type: none"> <li>• Birmingham – Perry Barr – Walsall;</li> <li>• Birmingham - Solihull/Birmingham Airport; and</li> <li>• Birmingham – Langley/Peddimore – Sutton Coldfield.</li> </ul>	Partnership with Google to extend its Environmental Insights Explorer to the West Midlands.
Working with National Express and other operators to expand “low fare	Seeking ways to reduce air pollution from trains stopping and idling at central

zones” to encourage increased bus ridership.	Birmingham stations, including making the case for national rail services stopping at central Birmingham to be run with non-diesel rolling stock.
Core bus corridor and central Birmingham bus priority improvements.	
Upgrading bus fleet through retrofitting existing buses, new Euro VI buses and hydrogen powered buses, overseen through local Advanced Quality Partnership Schemes and the Bus Alliance.	Collective asks with other Metro Mayors for various ‘deals’ relating to mass transit, clean air, and energy.
UKBIC (Battery Industrialisation Centre) in Coventry.	



## WMCA Board

<b>Date</b>	17 January 2020
<b>Report title</b>	West Midlands Violence Reduction Unit
<b>Portfolio Lead</b>	West Midlands Police & Crime Commissioner (accountable body) - David Jamieson
<b>Accountable Chief Executive</b>	Alethea Fuller, Interim Chief Executive Officer, Office of the West Midlands Police & Crime Commissioner email: a.fuller@west-midlands.pnn.police.uk
<b>Accountable WMCA Employee</b>	Julie Nugent, Director of Productivity & Skills email: julie.nugent@wmca.org.uk tel: (0121) 214 7942  Claire Dhami, Interim Implementation Lead for the VRU email: claire.dhami@wmca.org.uk

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

#### The WMCA Board is recommended to:

- (1) Note and welcome the progress to date on the establishment of the West Midlands Violence Reduction Unit (WM-VRU) - a collaborative regional approach to addressing violence, vulnerability and exploitation.
- (2) Commit to actively working with the VRU on its prevention agenda - including through agreements for each WM authority to work with the VRU in ways that add value, support preventative work in local settings (including targeting funding to the right places), and can be held to account through appropriate local forums.

## 1. Purpose

The purpose of this paper is twofold:

- 1.1 First, to show how the West Midlands is approaching the challenge of increased violence through the establishment of a Violence Reduction Unit. This is a collaborative, multi-sector body that will convene a range of activities and initiatives designed to embed a ‘public health’ approach to violence across the system. It is hosted and held to account by the Police and Crime Commissioner (PCC), and funded principally by the Home Office (with financial and in-kind contributions from a range of other organisations including Public Health England, WM Police, Local Authorities and the WMCA). Its work programme, staffing and ethos is built through close collaboration between public services and communities, underpinned by the conviction that “violence is preventable, not inevitable”.
- 1.2 Second, to enlist the support of WMCA Board members as an active and vital part of this collaboration. Increasing knife crime, gun crime and domestic violence cannot be addressed by the Police alone. These issues have deep determinants, and the role played by local authorities, public services, businesses, education providers and communities in preventing violence before it escalates cannot be overstated. The WM-VRU is *not* an agglomeration of activity to a regional level – it is an enabling function designed to amplify, support, fund and connect initiatives that can make a difference within communities. It will succeed through the strength of collaboration that we create around it. This is the reason why this paper is being brought to WMCA Board.
- 1.3 The following sections show how we have approached the set-up and work programme of the WM-VRU; and how it builds on the foundation of the region’s WM WHO Violence Prevention Alliance, the Gangs and Violence Commission, and the Preventing Violence against Vulnerable People programme. It shows how we intend to translate the promise of greater focus and resource in prevention into action on the ground.
- 1.4 The WM-VRU was launched by the PCC and partners with a strong statement of intent about the need for a step-change in collaboration to address and prevent the causes of violence. This paper asks for a commitment from Board members to this ethos; and to help embed a model that has seen levels of violence decrease by circa 40% in Glasgow over 10 years as a result of this approach.

## 2. Background

- 2.1 The backdrop to the establishment of the WM-VRU is one of a notable increase in violence within several of the UK’s urban areas, and within the West Midlands in particular. In this region, gun crime has increased by 33%, and instances of knife crime have increased by 85% since 2012. Domestic violence has

increased 14% since 2018 and violent crime against the person is up 32% in the last year.

- 2.2 The risk factors underpinning this are complex, with most lying outside of the reach of the criminal justice system. They range from local patterns of criminal activity to the impact of poverty, economic marginalisation, health, social care and changes to the funding regime for preventative services for young people. Whilst many of these challenges remain systemic and ongoing (and indeed continue to pose severe demand challenges for public services), Government has recognised that more focus and resource needs to be put into prevention – announcing £100m in the Spring Statement to tackle ‘serious youth violence’, including the establishment of a number of Violence Reduction Units which utilise the ‘public health approach’.
- 2.3 The link between violence and public health is fundamental. Preventing violence and exploitation and reducing vulnerabilities is an essential part of addressing health inequalities. There is strong evidence that addressing the social determinants of health such as housing, education, and access to healthcare will result in better health outcomes; further enhanced by taking a lifecourse approach by considering interventions from birth to old age. By adopting a public health approach and tackling these wider determinants in a co-ordinated, collaborative and strategic way we aim to reduce violence, vulnerability and exploitation. From conception onwards, there are multiple relevant points in an individual’s life that can present an opportunity for appropriate interventions.
- 2.4 The WM-VRU embeds the public health approach. This means it will describe the importance of understanding health, social care and economic needs, identification of risk and protective factors to support individual and population level interventions, and support the development of a ‘whole system’ approach to tackle complex problems using evidence based interventions.
- 2.5 This public health approach aligns strongly with activities that are already happening in the West Midlands – meaning that, unlike some other areas, we have not had to start a WM-VRU from scratch and others are learning from us. These include:
- A Violence Prevention Alliance – built through partnership between WMP, Public Health England and the PCC, which has trialled a number of activities that will be scaled by the extra funding afforded to the VRU.
  - A Gangs and Violence Commission – established by the PCC and Chaired by Bishop Derek Webley, which outlined the blueprint for a community-led approach to addressing violence and gang culture in Birmingham.
  - The Preventing Violence Against Vulnerable People programme – which is a partnership of Local Authorities and WMP designed to strengthen collaboration and preventative activity against vulnerability, child exploitation and strengthen safeguarding.
  - A substantial programme of work – developed by the WMCA and PCC in partnership since 2017 – evidencing patterns of vulnerability in the region and the potential for different approaches to youth justice reform.

- Many activities that are already embedded within local health, criminal justice and public safety partnerships – giving us a chance to amplify and evidence what we think works, and better support the efforts of local authorities, communities and partnerships that can make a difference at a neighbourhood level.
- 2.6 The WM-VRU thus brings several programmes of work together and gives the region the possibility to amplify and grow them. On 12<sup>th</sup> August 2019, the OPCC received confirmation that the West Midlands would receive £3.37 million (for FY 19/20) to establish its VRU. This has been the trigger for substantial, rapid work to establish our Unit, bring together a number of secondments to begin its work, and begin to scale and evidence the activities (outlined below) that sit within its workplan.
- 2.7 The Unit was publicly launched on 3<sup>rd</sup> October, with key partners (including the WMCA represented at officer-level by Henry Kippin) signing the following declaration:

*The members of the Violence Reduction Unit board hereby pledge to support our communities, so they thrive and ensure our streets, homes, workplaces, schools, colleges and public spaces are safe. Schools, councils, hospitals, GPs, the police, and many more partners, will all work together to create safer and less fearful communities.*

*The VRU will implement the public health approach to prevent and reduce violence, vulnerability and exploitation.*

*Together, we will:*

- *Stop violence before it starts*
- *Tackle the cause and impact of violence*
- *Focus on enabling safe futures for our children*
- *Reduce violence in the West Midlands*
- *Recognise the diversity of the challenge we face across the region.*

### **3. Further Detail on Purpose, Progress and Activities**

#### **(a) Governance, Structure and accountability**

3.1 The WM-VRU presents a significant step in governance terms. We have commenced a whole system local and regional coordinated approach to preventing and reducing violence, vulnerability and exploitation. The governance of the approach to date has been managed through a small ‘executive group’, who have led the funding application, developed the vision and mission statement and supported the creation of the WM-VRU team. The executive group is;

- Alethea Fuller, OPCC
- Dr Sue Ibbotson, Public Health England

- ACC Vanessa Jardine, West Midlands Police
- Clive Heaphy, Birmingham City Council, representing LA's
- Julie Nugent, WMCA
- Phil Johns, Birmingham and Solihull STP, representing NHS partners
- Claire Dhami, WM-VRU

3.2 It is a requirement of the Home Office that the WM-VRU creates a formal Board – ensuring that, in addition to those parts of the public sector represented above, there is clear opportunity for communities, voluntary sector organisations, experts by experience, young people, academics and other sector voices to influence the way the Board coproduces and oversees the strategy. As with the Violence Prevention Alliance, which was the blueprint for the WM-VRU, the Co-Chairs of the Board are PHE's West Midlands Regional Centre Director, Dr Sue Ibbotson, and West Midlands Police Assistant Chief Constable Vanessa Jardine.

(b) WM-VRU activities

3.3 The WM-VRU has a budget of **£4,034,000** for this financial year. This includes **£3.37** million from the Home Office, a **£524,000** grant from the Police and Crime Commissioner which was formerly the Violence Prevention Alliance budget and a **£140,000** contribution from local authorities and West Midlands Police which represents the legacy work of the preventing Violence Against Vulnerable People programme.

3.4 As well as funding and evaluating new projects, the additional money will allow us to roll out and expand current schemes already in place. We group violence prevention into three categories. Primary prevention prevents violence happening before it starts. Secondary prevention identifies risk factors early and stops violence in its tracks and Tertiary prevention helps victims and perpetrators avoid further involvement in violence. Below are just some of the initiatives being funded between now and April 2020.

3.5 Primary prevention

- Mentors in Violence Prevention – Mentoring programme in schools whereby children mentor other children to prevent violence.
- School Engagement Officers – These officers will help schools tackle violence by linking them up to appropriate support for those identified as at-risk. This support consists of sport, integrated-mentoring and character building education.
- Specialist mentoring - Targeted mentoring for young people (aged 10 – 18) at risk of violence and living in high crime areas.

3.6 Secondary prevention

- IRIS – Helps GP practices identify patients affected by domestic abuse and provides the victims with support.

- Behavioural Change Campaign – Using behavioural science and networks to influence behaviour and develop a counter-narrative of hope and aspiration, particularly for young people.

### 3.7 Tertiary prevention

- A&E Interventions – Intervening in the lives of young people who present at A&E units for treatment after incurring an injury through violence. Mentoring and support are offered to help the young person escape the cycle of violence.
- Intensive support for people leaving gangs - This programme will provide a package of intensive support for both young people and adult gang members resettling from custody or those recently released.

### (c) Outcomes

3.8 The Home Office require two products by March 2020. The first is a ‘problem profile’ or strategic needs assessment setting out what types of violence and exploitation occurs in the West Midlands, who it affects and impacts upon and what we know about vulnerabilities. This is already underway. The Unit will also undertake a ‘mapping and gapping’ exercise to understand the current activity to prevent and reduce violence, vulnerability and exploitation and compare this against the problem profile in order that, in future years we can better target needs, resources and activity. The second product required is a violence reduction strategy, which the region needs to co-produce and own together. The strategy will be broader than the delivery of funding – it will set a strategic ambition for the region and detail our journey to achieve this.

3.9 Violence is a multi-agency problem requiring a multi-agency solution. Consequently, positive outcomes from a multi-agency violence prevention approach should be evident and monitored across multiple sectors. The WM-VRU is currently developing an outcomes framework to monitor and evaluate its approach. This will, in turn, become an evidence base that the region can use to collaborate, adapt and improve local approaches to violence reduction.

3.10 The Home Office have set three performance measures for the WM-VRU, which are:

- (1) *Reduction in hospital admissions for assaults with a knife or sharp object and especially among those victims aged under 25;*
- (2) *Reduction in knife-enabled serious violence and especially among those victims aged under 25, based on police recorded crime data;*
- (3) *Reduction in all non-domestic homicides and especially among those victims aged under 25 involving knives.*

## 4. Next steps

- Legacy PVVP activity is being carefully translated across to the VRU, and the future role of the VRU in relation to Community Safety Partnerships and statutory safeguarding arrangements are being developed.

- A proposed budget for 20/21 will be considered by the VRU Board in January 2020.
- A shared regional strategy to violence prevention and reduction will be agreed by the end of March 2020.
- We will develop and maintain our national position as a market leader in how the proposed new legal duty to work together to prevent and reduce serious violence through the Serious Violence Bill will be implemented in the West Midlands.
- We will engage deliberately with each WM authority to create a 'compact' which outlines a set of commitments to ensure the VRU is adding most value within local settings, and which can be held to account through local Health and Wellbeing Boards and other appropriate forums.

## **5. Financial Implications**

- 5.1 The WM-VRU is funded via a grant from the Home Office to the Police and Crime Commissioner – which is conditional on maintaining the cross-regional collaboration outlined in this paper. Additional resources from the VPA and PVVP are managed through existing budgets as detailed above. The spending round announced a further £100 million for violence reduction activity in 2020/21 and the Serious Violence Bill references ongoing commitment to VRU's.
- 5.2 The WM-VRU received confirmation on 30<sup>th</sup> December from the Home Office that £3.37 million is available in 2020/21 for the WM-VRU. It is anticipated this will again be via a partnership application process.

## **6. Legal Implications**

- 6.1 The WM-VRU is not a statutory partnership or unit. The Police and Crime Commissioner will be the accountable body for the activity of the Unit and as such the legal implications for the WMCA are limited.
- 6.2 There is no legal requirement for the Police and Crime Commissioner, as the accountable body for the Home Office VRU funding to report on the WM-VRU's progress. However the Police and Crime Commission is keen to reflect the partnership approach to the WM-VRU through providing regular updates to regional partners, and ensure updates are presented at PSR Board and Wellbeing Board as appropriate, alongside the regional Community Safety Partnership Board, the Local Criminal Justice Board and the Strategic Police and Crime Board.
- 6.3 There may be legal implications of the proposed Serious Violence Bill. It is proposed by Government that the bill will place a new duty on public sector bodies, ensuring they work together to address serious violence. The main elements of the proposed bill are:
- Placing a duty on relevant public agencies and bodies to prevent and reduce serious violence.

- Providing sufficient flexibility so that the relevant organisations will engage and work together in the most effective local partnership for any given area, whether that be a Community Safety Partnership or other multi-agency partnership such as local safeguarding arrangements.
- The legislation will enable statutory guidance that will set out the likely implications on a sector-by-sector basis.
- Amending section 6(1) of the Crime and Disorder Act 1998, which sets out the strategies Community Safety Partnerships must formulate and implement, to explicitly include serious violence.

## **7. Equalities Implications**

- 7.1 The activity of the WM-VRU will focus on particular protected groups to prevent and reduce violence where appropriate. This may include interventions targeted at, for example, women and girls, BAME young men and looked after children.

## **8. Inclusive Growth Implications**

- 8.1 The WM-VRU will make proactive and positive interventions in areas which support inclusive growth outcomes, and which are represented in the WMCA's Inclusive Growth Framework. For example:

- The case for prevention in relation to vulnerability and the determinants of violence strongly overlaps with that of investing in those people and communities who are economically marginalised, and that are under-represented in the workplace.
- Patterns of violence are strongly related to those of economic marginalisation - so an investment in reducing violence, vulnerability and exploitation is an investment in those communities specifically.
- There is a significant cost of violence in terms of lost productivity and the ability of the whole population to contribute to and benefit from growth; and the safety and security of our region for citizens, communities and businesses.
- Success in reducing violence over the medium term could make a substantial difference to the trajectory of population health outcomes in the region. These are monitored regularly at a local and regional level, and via the WMCA's Wellbeing Board and PHE Population Hub.

## **9. Geographical Area of Report's Implications**

- 9.1 The VRU will cover all areas of the West Midlands. Interventions will be targeted based on evidence of demand and need, and on the basis of engagement and collaboration with partners. The WM-VRU has commenced cross boundary engagement with non constituent members on particular issues such as county lines activity, have established a network of national VRU leads and are actively participating with the Home Office to share knowledge.

9.2 In addition to Scotland's existing VRU, the following funding was made available to PCC's in England and Wales VRU in 2019/20 and will remain the same in 2020/21:

<b>Area</b>	<b>Amount of funding from the Home Office</b>
Met	£7,000,000
West Midlands	£3.370,000
Greater Manchester	£3.370,000
Merseyside	£3.370,000
West Yorkshire	£3.370,000
South Yorkshire	£2,000,000
Northumbria	£2,000,000
Thames valley	£1,500,000
Lancashire	£1,500,000
Essex	£1,500,000
Avon and Somerset	£1,500,000
Kent	£1,500,000
Nottinghamshire	£1,000,000
Leicestershire	£1,000,000
Bedfordshire	£1,000,000
Sussex	£1,000,000
Hampshire	£1,000,000
South Wales	£1,000,000

## 10. Other Implications

None

## 11. Schedule of Background Papers

VRU Brochure

This page is intentionally left blank



**West Midlands  
Combined Authority**

## **Strategic Economic Development Board Meeting**

**Thursday 5 September 2019 at 10.00am**

### **Notes**

#### **Members**

Coventry & Warwickshire LEP  
Black Country LEP  
Cabinet Portfolio - Economy &  
Innovation  
City of Wolverhampton  
Dudley MBC  
Solihull MBC  
Warwickshire County Council  
West Midlands Combined Authority  
Deputy Mayor

Jonathan Browning  
Lindsey Flynn  
  
Councillor Ian Brookfield  
Councillor Harman Banger  
Councillor Ian Kettle  
Councillor Ian Courts  
Councillor Izzi Seccombe  
  
Councillor Bob Sleigh

#### **Officers in Attendance**

Black Country LEP  
Coventry & Warwickshire LEP  
City of Wolverhampton  
Greater Birmingham & Solihull LEP  
Solihull MBC  
West Midlands Combined Authority  
West Midland Combined Authority/  
Birmingham City Council  
West Midland Growth Company  
West Midland Investment Board  
Energy Capital  
Amion Consultants  
UGC  
Transport for West Midlands

Sarah Middleton  
Paula Deas  
Tim Johnson  
Katie Trout  
Perry Wardle  
Ian Martin  
  
Tony Smith  
Roger Mendonca  
Mike Wright  
Matthew Rhodes  
Graham Russell  
Philip Farrell  
Craig Wakeman

**Item  
No.**

**14. Apologies for absence**

Apologies for absence were received from Councillors George Duggins, Bob Lloyd and Ian Ward and Stuart Croft, Matthew Hammond, Tim Pile and Stewart Towe.

**15. Declarations of Interest**

No declarations were made.

**16. Notes of the Strategic Economic Plan Board Meeting held 8<sup>th</sup> July 2019**

Resolved:

That the notes of the meeting held on the 8<sup>th</sup> July 2019 be approved as an accurate record.

**17. SED Board Tracker Log**

Resolved:

That the SED Board Tracker Log be noted.

**18. Forward Plan**

Resolved:

That the Forward Plan be noted.

**19. Terms of Reference**

The Chair referenced the Terms of Reference report and highlighted that the Board, The Marches Local Enterprise Partnership (LEP), whilst previously holding an observer role had been added as a Member.

It was noted that the revisions had been made through the WMCA Governance team and that the correction required would be highlighted to them.

Resolved:

That the Board confirm the revised Terms of Reference, subject to the correction to the status of The Marches LEP on the Board.

## **Economic & Innovation Portfolio**

### **20. Strategic Programme Business Case for the UK Central Hub**

Perry Wardle, Graham Russell, Philip Farrell and Craig Wakeman gave a joint presentation on the UK Central Hub.

They advised that the UKC Hub in Solihull was one of the UK's most strategically important development areas and a major driver of regional and national economic growth. It comprised a unique collection of international assets including Birmingham Airport, the NEC, Jaguar Land Rover, Birmingham Business Park and the Arden Cross site which would be home to the new HS2 Interchange Station. However, the development was not predicated on the delivery of HS2.

Overall, the development planned at The Hub was forecast to support 70,000 new and existing jobs, accommodate up to 5,000 new homes, 400,000 m<sup>2</sup> of commercial space, and an additional £6.2bn GVA per annum (greater than the GVA of Southampton, Sunderland or Peterborough).

Economic growth on this scale could only be delivered with significant and coordinated public investment in infrastructure at an early stage. The Urban Growth Company (UGC) would use its unique position to strategically coordinate development, by delivering seven considered priorities:

1. Over Trace Roundabout - Arden Cross
2. Electricity Network Reinforcement
3. Automated People Mover Upgrade
4. Birmingham International Station Transport Interchange
5. HS2 Car Park Upgrade
6. M42 Public Transport, Pedestrian and Cycle Bridge
7. Junction Pinch Points and Car Parking Strategy

They advised that these initiatives would complement the growth plans of the constituent stakeholders to create a 'whole' which was far greater for the West Midlands, than the sum of the parts and stated that the Hub would become Europe's best-connected destination for business, leisure and living; a new and outstanding gateway to the UK.

The improved connectivity at The Hub would mean an additional 200,000 residents (mostly in the Black Country and Coventry & Warwickshire) would find themselves within a 45-minute commute by public transport. Jaguar Land Rover, Birmingham Airport and the NEC currently directly employ more than 2,000 staff from the Black Country and 3,000 from Coventry & Warwickshire, not to mention numerous businesses based at Birmingham Business Park, plus the indirect jobs that exist in the local supply chains.

They concluded that they were seeking the support and endorsement for the Board for the UK Central Hub Strategic Programme Business Case.

Councillor Ian Courts advised that Solihull MBC had been developing the UK Gateway plan for the region over the last four years and whilst it had been related to HS2, it was not dependent on the development, although no HS2 would mean only 3 or 4 of the 7 priorities being delivered. He stated that the project was vital for the West Midlands and would provide a regional gateway.

The Chair stated that the UKC had been presented at the Mayor's Business Advisory Group and acknowledged that whilst HS2 would complement the development it was not mutually dependent. The improvement, expansion and upgrade of the airport was a key aspect and he encouraged the UGC to work with the airport and stated that Birmingham Airport representatives should attend the SED Board to present on their plans, as they had done at the Business Advisory Group.

Tim Pile referenced the impact of the £40m investment if HS2 did not proceed and Perry Wardle advised that this piece of work was ongoing. Councillor Ian Courts added that the value of HS2 was for national connectivity and whilst important for the region the UKC would proceed irrespective of HS2.

The Chair commented that the HS2 review appeared to be issues around timing and scope. He felt there was a low probability of there being no HS2.

Craig Wakeman stated that the Oakervee Review was considering the benefits of HS2 and that TfWM would be putting forward a submission on behalf of the West Midlands, that he would share with the Board.

Tony Smith referenced the £398m request and stated that it would be helpful to pitch detailing the maximum economic return on the investment.

Lindsey Flynn referenced the phasing at 3 and 4 and asked if these were not dependent on HS2. Philip Farrell advised that they were already aware that HS2 was going to be delayed by two years and stated that there would be a review of the timelines for delivery. Craig Wakeman added that the delay was viewed as an opportunity and would allow a review of the phasing and timing.

Katie Trout queried the funding for the car parking, as the financial case had been linked to HS2. Phillip Farrell referenced that there were 4000 spaces for Phase 1 and 3500 for Phase 2. Originally with HS2 phase 1 would have been 7500 spaces but now would only build 4000 spaces. It was noted that further work was being undertaken on modelling.

On consideration of the road network Perry Wardle advised that Highways England were upgrading Junction 6 of M42, which linked in well with the project.

It was noted that the UGC were seeking endorsement to the business case and would go forward to the WMCA Investment Board.

Tim Pile asked if there was confidence that the funding was there and it was noted that Ian Martin would provide an update as part of his paper on the Investment Programme.

Sarah Middleton suggested that the recommendation should reference “the proposal as currently stands”, as the £398 and the £325m may not be the final figures and that the SED Board provide strategic oversight of the project. Councillor Ian Brookfield added that whilst the figures should go in the emphasis was on the strategy and principle for the project. Perry Wardle advised that the seven metropolitan authorities had agreed to the sums involved.

The Chair welcomed the suggested revision and, it was

Resolved:

- 1) That the Board support the request for the £398m Devolution Deal financial commitment proposal as currently stands subject to strategic oversight to be reaffirmed and for £325m of that to be allocated to the seven priority projects outlined in the UK Central Hub Strategic Programme Business Case; and
- 2) That representatives from Birmingham Airport be invited to a future meeting of the Board to report.

## **21. West Midland Innovation Board (WMIB)**

Mike Wright, Chair of the WMIB, provided an overview of the Board. He stated that it had been established in May 2018 and currently comprised of membership from the 3 WM LEPS, the 6 WM universities and Innovate UK. BEIS also attended. He advised that at present there was no business representation but that this would happen as the Board evolved.

The aim was to drive innovation through the region and the third Board meeting would be held later today. He advised that there were huge innovation strengths across the region and the Board would see what assistance they could provide to organisations to deliver innovation. The focus would be on automotive, medical and digital, although he acknowledged there was a separate forum to deliver the latter.

Mike Wright stated that innovation worked cross sectoral, as an example autonomous car was not solely the automotive sector but relevant sectors would work together to produce innovative products. He stated the Board’s role was about creating networks and linkages for investment programmes, particularly with Tier 2 and 3 companies; identifying talent; considering intelligence and what was already out there; and establishing a culture of innovation in the region.

He continued that there was now a need to identify further resource as currently the team was 4 people. There was a need to establish the mechanism which would allow the Board to understand what was out there and noted that it took a long time to bring innovation through to the market.

Whilst SME’s were key to innovation, larger companies were important as they had the Research and Development resource, but would still require their supply chains.

The Chair noted that £2.96m had been provided for over the next three years, subject to the approval of the Investment Board and asked where additional support was needed. On a broader issue he stated that it would be helpful to identify 5 priorities – business/living environment; insight to identify linkages between companies who could connect and support each other; highlight areas for overall economic prosperity; and consider the WM Local Industrial Strategy and where it was mismatched with innovation, it would be useful to report back through to the Board.

Matthew Rhodes advised that he was on the WMIB and there was a need to consider locally what to do differently. He stated that nationally there was a lot of funding from BEIS and Innovate UK but regionally the thinking was very poor. He stated that the WMIB should position a strong role for innovation and have staff from BEIS and Innovate UK earmarked for the region.

Mike Wright acknowledged that the larger companies were London focussed but advised that the local BEIS team and Innovate UK did seem to want to get involved.

Tim Pile asked how the WMIB were defining the scope of the Board and in three years' time how would success be defined that is what characterized success?

Mike Wright advised that there was a need to identify culture and mechanisms in relation to scope. In regard to the second question he advised that success would be about outputs but how to articulate would need to be developed. It would not solely be about manufacturing innovation but also be process innovation that is productivity, financial services etc. The role of WMIB would be as a facilitator.

The Chair commented that the first priority should be developing network linkages and Mike Wright confirmed that they would be working on the companies that had engaged with the LIS initially.

Councillor Ian Brookfield asked, given his Cabinet Role on the CA as portfolio lead for Economy & Innovation, why he had not been invited to the meetings to date. Mike Wright advised that the WMIB was actively engaged with businesses but had none on Board as yet.

The Chair referenced the tracker log and asked that the four Boards, to include the WMIB, be added to the Forward Plan.

Resolved:

That Members note the update;

## **22. Local Industrial Strategy Implementation Plan**

Sarah Middleton, Katie Trout and Paula Deas provided an overview of the Implementation plan.

Matthew Rhodes referenced the environment and asked if this would include energy, which was confirmed. Councillor Ian Courts commented that the LIS Implementation Plan should be strong on environmental delivery.

Resolved:

That a report be submitted to the next meeting.

### **23. Brexit Commission**

Tony Smith advised that with the potential risk of a “No Deal” exist the Commission was now meeting every two weeks. There was a core officer Resilience Forum headed by Nick Page, Chief Executive Solihull MBC, which would meet for the first time today.

He advised that the Mayor had met with Michael Gove and the put the Commission’s propositions forward but that currently he was concerned solely with business propositions. In regard to economic mitigation, Michael Gove had advised that that these were matters for the Chancellor.

He highlighted mitigation that had been prepared to include:

- Investment communications were proactive and centred around business support to include exports;
- Shared Funding pot – MHCLG had provided additional funding for the Chambers’ of Commerce and a joint LEPs’ Growth Hub cluster programme, with C&WLEP being the region’s lead Growth Hub.

The Chair note that funds were available but asked how would it be ensured that there was a real impact and stated that it needed to be a lean process for companies and not an applications process.

Katie Trout advised that all Growth Hubs were receiving additional funding through BEIS but at present there was no detail on the quantum and criteria for how to utilise the extra capacity.

It was asked what the feedback mechanism was from the Brexit Group and the Chair stated that the minutes needed to be shared with the members of the SED Board.

Resolved:

1. That the update on the work of the Brexit Commission be received and noted; and
2. That that the minutes of the Brexit Commission group be circulated Members of the SED Board.

## **24. Spending Review**

Ian Martin advised that the approach to the spending review was consistent with the aims of the Strategic Economic Plan (SEP) and the LIS

It was noted that following a discussion with the new Prime Minister soon after he took office, the Mayor had written to the Chancellor of the Exchequer on 5 August identifying the following SR proposals as being suitable for acceleration with a view to trying to secure an early funding commitment:

- East Birmingham to Solihull Extension
- Housing Affordability Accelerator
- A set of skills and workforce proposals
- UK Central Interchange Hub
- CWG22 Trade, Tourism and Investment Programme
- West Midlands Zero Carbon Accelerator Fund

Ian Martin advised that there was also a need to link in the Brexit work with the spending review proposals.

It was requested that the spending review “asks” be circulated to the SED Board.

Resolved:

1. That the Board note and receive the update.
2. That the Spending Review asks be circulated to members of the SED Board.

## **25. Investment Programme**

Ian Martin advised that the Investment Programme was a £746m commitment, with 74 projects committed to out of 91. The costs incurred to date were £91.2M.

The Chair welcomed the document that was shared with members and commented that it needed some refinement, to align with the LIS and SEP priorities.

Ian Martin advised that originally projects coming forward had been supported on a first come first served basis.

It was queried whether there was a process against the identified funding of £55m. There was a discussion on funding and the Chair advised that the SED Board needed to understand the baseline of unfunded projects through to 2030, with a view to identify alternative sources of funding.

Resolved:

1. That the SED Board welcome the format of the Investment Programme Dashboard, subject to some minor refinements; and
2. That the baseline of unfunded projects be shared with the SED Board.

**26. Regional Tourism Strategy and Regional Tourism Board**

Roger Mendonca presented the Strategy.

Resolved:

That the Board receive and note the strategy contents.

**27. Date of Next Meeting**

Resolved: that it be noted that the next meeting would be held on 20th November 2019.

The meeting closed at 11.55am

Chair

This page is intentionally left blank



West Midlands  
Combined Authority

## Housing & Land Delivery Board

Monday 4 November 2019 at 10.00 am

### Minutes

#### Present

Councillor Mike Bird (Chair)  
Councillor Peter Bilson  
Councillor Angus Lees  
Marc Lidderth  
Councillor Joanne Hadley  
Councillor Andy Mackiewicz  
Councillor David Wright  
Councillor Peter Butlin  
Kevin Rodgers

Walsall Metropolitan Borough Council  
City of Wolverhampton Council  
Dudley Metropolitan Borough Council  
Environment Agency  
Sandwell Metropolitan Borough Council  
Solihull Metropolitan Borough Council  
Telford and Wrekin Council  
Warwickshire County Council  
West Midlands Housing Association  
Partnership

#### In Attendance

Simon Cooper  
Tammy Stokes  
Simon Tranter  
Janet Neale  
Gareth Bradford  
Carl Craney  
Patricia Willoughby

Sandwell Metropolitan Borough Council  
Walsall Metropolitan Borough Council  
Warwickshire County Council  
West Midlands Combined Authority  
West Midlands Combined Authority  
West Midlands Combined Authority

#### Item Title No.

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

Apologies for absence had been received from Sarah Middleton (Black Country Local Enterprise Partnership), Councillor George Adamson (Cannock Chase District Council), Bill Blincoe (Coventry and Warwickshire Local Enterprise Partnership), Simon Marks (Greater Birmingham and Solihull Local Enterprise Partnership), Karl Tupling (Homes England), Councillor David Humphreys (North Warwickshire Borough Council), Councillor Matthew Dormer (Redditch Borough Council), Councillor Sebastian Lowe (Rugby Borough Council), councillor Ian Courts (Solihull Metropolitan Borough Council) and Councillor Daren Pemberton (Stratford on Avon District Council).

#### 20. Notification of Substitutes (if any)

Paul Gascoine had been nominated as a substitute for Karl Tupling (Homes England) and Councillor Andy Mackiewicz had been nominated as a substitute for Councillor Ian Courts (Solihull Metropolitan Borough Council).

**21. Chair's Remarks**

The Chair referred to the low number of reports to be considered at the meeting and commented that members attended meetings in good faith and expected that the contents to be considered should be worthwhile if complacency with regard to the need to attend meetings was to be avoided. He commented that meetings of the WMCA Overview and Scrutiny Committee failed regularly to reach a quorum albeit that a higher level of quorum applied to that Committee and was, in his opinion, was overly prescriptive. He asked the Officers to note his comments and that future meetings should be meaningful. Councillor Angus Lees supported the comments of the Chair on this matter.

Gareth Bradford reminded the Board that at the last meeting a number of major issues had been considered and was likely to be the case for the December 2019 meeting subject to the rules on 'Purdah' not preventing some matters being presented. This purpose of this meeting was to update the Board on progress made on various issues.

The Chair welcomed Councillor Peter Bilson to the meeting after his recent illness.

**22. Declarations of Interests (if any)**

Kevin Rodgers declared a personal interest as an employee of the West Midlands Housing Association Partnership.

**23. Minutes of last meeting**

Resolved:

That the minutes of the meeting held on 30 September 2019 be confirmed as a correct record and signed by the Chair.

**24. Housing and Land Portfolio: Quarterly Update**

Pat Willoughby presented a report which provided a quarterly update on progress with the various workstreams and deliverables agreed previously and as detailed in the 2019/20 WMCA Annual Plan. As referred to earlier in the meeting she advised that a number of reports were scheduled to be considered at the next meeting on 9 December 2019 but that as this fell within the 'Purdah' period this could be subject to change.

She reported that since the report had been prepared requests had been received for the Town Centres Programme to be revised to include the whole of the Dudley, Walsall and West Bromwich Town Centres rather than the specific areas agreed previously. Similarly, a request had been received from Dudley and Sandwell MBC's for the Sandwell to Dudley Corridor to be re-defined as the 'West Bromwich to Dudley Corridor'. Gareth Bradford reported that the purpose of the report was to inform the Board of the progress being made in taking forward the various work areas, on the joint work with respective local authorities and on reports which had been considered by the WMCA Investment Board in relation to matters under the purview of this Board. He reminded the Board that at its last meeting consideration had been given to, inter alia, the following issues:

- Modern Methods of Construction;
- Design Charter; and
- Single Commissioning Framework – Amendments.

He also drew to the attention of the Board the on-going work on Monitoring and Evaluation to ensure an impact on the delivery of housing numbers, land remediation, affordable housing units delivered and value for money from the investments supported.

The Chair commented on the need for a standard definition on the term of 'Affordable Housing' which was sufficiently flexible to acknowledge the differences across the geographical area. Gareth Bradford reminded the Board that such a definition had been agreed previously and was being trialled currently with a report to be submitted to the next meeting with a view to confirming the definition, with amendments, if appropriate. He advised that the definition would also seeking to address the provision of 'Key Worker' accommodation and those seeking employment in the 'Knowledge' economy.

Councillor Angus Lees referred to the £20 million allocated for the Town Centres Programme and whether this funding had been secured and on the extension of the Programme in Dudley to the wider Town Centre and whether £9 million was available for highway improvement works associated with the Town Centre Re-Development proposals. Gareth Bradford explained that any schemes which met the agreed criteria for the Single Commissioning Framework (SCF) could be eligible for funding and that a number of such cases would be considered by the WMCA investment Board at the meeting to be held on 11 November 2019. He confirmed that a sum of £20 million had been earmarked already for the Town Centres Programme by the Investment Board and the proposition before the Housing and Land Delivery Board was that from this some £5 million should be made available for early impact interventions.

Councillor Peter Bilson advised that he supported the recommendations set out in the report but that more specific information was needed on expenditure to date and the remaining funding available. He requested that this be included within the report to the next meeting. Gareth Bradford advised that the report could include details pertaining to expenditure and available resources relevant to the Housing and Land Portfolio but not to the wider Investment Programme.

Councillor Andy Mackiewicz referred to the issue of 'Key Worker' accommodation and asked whether this would only apply to new developments or whether it would include 'Shared Ownership' schemes. Gareth Bradford explained that this issue would be addressed in the report to the next meeting.

Councillor Peter Butlin referred to the issues surrounding the 'Right to Buy' scheme, its effect on the provision of social housing units and the current stance of the Board on this matter. The Chair informed the Board on a 'Right to Own' initiative which was being worked upon by the Housing and Regeneration Team and which could be adopted nationally. This would assess disposable income and staged purchase. He also alluded to an initiative between Sigma Capital and Walsall MBC working with Countrywide on an equity partnership scheme, where the property developer would continue to maintain the garden and Public Open Space areas of developments.

Councillor Andy Mackiewicz commented that any properties developed outside the Housing Revenue Account were not eligible for 'Right to Buy' and that this allowed the development of shared ownership schemes. Gareth Bradford reported that conditions imposed on grants and loans could also preclude 'Right to Buy'. He confirmed the on-going work with Sigma Capital and on the 'Right to Own' initiative.

Councillor Joanne Hadley reported that Officers at Sandwell MBC were looking at options where a tenant expressing an interest in exercising 'Right to Buy' could be offered a sum equivalent to the discount available on their property to enable an alternative property to be purchased on the open market, thus retaining the social unit in the Council's ownership. Gareth Bradford advised that such 'portable discounts' had been explored previously by HM Government. He undertook to include reference to this element in the Affordable Housing Delivery Vehicle report to be submitted to the next meeting.

Councillor Andy Mackiewicz enquired whether the regional affordable and social housing deal referred to in paragraph 3.21 of the report had been circulated to the Board. He also enquired as to the support which would be provided to Local Planning Authorities on Local Plan preparation. Gareth Bradford advised that the Housing and Land Steering Group had considered the regional and affordable social housing deal but agreed to circulate it to the Board. With regard to support on Local Plan preparation he explained that this would be through support in site assessments and that a number of requests for such support had been received to date.

Councillor Joanne Hadley asked if there was any financial support available for progressing work on Modern Methods of Construction (MMC). Pat Willoughby reported on a piece of work which had been commissioned on MMC which would be tested through the Single Commissioning Framework. The Chair counselled caution on being overly prescriptive in relation to MMC in light of the number of alternative methods available currently. Paul Gascoine advised on the initiatives being taken by Homes England on MMC including supporting such developments on land in its ownership. He advised that a flexible approach was required in order to respond to the demands of the market. He reminded the Board that Homes England had provided financial assistance in the past to local authorities for MMC schemes and referred to an example in the local area.

Resolved:

1. That the following items be considered at the next meeting of the Board subject to the issues relating to 'Purdah' being addressed:
  - The progress on acquisitions and investments under the Single Commissioning Framework (SCF);
  - Modern Methods of Construction (MMC) Strategy;
  - Proposal for an Affordable Housing Delivery Vehicle (Heads of Terms);
  - Delivery and Investment Plans for the five 'first wave' town centres;
  - Delivery and Investment Plans for the Walsall to Wolverhampton and West Bromwich to Dudley Inclusive Growth Corridors;
  - Town Centre Toolkit; and
  - Progress on 'early impact' town centre interventions agreed at the September 2019 meeting;
2. That the Sandwell to Dudley Corridor be re-defined as the West Bromwich to Dudley Corridor as requested by Dudley and Sandwell MBC's respectively;
3. That the remit of the Town Centres Programme be expanded to include the whole of Dudley, Walsall and West Bromwich Town Centres as requested by Dudley, Walsall and Sandwell MBC's respectively;
4. That the positive progress in work under the Housing and Land Portfolio in Q4 of 2019 and some of the key programmes being progressed during the remainder of 2019/20 be noted;
5. That it be noted that discussions were continuing with the Housing and Land Steering Group and supported Working Groups on how existing arrangements on engagement, project-based governance and working arrangements could be enhanced further;
6. That a copy of the regional affordable and social housing deal to HM Government be circulated to the Board.

**25. Affordable Delivery Vehicle: Update**

Gareth Bradford and Rob Lamond presented a report which updated the Board on progress in the work agreed previously to work up in principle development of an Affordable Housing Delivery Vehicle with West Midlands Housing Association Partnership and the National Housing Federation to unlock challenging brownfield opportunities in the region and thus providing added value to the work of the WMCA under the SCF. The report recommended agreement of the broad criteria for the Vehicle to help guide the development of a detailed business case.

Councillor Peter Bilson advised that he supported the principle but asked which Housing Associations would be involved, which areas they were active currently in and which sites were under consideration. He expressed concern that there appeared to be no involvement from Homes England or the respective local authorities in this concept. Given that a Limited Liability Partnership was to be established he was also interested to learn of the relationship with the LLP, Homes England and the local authorities.

Councillor David Wright advised that he also supported the principle but queried which Housing Associations would be involved, how the level of public subsidy would be agreed and whether partner Housing Associations would only be allowed to operate in those areas where they had a presence currently.

Gareth Bradford welcomed the questions now posed and assured the Board that similar questions were being raised. He explained that the purpose of the report was to agree the principle of the creation of the Delivery Vehicle and the development of the Business Case. Kevin Rodgers advised that a number of housing associations were interested in participating all of which operated locally. Where a Large Scale Voluntary Transfer had taken place in a local authority area the selection of the preferred Social Housing Provider would be to that organisation. He reminded the Board of the intention to recycle funding for future re-investment.

Councillor Andy Mackiewicz asked as to the opportunity for Arms Length Management Organisations to be involved in the Delivery Vehicle. Gareth Bradford explained that such organisations could seek funding for developments through the SCF subject to such proposals having the support of the respective local authority. He commented that in order to achieve the desired number of housing units at affordable levels there was a need to unlock difficult to develop brownfield sites. He advised that the Delivery Vehicle could be expanded in the future if it was successful.

Councillor Angus Lees asked whether WMCA Officers were in contact with colleagues at Dudley MBC where three difficult to develop brownfield sites had been identified. Gareth Bradford confirmed this to be the case.

Councillor Joanne Hadley commented that given the role of the Black Country area as the heart of the Industrial Revolution many sites were likely to be subject to contamination and the associated remediation costs. Mark Liddeth reminded the Board that grant aid was available from the Environment Agency to deal with remediation of contaminated land. Paul Gascoine assured the Board that Homes England was involved in the development of this initiative and would continue to be. He reported that a similar Vehicle existed in the Greater Manchester Combined Authority and that there were lessons to be learnt from its experiences.

Resolved:

1. That the following be noted:
  - a) That progress between the WMCA and West Midlands Housing Association Partnership / National Housing Federation in developing the Heads of Terms and key criteria for a new regional affordable housing delivery vehicle focussed on increasing the supply of new homes, particularly affordable housing, on some of the most challenging sites in the region;
  - b) The proposed Delivery Vehicle's fundamental principles of reduced risk; shared knowledge and expertise of the vehicle's partners; and developing a range of sites including intervening in instances of market failure to develop brownfield sites in the region;
2. That the draft criteria / principles for the Delivery Vehicle from the WMCA perspective as detailed in section 3.2 of the report be agreed;
3. That subject to the above, the Housing and Regeneration Team work with partners and a focussed working group of experienced local council housing officers to bring forward a Business Case for a pilot phase of the Delivery Vehicle to forthcoming meetings of this Board and the WMCA investment Board. (the aim being to submit the Business Case to the December 2019 meeting of the WMCA Investment Board if possible and appropriate).

## **26. Investments and Acquisitions**

Gareth Bradford reported that over £10 million of grants and loans had been agreed at the October 2019 meeting of the WMCA Investment Board for matters under the Housing and Land Portfolio. The funding was from various sources including the Collective Investment Fund (CIF), Brownfield Land and Property Development Fund (BLPDF) and the Land Fund. He referred to the benefits of the clear criteria contained in the Single Commissioning Framework and on the due diligence process which sought to ensure that value for money was achieved. He explained that while some of the Funds worked on a revolving nature with loans being repaid this was not possible in every case but in such cases additional social value was obtained.

Resolved:

That the report be received and noted.

The meeting ended at 11.10 am.

This page is intentionally left blank



## Transport Delivery Committee

**Monday 4 November 2019 at 1.00 pm**

### Minutes

#### Present

Councillor Kath Hartley	Birmingham City Council
Councillor Richard Worrall (Vice-Chair)	Walsall Metropolitan Borough Council
Councillor Timothy Huxtable (Vice-Chair)	Birmingham City Council
Councillor Pervez Akhtar	Coventry City Council
Councillor Shaheen Akhtar	Sandwell Metropolitan Borough Council
Councillor Robert Alden	Birmingham City Council
Councillor Mohammed Fazal	Birmingham City Council
Councillor Celia Hibbert	City of Wolverhampton Council
Councillor Diana Holl-Allen	Solihull Metropolitan Borough Council
Councillor Les Jones	Dudley Metropolitan Borough Council
Councillor Chaman Lal	Birmingham City Council
Councillor Roger Lawrence	City of Wolverhampton Council
Councillor Keith Linnecor	Birmingham City Council
Councillor Mary Locke	Birmingham City Council
Councillor Ted Richards	Solihull Metropolitan Borough Council
Councillor Alan Taylor	Dudley Metropolitan Borough Council

#### In Attendance

Councillor Angus Lees	WMCA's Overview and Scrutiny Committee
-----------------------	--

#### Item No.

- 34. Apologies for absence**  
Apologies for absence were received from Councillors Samiya Akhter, Adrian Andrew and David Welsh.
- 35. Chair's Remarks**
- (i) TfWM awarded City Region Transport Authority of the Year 2019  
The Chair reported that she was pleased to announce that TfWM had been awarded City Region Transport Authority of the Year for the third time in five years at the National Transport Awards last week. The committee conveyed their congratulations to TfWM for this fantastic achievement.

(ii) Outcome of West Midlands Trains (WMT) Strike Ballot

The Chair referred to the email that had been circulated to members informing them of the decision by RMT members of WMT to commence strike action later this month and reported that the committee would receive a briefing on the matter from the Executive Director, West Midlands Rail Executive, Malcolm Holmes, following today's meeting.

(iii) Christmas and New Year Travel arrangements

The Chair reported that the committee would receive details of the transport services operating during the Christmas and New Year holiday period as soon as the information becomes available.

(iv) TfWM Transport Budget

It was agreed that a special TfWM Transport Budget briefing would be held on 16 December 2019 from 11.30am-12.30pm to provide members with the opportunity to put forward their views on the draft TfWM Transport Budget prior to consideration and approval of the budget by the WMCA Board. An email would be sent to committee members to confirm the arrangements for the private briefing on 16 December.

Councillor Lawrence reported of need to begin budget discussions earlier in the budget planning process in future and to look beyond a one-year budget to consider a medium-term budget for transport.

The Director of Finance, Linda Horne, agreed to take forward Councillor Lawrence's comments.

**36. Minutes of the last meeting**

The minutes of the meeting held on 9 September 2019 were agreed as a correct record.

**37. Action Tracker**

The action tracker was noted.

**38. Matters Arising**

*Minute No.25 Rail Business Update Report*

Councillor Huxtable reported that he had received information from Tom Painter on the community engagement consultation exercise for the Camp Hill Line but wanted to be advised of the issues raised by residents with regards to the lack of park and ride facilities on the line and the impact this would have on Kings Norton park and ride when the Camp Hill Line opens.

The Director of Integrated Network Services, Pete Bond reported that the three locations on the Camp Hill Line would be reviewed for the Park and Ride Strategy and this would also provide feedback on Kings Norton.

**39. Correspondence/ Petitions**

Councillor Worrall submitted a petition in support of a marked safe route down the existing National Cycling Route 5 which would link Pelsall with Walsall Town Centre.

Resolved: That the petition be referred to Customer Relations to be dealt with in accordance with the WMCA's Petitions Protocol.

**40. Minutes of the Bus Shelter Appeals Decision Group**

The minutes of the Bus Shelter Appeals Decision Group held on 11 September 2019 were submitted for information.

Resolved: That the minutes of the Bus Shelter Appeals Decision Group be noted.

**41. Presentation: Very Light Rail Projects**

The committee received a presentation from Colin Knight, Coventry City Council on Very Light Rail (VLR) Projects.

The presentation included information on why Very Light Rail is being taken forward, its objectives and benefits, details of the research and development that is ongoing, funding opportunities and major milestones.

It was noted that four routes were being targeted and the first part of the route in Coventry could be open in Winter 2024 or early 2025.

The Chair thanked Colin Knight for his informative presentation.

Resolved: That the presentation be noted.

**42. Metro Investment Programme**

The committee considered a report of the Metro Programme Director that provided an update on matters relating to the Metro Investment Programme in the West Midlands.

The Head of Projects, Chris Haworth, outlined the key highlights in the report with regards to Metro schemes for the Westside Extension (Centenary Square and Edgbaston), Wolverhampton Extension, Wednesbury to Brierley Hill, Birmingham Eastside and East Birmingham Solihull and also outlined progress with regards to the third generation trams and catenary free trams.

In relation to the an enquiry from Councillor Alden as to whether the tram stop names proposed by this committee on the Westside Extension have been taken forward, in particular with regards to sponsorship from relevant stakeholders, the Chair reported that the tram stop names have been agreed by the WMCA Transport Portfolio Holder, Councillor Ward, but she did not think sponsorship opportunities had been explored with stakeholders such as Calthorpe Estates.

Councillor Alden expressed his disappointed that this sponsorship opportunity had not been taken forward.

The Director of Integrated Network Services, Pete Bond reported that the comments from this committee on tram stop naming including sponsorship had been fed back to Councillor Ward and undertook to find out more on the matter from Metro colleagues.

The Chair asked that any feedback on tram stop naming and sponsorship be circulated to all TDC members for information.

Resolved: That the report be noted.

#### **43. Financial Monitoring Report**

The committee considered a report of the Finance Director that set out the financial position as at 30 September 2019 with regards to the Combined Authority's Transport Delivery Revenue and Capital Budgets.

Councillor Akhtar, Lead Member for Finance and Performance introduced the report and highlighted the report's recommendations.

Resolved:

1. That the year to date net revenue expenditure to the end of September 2019 shows a favourable variance of £0.145m compared to budget and the forecast position shows a favourable movement of £0.037m from budget be noted and
2. That the capital expenditure to the end of September 2019 for the overall transport programme was £55.0m which was £14.6m below the year to date budget of £69.6m and the annual forecast position shows a favourable movement of £14.7m from budget be noted.

#### **44. Capital Programme Delivery Monitoring Report**

The committee considered a report of the Director of Development and Delivery that provided an update on the approved TfWM led 2019/20 programmes and projects.

Councillor Akhtar, Lead Member for Finance and Performance introduced the report and highlighted achievements during September and October.

The Director of Development and Delivery, Sandeep Shingadia, reported that Bradley Lane Metro Park and Ride was on schedule for completion in December 2019.

In relation to the official opening of Bradley Lane Park and Ride, the Majority Vice-Chair, Councillor Worrall, asked for TDC members to be invited to the opening ceremony along with the Mayor of Walsall.

In relation to an enquiry from the Minority Vice-Chair, Councillor Huxtable regarding an update on Snow Hill Third Access, the Director of Development and Delivery undertook to provide a more detailed programme.

Resolved:

1. That the achievements since the 9 September meeting of the Transport Delivery Committee be noted;
2. That progress of deliverables and the outturn of the 2019/20 Capital Programme be noted and
3. That the variation to the baseline programme with regards to Longbridge Connectivity Project in Appendix 1 of the report be noted.

**45. Safer Travel Update**

The committee considered a report of the Director of Network Resilience that provided an update on the performance and operations of the Safer Travel Partnership, an overview of the development of the TfWM Control Centre and an update on a number of projects and programmes and operations carried out within the Safer Travel Partnership.

The Lead Member for Safe and Sustainable Travel, Councillor Holl-Allen, introduced the report and outlined the key highlights.

The Head of Safety, Security and Emergency Planning, Mark Babington provided an update on bus byelaws, crime statistics and the TfWM Control Centre (TCC) including those local authorities who have relocated their CCTV operations to the TCC.

Resolved:

1. That the details of the report be noted;
2. That the overall crime trends as outlined in paragraphs 3.1 to 3.3 of the report be noted and
3. That the overall crime analysis as set out in section 4 of the report be noted.

**46. Bus Business Update**

The board considered a report of the Director of Integrated Network Services that reported on matters related to the performance, operation and delivery of bus services in the West Midlands.

The Chair and Lead Member for Putting Passengers First introduced the report and highlighted key areas.

The Head of Network Delivery, Jon Hayes and the Network Development Manager, Edmund Salt, provided updates on areas of interest to the committee. This included bus operational matters with regards to Kinghurst.

Resolved: That the contents of the report be noted.

**47. Enhanced Partnership Plan and Scheme - Consultation Strategy**

The committee considered a report of the Director of Integrated Network Services that provided an update on the Enhanced Partnership Plan and associated scheme being developed for the West Midlands and set out the Engagement and Consultation Strategy for formal (public) consultation on the Enhanced Partnership.

The report also sought approval from the committee to undertake formal consultation in the development of the Enhanced Partnership Plan and Scheme subject to the preparation of the Enhanced Partnership Plan and Enhanced Partnership Scheme and the successful outcome of the operator objection mechanism.

It was noted that the committee had recently received a pre-TDC policy briefing on the Enhanced Partnership for Sprint from the Network Development Manager.

The Chair and Lead Member for Putting Passengers First introduced the report.

The Network Development Manager, Edmund Salt, informed the committee that the engagement and consultation strategy was developed by consultants, Jacobs, with input from operators; a draft engagement and consultation strategy document was attached to the report in Appendix A.

The Network Development Manager advised the committee that the Enhanced Partnership and Scheme would complement the Advanced Quality Partnerships that were already in place in Birmingham and Solihull and together, the partnerships would seek to bring about the best journey experience for customers.

Resolved:

1. That the Enhanced Partnership Plan (EP) and associated Enhanced Partnership Scheme Consultation Strategy be approved and
2. That approval be given to TfWM proceeding to formal (public) consultation, subject to the preparation of the EP Plan and EP scheme and the successful outcome of the operator objection mechanism.

**48. Sprint Progress Update**

The committee considered a report of the Head of Sprint that provided an update on progress on the Sprint Programme.

The Minority Vice-Chair and Lead Member for Sprint, Councillor Huxtable, introduced the report.

The Head of Sprint, Angela Hosford outlined key highlights in the report which included an update on the status of Sprint schemes that would be delivered for the Commonwealth Games; A34 Walsall to Birmingham; A45 Birmingham to Airport and Solihull and Sutton Coldfield to Langley via Birmingham. The Head of Sprint also advised the committee of the focus of activities for the end of 2019/early 2020 and proposed site visits over the coming months.

Resolved:

1. That progress on the Sprint Programme be noted;
2. That local authority Cabinet decisions are required to support the delivery of schemes be noted and
3. That the relationship between Sprint and other local schemes be noted.

**49. Save-A- Space - Proposed Booking Payment Trial**

The committee considered a report of the Director of Integrated Network Services that set out progress to date with Save-A-Space and the proposed next steps regarding a booking payment service trial.

It was noted that the proposals for the Save-A- Space booking payment trial had been considered by the Putting Passengers First and Rail and Metro Lead Member Reference Groups.

The Director of Integrated Network Services, Pete Bond, outlined the report that set out the background and rationale for the trial development, proposed booking charges, review and next steps. He emphasised that the trial was not a change to policy regarding customer charging at park and ride sites but was a trial around a discretionary booking payment service to reserve a space that could potentially improve the customer offering at up to six TfWM sites.

Councillor Huxtable considered that charging for spaces would encourage people to park on-street in nearby side roads causing problems for residents. He also felt the initiative would be of benefit to the few (who could afford to pay) not the many.

Councillor Richards reported that he concurred with Councillor Huxtable and expressed concern regarding female drivers having to park further away from stations and feared the trial could lead to charging on a wider scale.

The Director of Integrated Network Services advised that the impacts of charging at the trial locations have been considered and less than 1% of parking spaces would be subject to the trial. He added that he believed the trial would be of benefit to shift workers and other customers who are currently unable to secure a parking space when needed as most car parks were full by 8.00AM.

The Director of Integrated Network Services advised the committee that monitoring would be undertaken throughout the trial to enable decisions to be made where necessary, to react to customer demand.

Following a request from the Minority Vice-Chair, Councillor Huxtable, for a vote on the report, a vote was undertaken, and it was agreed that the report recommendations would be taken forward.

Resolved:

1. That the implementation of the next stage of the Save-A- Space trial as set out in the report be endorsed.
2. That as part of the next stage of the trial, customers will be able to pay for the added convenience of booking a premium product which is above and beyond the free to use spaces provided at selected sites be noted;
3. That a report detailing the results of the trial, including a review and next steps, be submitted to this committee following the completion of the trial.

**50. Notices of Motion**

None submitted.

**51. Questions**

None submitted.

**52. Forward Plan**

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

Resolved: That the report be noted.

**53. Date of Next Meeting - 6 January 2020**

The meeting ended at 3.15 pm.



**West Midlands  
Combined Authority**

## **Investment Board**

**Monday 11 November 2019 at 10.00 am**

### **Minutes**

#### **Present**

Councillor Bob Sleigh (Chair)  
Nick Abell

Councillor Mike Bird  
Councillor Tristan Chatfield  
Councillor Steve Clark  
Councillor Karen Grinsell  
Richard Lawrence  
Gary Taylor

Portfolio Lead for Finance & Investments  
Coventry & Warwickshire Local  
Enterprise Partnership  
Walsall Metropolitan Borough Council  
Birmingham City Council  
Dudley Metropolitan Borough Council  
Solihull Metropolitan Borough Council  
City of Wolverhampton Council  
Greater Birmingham & Solihull Local  
Enterprise Partnership

#### **In Attendance**

Sarah Middleton

Alan Lunt  
Roger Mendonca  
Gareth Bradford  
Sukhy Dhanoa  
Linda Horne  
Ian Martin  
David Warburton  
Ed Bradburn  
Gerald Gannaway  
Andy Green  
Nick Oakley  
Kieren Turner-Owen

Black Country Local Enterprise  
Partnership  
Dudley Metropolitan Borough Council  
West Midlands Growth Company  
West Midlands Combined Authority  
West Midlands Development Capital  
West Midlands Development Capital  
West Midlands Development Capital  
West Midlands Development Capital  
West Midlands Development Capital

#### **Item Title No.**

#### **55. Apologies for Absence**

Apologies for absence had been received from Councillors Wasim Ali (Sandwell MBC), Harman Banger (City of Wolverhampton Council) and Jim O'Boyle (Coventry City Council), Sue Summers (West Midlands Development Capital) and Richard Moon and Andy Williams (Coventry City Council), Matthew Hammond (West Midlands Growth Company) and Paula Deas (Coventry and Warwickshire LEP).

**56. Notification of Substitutes**

Richard Lawrence had been appointed as a substitute for Councillor Banger (City of Wolverhampton Council).

**57. Minutes of last meeting**

The minutes of the meeting held on 21 October 2019 were agreed as a correct record.

**58. Investment Programme and Dashboard**

The Finance Director, Linda Horne and the Head of Strategic Programme Delivery, Sukhy Dhanoa presented the monthly report on the status of the Investment Programme to assist the board in determining investment decisions.

Resolved: That the status of the Investment Programme delivery as detailed within the report be noted.

**59. WMCA Housing and Land Portfolio - Approach to Site Acquisitions and Investments under the Devolved Housing Deal Land Fund**

The Head of Land and Development, David Warburton presented a report that provided a summary of the approach taken by the WMCA to develop case papers for those acquisitions and investments to be considered by the board today under the WMCA Single Commissioning Framework including those utilising Housing Deal Land Fund Investment; the fund is within the WMCA's Housing and Land Portfolio of up to £100m devolved to the WMCA by Government.

The report set out the rationale and summary of the approach taken, including the assurance process.

It was noted that each scheme fulfils the requirement of the Single Commissioning Framework agreed by the WMCA Board including the Benefit Cost Ratio tests established by Government. In addition, all schemes achieve the recovery rates set by Government for the Housing Deal Land Fund and all acquisitions are verified against an independent Red Book valuation, with appropriate provision made for the WMCA site holding costs including potential rates voids and security provision.

Resolved: That the approach taken to acquisitions and investments to be considered by the Investment Board under the Housing and Land Portfolio of the WMCA be noted.

**60. WMCA Collective Investment Fund (CIF) - Dashboard**

The board considered the WMCA Collective Fund (CIF) Dashboard (public iteration) as at 31 October 2019.

Resolved: That the report be noted.

**61. WMCA Brownfield Land and Property Development Fund (BLPDF) - Dashboard**

The board considered the WMCA Brownfield Land and Property Development Fund (BDLPF) Dashboard (public iteration) as at 31 October 2019.

Resolved: That the Dashboard be received and noted.

**62. 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 item 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).

**63. Update on West Midlands Growth Company Activity**

Roger Mendonca, West Midlands Growth Company, presented a report that provided an update on headline activity by West Midlands Growth Company over the last six months since programme started in April 2019.

In relation to West Midlands Growth Company's Business Plan and its focus on the three activities outlined in the report, Councillor Chatfield considered it would be helpful to include comparative data from other regions to ascertain how the West Midlands compares to the rest of the country.

Roger Mendonca undertook to provide the board with the information via email.

Resolved: That the report be noted.

**64. Proposed Site Acquisition and Disposal Strategy for Land at Dobbs Street, Wolverhampton**

David Warburton, WMCA, presented a report that sought approval for the purchase and disposal of land at Dobbs Street, Wolverhampton to deliver 266 new homes to be funded from the WMCA's Housing Deal Land Fund.

Resolved:

1. That the terms agreed for the freehold purchase by WMCA of 0.98 ha of land at Dobbs Street, Wolverhampton be approved;
2. That the requirement for WMCA intervention and that the acquisition is fully compliant with the WMCA Single Commissioning Framework and meets the Government's criteria set for the WMCA Housing Deal Land Fund be noted;
3. That a gross WMCA investment as set out within the report to facilitate the land acquisition demolition and clearance, master planning and subsequent disposal, delivering 266 homes at a gross cost per housing unit as set out in the report be approved;

4. That the proposals for the wider area, the link with the ring road (A4150) development land exercise and the wider City Centre Blakenhall Ward regeneration be noted and
5. That this acquisition and the terms proposed in this report have been expressly supported by the City of Wolverhampton Council.

**65. Proposed Site Acquisition and Disposal Strategy for Land at Abberley Street, Smethwick, Warley**

David Warburton presented a report that sought approval for land acquisition, planning and a disposal strategy for land at Abberley Street, Warley, Smethwick to deliver a minimum of 158 new homes to be funded from the WMCA's Housing Deal Land Fund.

Resolved:

1. That the freehold purchase by WMCA of 1.32ha of brownfield land at Abberley Street, Warley, Smethwick located to the east of the new Midland Metropolitan Hospital (under construction) be approved;
2. That the requirement for WMCA intervention and that the acquisition is fully compliant with the WMCA Single Commissioning Framework and meets the Government's criteria for the WMCA Housing Deal and Land Fund be noted;
3. That a gross WMCA investment as set out in the report to complete the acquisition, together with the subsequent clearance and remediation of the land before securing a development partner to deliver a residential development of a minimum of 158 new homes at a gross WMCA investment per home as set out in the report be approved and
4. That the site is located within the Grove Lane/Cranford Street intervention area, where land assembly to drive housing delivery and wider regeneration has been attempted by both the public and private over many years but has been largely unsuccessful and this this acquisition represents the only opportunity for the public sector (WMCA) to secure a large brownfield site in the area by way of a private treaty and so deliver a key scheme which is included in the WMCA's Housing Deal with Government and has been a long-standing priority for Sandwell Council be noted and
5. That the acquisition proposed in the report is expressly supported by Sandwell Metropolitan Borough Council be noted.

**66. Proposed Site Acquisition and Disposal Strategy for Land at 23 Cranford Way, Smethwick, Warley**

David Warburton presented a report that sought approval for the acquisition of land and property at 23 Cranford Way, Smethwick, together with a planning and disposal strategy for the purpose of delivering a minimum of 33 new homes to be funded from the WMCA's Housing Deal Land Fund.

Resolved:

1. That the freehold purchase by WMCA of 0.12 ha of land and property at 23 Cranford Way, Smethwick, a strategic land acquisition located to the west of the new Midland Metropolitan Hospital (under construction) be approved;
2. That the requirement for WMCA intervention and that the acquisition is fully compliant with the WMCA Single Commissioning Framework and meets the Government's criteria for the WMCA Housing Deal Fund be noted;
3. That a gross WMCA investment as set out in the report to complete the acquisition, hold the property for a short period with a view to either assemble further land or demolish the property before securing a development partner to deliver a residential development of a minimum 33 new homes at a gross WMCA investment per home as set out in the report be approved and
4. That the acquisition is part of a wider regeneration approach, with the WMCA acquiring land in the Grove Lane area, working closely with Sandwell MBC and opportunities to assemble land for subsequent development in this area by way of private treaty are extremely limited and the market has consistently failed to achieve this over successive decades and intervention by the public sector (WMCA) is essential to drive delivery be noted.

**67. Proposed Investment at Icknield Port Phase 2, Birmingham (Urban Splash)**

Gerald Gannaway, West Midlands Development Capital, presented a report that sought a loan allocation together with grant funding from the WMCA's Revolving Investment Fund (RIF) and the WMCA's Land Fund (Grant) respectively, to assist in the delivery of 130 homes at the development.

Resolved: That provision of a repayable 3 year RIF loan as set out in the report, together with grant funding from the Land Fund as set out in the report, to assist with the delivery of 130 homes (28 modular residential homes, 12 houses and 90 apartments) at Icknield Port Loop Phase 2, Rotton Park Street, Birmingham be approved subject to the conditions detailed in the report and a review of cashflow in conjunction with the WMCA's Finance Team.

**68. Proposed Investment at the Former Caparo Site, Old Birchills, Walsall**

Kieren Turner-Owen, West Midlands Development Capital, presented a report that sought approval of an allocation of grant funding from the WMCA's Land Fund to assist with the delivery of 252 residential units at the site, and a loan from the Collective Investment Fund (CIF) to aid the purchase of land at the entrance of site.

Resolved: That an allocation grant funding from the Land Fund as set out in the report to assist with the delivery of 252 residential units (78 affordable) at the former Caparo Site, Old Birchills, Walsall, together with a loan from the Collective Investment Fund (CIF) as set out in the report to aid the purchase of land at the entrance of the site be approved.

**69. Proposed Investment at the Dudley Institute of Transformational Technologies (Dudley College of Technology)**

Andy Green, West Midlands Development Capital, presented a report that sought approval of an allocation of grant funding from the WMCA's Brownfield Land and Property Development Fund to assist with the delivery of 4750 square metres of educational facility at the development subject to the conditions detailed in the report.

Resolved: That an allocation of grant funding as set out in the report from the Brownfield Land and Development Fund (BLPDF) to assist with the delivery of 4750 square metres of educational facility at Castle Hill, Dudley subject to the conditions detailed in the report be approved.

**70. Proposed Investment at Shidas Lane, Oldbury (Stoford Properties Ltd.)**

Ed Bradburn, West Midlands Development Capital presented a report that sought grant funding from the WMCA's Brownfield Land Property Development Fund to fund remediate the ground conditions at the property to deliver either a 115,000 square foot industrial unit (Option A) or, a 55,000 square foot purpose built Ambulance Hub (Option B); the scheme which would be delivered would be dependent on progress made with the pre-let of the Ambulance Hub and if not success, then the industrial unit would be built speculatively.

Resolved: That a maximum allocation of grant funding as set out in the report from the Brownfield Land and Property Development Fund to fund remediation costs at Shidas Lagoon, Rounds Green Road, Oldbury to deliver the development at the site, as referred to above, subject to the conditions detailed in the report be approved.

**71. WMCA Collective Investment Fund (CIF) - Dashboard**

The board considered the WMCA Collective Fund (CIF) Dashboard (private iteration) as at 31 October 2019.

Resolved: That the dashboard be received and noted.

**72. WMCA Brownfield Land and Property Development Fund (BLPDF) - Dashboard**

The board considered the WMCA Brownfield Land and Property Development Fund (BDLF) Dashboard (private iteration) as at 31 October 2019.

Resolved: That the dashboard be received and noted.

The meeting ended at 11.30 am.



West Midlands  
Combined Authority

## Audit, Risk & Assurance Committee

Tuesday 12 November 2019 at 10.00 am

### Minutes

#### Present

David Lane (Chair)	
Councillor Ram Lakha (Vice-Chair)	Coventry City Council
Councillor Marje Bridle	Birmingham City Council
Councillor Ahmad Bostan	Sandwell Metropolitan Borough Council
Councillor Alan Butt	City of Wolverhampton Council
Sean Farnell	Coventry & Warwickshire LEP
Councillor Michael Gough	Solihull Metropolitan Borough Council
Councillor Alan Taylor	Dudley Metropolitan Borough Council
Councillor Vera Waters	Walsall Metropolitan Borough Council

#### In Attendance

Peter Farrow	City of Wolverhampton Council
Julia Goldsworthy	West Midlands Combined Authority
Linda Horne	West Midlands Combined Authority
Sandra Kaylan	City of Wolverhampton Council
Grant Patterson	Grant Thornton
Hardial Phull	West Midlands Combined Authority
Tim Martin	West Midlands Combined Authority
Lorraine Quibell	West Midlands Combined Authority

#### Item Title No.

#### 181. Apologies for Absence

Apologies for absence were received from Councillor Fred Grindrod (Birmingham City Council) and Councillor Alexander Phillips (Shropshire Council).

#### 182. Declarations of Interest

Councillor Alan Taylor reported that he was a member of Transport Delivery Committee.

#### 183. Minutes of the meeting held on 24 September 2019

The minutes of the meeting held on 24 September 2019 were agreed as a correct record, subject to the addition of Nick Abell (Coventry & Warwickshire LEP) in the list of those present at the meeting.

**184. Chair's Remarks**

The Chair informed the committee that he was no longer the Chair of the Midland Metro Audit Committee and it had been agreed that ARAC would have responsibility for MML audit, risk and assurance review as per item 191.

**185. Matters Arising**

- **Whistleblowing**

The Monitoring Officer advised the committee of one notification that had been received regarding whistleblowing, although following an investigation it was determined that the disclosure was not considered to be a whistleblowing matter but a service complaint.

- **Brexit Contingency Planning**

The Monitoring Officer advised the committee that work had been undertaken to prepare for, and mitigate risks arising from, Brexit however due to regulations relating to the pre-election period this report had not been made available to this meeting. The Chair confirmed he had noted the report and advised ARAC members he was satisfied with the arrangements in place.

- **Accessible Transport Group**

Following the previous update, the Monitoring Officer advised the committee that some administration process were outstanding however he felt that Internal Audit should now undertake a review of the processes the WMCA undertook in regards to the administration process. The terms of reference for this audit would be agreed with the statutory officers and the chair before the January ARAC meeting and that the review should be carried out in Q4 19/20.

**186. Forward Plan**

The committee considered the plan of items to be reported to future meetings of the committee. Councillor Ahmad Boston requested that the committee receive a report on climate change and the budget allocated to this. The Chair requested that the committee receive a report on performance monitoring for the WMCA and the Director of Investment & Commercial Activities be invited to attend committee to report on the changes, proposals and process being implemented to gain investment.

Resolved:

(1) The items of business to be reported at future meetings be noted.

**187. Strategic Risk Register**

The committee were provided with an update on the current status of the strategic risk register. It was noted that there continued to be uncertainties relating to external factors, in particular Brexit, meaning risks were difficult to manage effectively. Two new risks were identified relating to HS2 and Transport for West Midlands' reputation. The register continued to be monitored by the Senior Leadership Team.

The Monitoring Officer updated the committee in relation to 5G and indicated that there were some risks associated to the programme, and regular meetings had been undertaken with himself, the Director of Finance and leading officers from the 5G Team. Assurance was provided that the team were actively working towards gaining funding streams to progress the programme. The Chair indicated that he recognised the commercial sensitivity of the programme and would be provided with detailed updates on behalf of the committee.

Resolved:

- (1) The strategic risks contained within the WMCA strategic risk register be noted.

#### **188. WMCA Assurance Overview November 2019**

The committee considered a report on the Corporate Assurance Manager's opinion on the WMCA's systems of project & programme assurance, business assurance and performance assurance for the reporting period November 2018 - October 2019.

In relation to performance assurance, the committee requested sight on the operational performance dashboard presented to the Corporate Management Team. The Chair requested that when assurance reviews had taken place and a red rating was given, these should be shared with committee. He also expressed concern that sufficient detail was not being provided to the committee relating to projects that were not Investment Programme funded and requested that more understanding was provided in terms of the risks.

Resolved:

- (1) The assurance reviews and activities that had been undertaken since the last reporting period be noted.
- (2) The committee were satisfied with the assurance activity from November 2018 to October 2019.

#### **189. Internal Audit Update**

The committee considered a report updating them on the work completed by internal audit and noted the amendments to the Internal Audit Plan 2019 - 2020 as a result of a mid-year review. The ICT Strategy audit would be deferred until 2020 - 2021 due to the external review commissioned on the WMCA's ICT arrangements, and the Investment Programme would also be deferred until 2020 - 2021. The planned audit for the West Midlands Fire Service was no longer required. The internal audits taken place during the quarter were given a substantial level of assurance.

The Audit Business Partner provided the committee with an overview of the WMCA Governance Arrangements internal audit, which was noted to be in its draft stage at the time of the meeting but had been given a substantial level of assurance

Further to Sean Farnell's request for assurance in capacity for the completion of timetabled audits, the Head of Audit confirmed that to date the finalising of reports were within the timelines and was confident that all audits scheduled for the financial year would be completed.

Resolved:

- (1) The contents of the latest Internal Audit Update Report be noted.
- (2) The amendments to the Internal Audit Plan 2019 – 2020 be noted.

**190. Investment Programme Governance Audit Update**

The committee received a report from the Monitoring Officer which provided details on the intent and proposed delivery of governance improvements to be delivered through a revised assurance framework and decision-making process. The improvements had been directed by a number of drivers, and in October the Senior Leadership Team agreed to the development of a revised decision-making process and assurance framework. It was hoped that this new process would create consistency and streamlined approach in how projects were developed and delivered.

It was noted that the assurance framework formed part of the constitution, therefore any changes require approval through the WMCA Board. However, the Monitoring Officer advised the committee that changes being made to the assurance process would not change or affect the role of the Investment Board but considered improvements to the membership and terms of reference to strength its arrangements. Further to the Chair's request, it was agreed that WMCA-wide project registers would be shared with the committee once fully implemented.

Resolved:

- (1) The work that had been undertaken to date on the assurance framework and the decision-making process, and the intent behind the proposed way forward, be noted.
- (2) The principles for delivering the revised decision-making process and assurance framework be noted.
- (3) That a progress report on delivery of these proposals be brought to committee on the 13 January 2020.

**191. Midland Metro Limited Governance Update**

The committee received a report from the Director of Finance outlining the governance arrangements for Midland Metro Ltd, who operated the Metro on behalf of Transport for West Midlands. It was noted that the Director of West Midlands Metro had departed the organisation and revised management and governance arrangements had subsequently been implemented.

In relation to the internal audit recommendations, it was noted that the Head of Governance had been appointed as the Shareholder's Representative and, further to legal advice being sought, it was agreed that the requirement for an independent Audit & Risk Committee was not required.

Resolved:

- (1) The revised management arrangements following personal changes in Transport for West Midlands be noted.
- (2) The update to the actions as a result of the Internal Audit reported presented to committee in August be noted.
- (3) It be confirmed that there was no requirement for a separate Audit & Risk Committee for Midland Metro Ltd and that this committee would carry out the function.

**192. West Midlands Development Capital Limited - Audit Committee Arrangements**

The committee received a report from the Director of Finance on the audit committee arrangements for West Midlands Development Capital Ltd and it was noted that due to the materiality to date, a separate Audit & Risk Committee was not required and any risks were to be managed through this committee.

Resolved:

- (1) It be confirmed that there were no requirements for a separate Audit & Risk Committee for West Midlands Development Capital Ltd and that this committee would undertake the function.

**193. The Annual Audit Letter for West Midlands Combined Authority and the West Midlands ITA Pension Fund**

The committee considered the WMCA's Annual Audit letter for the year ended 31 March 2019 which summarised the key findings arising from the work carried out by external audit team at Grant Thornton.

The Annual Audit Letter confirmed the unqualified opinion on both the WMCA and group financial statement, as well as the accounts of the West Midlands ITA Pension Fund. However, it was not possible to certify the conclusion of the audit as it was necessary to give an opinion on the consistency of the pension fund financial statement. The conclusion of the audit will be confirmed with both the Director of Finance and the Chair, as well as confirmation of the potential audit fee variation.

Sean Farnell requested confirmation that the initial risks identified within the audit relating to developing capacity and capability were being address in the organisation. The Director of Finance confirmed that the Head of Human Resource & Organisational Development was actively bringing together resourcing and planning processes to address this risk.

Resolved:

- (1) The contents of the WMCA's Annual Audit Letter for the year ending 31 March 2019 be noted.
- (2) The WMCA's Annual Audit Letter be published on its website.

**194. Date of Next Meeting**

Monday 13 January 2020 at 10.00am.

The meeting ended at 11.25 am.



# Young Combined Authority

## Round up of Young Combined Authority (YCA) Meetings, November & December 2019

### Minutes from YCA Meeting, November 2019

The YCA's third meeting, Wednesday 13 November, featured a discussion with Tim Martin, Head of Governance for the WMCA, and a Q&A Session with the Mayor Andy Street.

Here is a link to members views on their third meeting and what they took away:

<https://twitter.com/wmyoungboard/status/1195424985612980226>

### Item #1 Pre-election Period

The session kicked off with a discussion on the pre-election period with Tim Martin, following the announcement of the General Election and in preparation of the Mayoral Elections in May 2020.

The YCA were also given advice on how the pre-election period would affect them. They agreed an approach to using their platform to encourage voter registration in a politically neutral way.



### Item #2 Q&A Session with Mayor Andy Street

Andy Street attended the session and provided an overview on his role as the Mayor of West Midlands, some of the opportunities available to members in relation to the YCA's chosen priority areas with an opportunity being given to the YCA members to question the Mayor.

The Mayor welcomed the YCA's views and involvement with the work being planned regarding the region's aims for reaching its target of net-zero emissions no later than 2041.

The key areas of discussion focused on the environmental impact of fast fashion, improving connectivity for the region, engaging inclusive communities with both the Commonwealth Games and Coventry City of Culture and the work being undertaken to tackle youth violence.

YCA member Ayan Aden's vlog calling for young people to register to vote has been watched 2.9k times! See it for yourself here: <https://twitter.com/wmyoungboard/status/1197913926245203969>

## Minutes from YCA Meeting, December 2019

The YCA held its fourth and final meeting of the year on Wednesday 10 December. Following the announcement of a general election members participated in a workshop run by Dr Danny Fitzpatrick from Aston University.

The workshop provided an introduction to the concept of manifestos, considering their functions and intended audience, approaches to evaluating their content and issue ownership.

The YCA's next meeting (Wednesday 15 January) will also be led with Aston University, and build upon this workshop.



Instead of releasing a video round up of the meeting, YCA members agreed that – on the night before the General Election – a reminder to vote would be more powerful:

<https://twitter.com/wmyoungboard/status/1197913926245203969>

## Recap of other YCA Activity

YCA's Youth Justice working group participated in the Police and Crime Commissioner's Youth Summit, 10 December. Emerson Hanslip (also a Youth PCC) presented!

Chris Burden and Ayan Aden gave inspiring presentations at the University of Birmingham's event on inclusive leadership, 3 December.

YCA members met with Jackie Homan, Head of Environment, on 8 January about WMCA's proposed strategy #WM2041 – and have offered to lead the conversation with young people in the region.

Dion Fanthom is launching her 'Mindful Mondays' initiative on 3 February, 6pm at the Lighthouse, Wolverhampton: <https://twitter.com/MindfulMonday>



# #WM2041



Keep up  
to date!

- The YCA's next meeting is on Wednesday 15 January 2019.
- Tweet the YCA @wmyoungboard
- Or email us with any questions via [Lucy.Gosling@wmca.org.uk](mailto:Lucy.Gosling@wmca.org.uk)



**West Midlands  
Combined Authority**

## **Strategic Economic Development Board Meeting**

**Wednesday 20 November 2019 at 2.00pm**

### **Notes**

#### **Members**

Greater Birmingham & Solihull LEP	Tim Pile (in the Chair)
Black Country LEP	Lindsey Flynn
Cabinet Portfolio - Economy & Innovation	Councillor Ian Brookfield
North Warwickshire Borough Council	Councillor David Humphries
Solihull MBC	Councillor Ian Courts
Warwickshire County Council	Councillor Izzi Seccombe
WM Universities	Prof John Latham

#### **Officers in Attendance**

Black Country LEP	Sarah Middleton
Black Country LEP	Prof Delma Dwight
Coventry & Warwickshire LEP	Paula Deas
Coventry & Warwickshire LEP	Katie Hughes
Greater Birmingham & Solihull LEP	Paul Edwards
City of Wolverhampton	Tim Johnson
Transport for West Midlands	Mark Collins
Transport for West Midlands	Mike Waters
West Midland Combined Authority	Julia Goldsworthy
West Midland Combined Authority	Jamie Elliott
West Midland Combined Authority	Jordan Gerrard
West Midland Combined Authority	Rebecca Riley
West Midland Combined Authority	Jonathan Skinner
West Midland Growth Company	Roger Mendonca

**Item  
No.**

**28. Apologies for absence**

Apologies for absence were received from Jonathan Browning and Stewart Towe and from Councillors Adrian Andrew, Angus Lees, Bob Lloyd and Bob Sleigh.

**29. Declarations of Interest**

No declarations were made.

**30. Notes of the Strategic Economic Plan Board Meeting held 5<sup>th</sup> September 2019**

Resolved:

That, subject to the inclusion of Tim Pile, GBSLEP, in the attendees, the notes of the meeting held on the 5 September 2019 be approved as an accurate record.

**31. SED Board Tracker Log**

Resolved:

That the SED Board Tracker Log be noted.

**32. Forward Plan**

The Chair advised that Energy Capital should be incorporated in the Forward Plan, with an update scheduled for 8<sup>th</sup> January 2020.

Roger Mendonca, WM Growth Company, advised that Tourism should be incorporated into the Forward Plan and agreed to discuss timings with the Secretariat.

Resolved:

That, subject to the additions notified, the Forward Plan be updated and noted.

**33. Terms of Reference**

The Chair referenced the Terms of Reference report and highlighted that the, The Marches Local Enterprise Partnership (LEP), had been wrongly identified as a member of the Board in the previous iteration, where as they had an observer role. It was noted that this had been corrected in the revised version presented.

Resolved:

That the Board confirm and approve the revised Terms of Reference, with The Marches correctly identified as an observer role.

## **Economic & Innovation Portfolio**

### **34. Local Industrial Strategy (LIS) Implementation Plan**

The Chair agreed to the early consideration of this item.

Julia Goldsworthy advised that single pipeline of strategic projects and programmes had been developed, with the aim of delivering on inclusive growth, integrated into delivery mechanisms already in place. A number of Task and Finish Groups were to be established and the Inclusive Growth portfolio would have oversight of these. Currently there was no update on the Spending Review and in regard to the LIS it was not certain whether this would continue to be a Government priority.

Julia Goldsworthy highlighted that a lot of work had been done on the Sectors and that there had been a two-way conversation between the CA and the Government and Board input was required to identify gaps. She asked if the Framework presented was useful and in relation to engagement advised that there was a need to communicate future jobs and future opportunities. In regard to challenges she stated that there was a need to review what had been produced given the economic climate, future discussions with Government and the outcome of the forthcoming General Election.

Councillor Ian Courts referenced Inclusive Growth, and the tourism element and queried how inclusive growth outcomes would be measured. He was advised that the Inclusive Growth Unit would produce a framework to monitor and advised that the Board would be engaged in the process.

Councillor Izzi Seccombe highlighted that the devo deal was on growth but there was a need to link into how growth impacted on people's lives. She highlighted the Thrive support and that there were easy wins and measures. Whilst the budget was fairly slim there were a few deliverables on how could improve people's wellbeing and retain them in the work place. The Chair quired if the LIS was clear enough on Inclusive Growth.

Julia Goldsworthy advised that there was a need to continue to encourage businesses to undertake the inclusive growth opportunities.

Councillor Izzi Seccombe referenced the work in Coventry and Warwickshire on the military covenant and providing opportunities for uplifting the skills of people who had left the armed forces by supporting employers and people with additional needs. She referenced that 75% with support needs ie on the spectrum did want to work but the reality was only 5% did, with the consequent additional costs to society.

Councillor Ian Courts commented that the CA was to improve wealth and economic growth in the region but that there was also a need to improve health and wellbeing. He highlighted that some areas had high unemployment and high youth unemployment and that there was a need to measure the requirement for upskilling to ensure growth benefitted all.

Councillor Ian Brookfield advised that there was an awareness of what worked well in the respective areas and referenced that youth unemployment continued to rise in the Black Country. However, the reality was that there were micro-areas where these issues were more distinct and thus there was a need to be smarter in tackling inclusive growth.

Tim Johnson acknowledged the economy had a role to play but that there was a requirement to come back to the Board with a proper deep dive, to include a geographic analysis, and consider the real skills challenges, in order to drive this agenda.

There was a discussion on the Carbon technology sector and the opportunity for the region to develop. It linked into the need for “green” policies and to lower carbon emissions, thus there was a requirement for a carbon plan and increasing the number of electric vehicle charging points across the West Midlands. Julia Goldsworthy posed the question whether the LIS emphasised climate change as much as it should, given one third of emissions were from business/industry. She stated that she would undertake further discussions with Councillor Ian Courts, as WMCA portfolio lead.

The Chair noted that climate change was increasingly important to businesses and advised he was aware it was one of the top agenda items for a number of business and stated that the CA needed to show leadership.

Tim Johnson commented that the WM Growth Company had invested in the Springfield Campus for construction technology and these were areas that could be targeted.

Sarah Middleton referenced the table at 2.32 in the report and advised that it should evolve/challenge what the LIS does for Inclusive Growth and the carbon agenda.

Councillor David Humphries referenced that it was anticipated 65% of Year One pupils would be working in jobs that currently did not exist and asked whether this had been incorporated into the CA figures. Julia Goldsworthy stated that she would take this back as the CA were still working to the Strategic Economic Plan targets and noted that it would also merit discussion and engagement with the young CA Board.

Lindsey Flynn commented that education was key to look at new trends for businesses and they needed to be equipped and engaged early on.

The Chair advised that there was a need to resource this across the CA and three LEPs to deliver what was required as the agenda would grow. Julia Goldsworthy stated that this was a shared view across the region and there would be a substantial resource to drive all, although she noted that the creative agenda had not yet secured a resource. She added that there would be a need to prioritise as the resource would come at some point.

The Chair advised that the Board would need to be aware of the resources going forward and that there would be a need not to duplicate activity around the core activity, that is future mobility, modern services etc. Julia Goldsworthy advised that whilst there were officer groups not all industry leads had yet been identified.

It was agreed that a further report with options be submitted to the next Board.

Resolved:

1. That the Board considered the wider mid-year economic review and relationship to the implementation of the Local Industrial Strategy and progress towards agreed long term targets.
2. That the Board agreed the more detailed approach being taken to implementation and delivery, set out in Appendix 1 of the report, noting progress being made and noting emerging future funding asks of Government.
3. That the Board agreed the next steps on engagement and communication, set out in the report.
4. That the Board note the emerging approach being taken to the Future of Mobility new opportunity and the related auto sector action plan.
5. That the Board note the early emerging thinking on the future of business growth support in the West Midlands, looking ahead to future funding and incorporating inclusive growth and climate change into the document.
6. That a further report be submitted to the next Board meeting.

### **35. Overview of LIS Implementation Activity**

Patrick White stated that there was a need to consider the overarching LIS implementation and how the WM could use big infrastructure developments ie Future Mobility as opportunities. He stated that that there was a need to link economic performance data and progress on specific actions in the LIS.

Councillor Ian Courts advised that it would be preferable to have a couple of highlighted as there was a lot of detail contained in the economic data pack.

The Chair commented that it would be useful for the Board to receive the economic data each time but to have highlighted what had changed.

Resolved:

That the Board receive and note the overview of the LIS Implementation activity.

### **36. Mid-Year Economic Data Review**

Prof Delma Dwight and Rebecca Riley presented the Mid-Year Economic Data, noting the comments made under Item 35.

On a comment regarding the potential lag in some of the data received, Rebecca Riley advised that most were lag but the data showed the West Midlands was holding well in construction and the business sector and highlighted the sources, to include the Purchasing Managers Index (PMI). She highlighted that apprenticeship numbers had dropped off but that there was still confusion over the levy.

The Chair welcomed the use of PMI and suggested that GfK Customer Confidence would also be useful to reflect business confidence.

Councillor Izzi Seccombe stated that the issue of the apprenticeship levy should be taken up with Government and Rebecca Riley advised that representations had been made to Government through the Department of the Education. She highlighted that the CA were providing communications to the regions businesses and that there was also the CA Apprenticeship pool.

Tim Johnson advised of other economic data to be aware, to include the aerospace sector and highlighted that many of the sector's companies were US owned.

Councillor Ian Courts referenced GVA per head and asked if the West Midlands as a region were improving and how the performance was against peer areas and the national picture. Rebecca Riley highlighted the RAG (Read, Green, Amber) in the slide pack which provided an indicator of performance.

The Chair advised that whilst it was good to see performance against peers and the national statistics, he would prefer to see the trend, as to whether there was progress, or not.

Prof Delma Dwight stated that an updated version of the data would be provided. In regard to main trends the regional GDP had grown; there was a positive trade surplus despite the contraction of exports; business births were at 25,000 but the survival rates were below the national average; growth had seen a slow down; innovation had improved; and there were 22,000 new benefit claimants. She highlighted that a deep dive could be undertaken into inclusive growth by distinct geographies. In regard to climate changes and a reduction in CO2 emissions, this had reduced and if continued at the current rate carbon neutral would not be achieved until 2355.

Lindsey Flynn referenced business growth and survival rates and queried if enough was being done to support new businesses.

Rebecca Riley highlighted the regional figures for a "No deal" Brexit scenario and advised that current growth was "propped up" by construction and Business and Professional Services. Areas that could potentially suffer a big hit included aerospace, automotive and metals and materials but caveated that the figures presented were the worst-case scenario.

Julia Goldsworthy asked if under construction could CG2022 and HS2 be separated out, as it would be worth noting how dependent the West Midlands was on individual projects. She was advised that the figures could be mapped out and the meeting was further advised that the overall effects on the region were because of the manufacturing industries.

The Chair queried the value of exports and asked for an accurate figure across the seven Metropolitan councils.

Prof John Latham highlighted the anticipated negative impact of a No Deal scenario on Coventry University, which was likely to be replicated across all eleven West Midland universities.

Councillor Izzi Seccombe noted that the figures were based on a no deal scenario and asked if other deal scenarios had been mapped. Rebecca Riley advised that currently business behaviour was based on a no deal outcome.

Given it was linked to the worst-case scenario in no deal outcome it was suggested that the data should be viewed carefully and that there should still be support to lobby Government for a trade deal and support for local businesses.

Rebecca Riley advised that data contained sector specific risks from information shared by the region's Growth Hubs, which fed into the Brexit Contingency Group. She advised that key issues were sector specific and would inform what "Asks" should be considered at the next meetings. Issues included regulation changes; migration with a knock-on effect for construction; no ERDF money; issues for research and development investments. There was a need to work up asks of Government from Brexit and linked into the LIS priorities.

The Chair advised that this should be retained as an item for the next meeting and stated that the CA needed to be ready to lobby from 13<sup>th</sup> December 2019.

Lindsey Flynn referenced the skills gap and asked what was the scale of the ask, as she felt there was a need to quantify all asks. Rebecca Riley advised that the employment rate was high and envisaged to remain high. However, the people left were the harder to employ and thus required greater interventions.

It was noted that the budget would be announced on 6<sup>th</sup> January 2020, if the Conservatives retained the government.

Resolved:

1. That the Board receive updated Economic Data at each Board meeting with the relevant changes highlighted for Members; and
2. That the Skills Gap needed to be quantified so that the scale of the requirement for funding was understood.

**37. Deep Dive Session on LIS Future of Mobility & Automotive Sector Action Plan**

Mark Collins and Mike Waters gave a presentation on the Future of Mobility & Automotive Sector Action Plan.

They highlighted that Future of Mobility should be viewed as a significant opportunity for the region, providing disruptors to the existing sectors were managed.

Diversification opportunities exist throughout expanded ecosystem. With the right infrastructure, systems and policies the region can retain and grow a strong R&D economy and supply chain presence; and export know of how to make the system work by demonstrating exploitation in the region. The potential was for autonomous vehicles, fleets and increased EV.

They asked that the Board:

- considers and advises on establishing a overarching function above the existing projects detailed in the presentation. This would be targeted to provide potential investors and resident economic assets with a more seamless access platform to all opportunities.
- Supports TfWM, working with the LEPs and Local Authority partners, continues to develop this concept and an outline business model.
- considers forming a high-level steering group to advise on the further strategy development of Future Mobility and Automotive.

Prof John Latham acknowledged there was fantastic work being done across a number of sectors but stated that the UK was too small to be a world leader. However, there was an opportunity for the UK to be known for something in the emerging spaces such as autonomous vehicles.

Councillor Izzi Seccombe advised that there need to be balance between the private and public sectors investment. She advised that where commercially beneficial the private sector would invest but there would be some requirement for public sector intervention. Councillor Ian Courts added that there was an issue with infrastructure being in place in order to attract investment and people.

The Chair advised that the Secretary of State view was to establish the scale of the opportunity and he asked where the competitive advantage was in relation to the approach suggested.

Sarah Middleton stated that the Black Country strengths were in materials and aerospace and there was a need to do more where there was an existing specialism in the global market. She commented that the presentation was very car focussed.

The Chair asked if there was a need to establish a Steering Group and there were already a number of groups reporting into the Board. Patrick White advised that it did make sense to have greater co-ordination such as a “Task and Finish” group with a timeline to report back to the Board. The Chair agreed to a Task and Finish group to report back to the Board after three months.

Resolved:

1. That TfWM, working with the LEPs and Local Authority partners, continues to develop this concept and an outline business model.
2. That the Board forms a high-level Task & Finish group to advise on the further strategy development of Future Mobility and Automotive, time limited to report back to the Board in 3 months, to include consideration of an overarching function above the existing projects, that would be targeted to provide potential investors and resident economic assets with a more seamless access platform to all opportunities.

**38. LIS Business Growth Programme**

The Chair advised that this item would be deferred to the next meeting.

Resolved:

That this item be deferred to the next Board meeting.

**39. Brexit Commission and Economic Contingency Group**

Julia Goldsworthy provided a brief update. She stated that the Government had stepped back from resilience planning and that this had been reflected in the region, with the Brexit Contingency Group now being held at operational level.

Resolved:

That the Board receive and note the update.

**40. Date of Next Meeting**

Resolved: that it be noted that the next meeting would be held on 8th January 2020.

The meeting closed at 4.00pm

Chair

This page is intentionally left blank



**West Midlands  
Combined Authority**

## Investment Board

**Monday 16 December 2019 at 10.00 am**

### Minutes

#### Present

Councillor Bob Sleigh (Chair)  
Nick Abell

Councillor Harman Banger  
Councillor Mike Bird  
Councillor Tristan Chatfield  
Councillor Steve Clark  
Councillor Karen Grinsell

Portfolio Lead for Finance & Investments  
Coventry & Warwickshire Local  
Enterprise Partnership  
City of Wolverhampton Council  
Walsall Metropolitan Borough Council  
Birmingham City Council  
Dudley Metropolitan Borough Council  
Solihull Metropolitan Borough Council

#### In Attendance

Sarah Middleton

Adam Hunt  
Gareth Bradford  
Linda Horne  
Chris Davies  
Ian Martin  
David Warburton  
Carl Craney  
Matthew Hammond  
Ed Bradburn  
Nick Oakley  
Kieren Turner-Owen

Black Country Local Enterprise  
Partnership  
Coventry City Council  
West Midlands Combined Authority  
West Midlands Growth Company  
West Midlands Development Capital  
West Midlands Development Capital  
West Midlands Development Capital

#### Item Title

##### No.

#### 73. Chair's Opening Remarks

The Chair welcomed those present at the meeting and at his invitation introductions were duly made.

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

Apologies for absence had been received from Councillor Tony Jefferson (Non-Constituent Districts), Gary Taylor (Greater Birmingham and Solihull Local Enterprise Partnership) and Sue Summers (West Midlands Development Capital).

Apologies for absence had also been received from Richard Moon and Andy Williams (Coventry City Council) and Sukhy Dhanoa (West Midlands Combined Authority).

**75. Notification of Substitutes (if any)**

No substitutes had been nominated by those members who had submitted apologies for absence.

**76. Declarations of Interests (if any)**

No declarations of interests were made at the meeting.

**77. Minutes - 11 November 2019**

The Board considered the minutes of the meeting held on 11 November 2019.

With reference to Minute No. 63 (Update on the Activity of the West Midlands Growth Company), Ian Martin advised that the comprehensive data requested at the last meeting on performance benchmarking by region had been received and would be circulated following the meeting.

With reference to Minute No. 64 (Proposed Site Acquisition and Disposal Strategy for Land at Dobbs Street, Wolverhampton) and the compliance with the WMCA's Single Commissioning Framework (SCF), Gareth Bradford that the previous report on the SCF provided to the November 2019 Investment Board would be updated for the January 2020 meeting and include the amendments the Housing and Land Delivery Board had agreed to make under delegated authority on 30 September 2019 to the SCF.

**Resolved:**

1. That the minutes of the meeting held on 11 November 2019 be confirmed as a correct record and signed by the Chair;
2. That the comprehensive data on performance by region as requested at the last meeting be circulated;
3. That a report on the recent adjustments to the Single Commissioning Framework be submitted to the next meeting of this Board.

**78. Investment Programme and Dashboard**

Linda Horne and Ian Martin presented a report on the status of the Investment Programme to assist the Board in determining investment decisions.

The Chair advised that following comments made at previous meetings a revised Dashboard had been prepared to assist the Board in tracking investments made and a copy was circulated at the meeting. Ian Martin reported that the revised Dashboard would assist the Board to:

- Concentrate on dates when investments had been made and would be delivered;
- That it would replace the Dashboard now presented at Appendix 4 to the report; and
- Would assist in identifying slippage with schemes and identifying projects to be reviewed.

Sarah Middleton commented that the Land and Property Investment Fund (LPIF) was the subject of delegated authority to the Black Country Local Enterprise Partnership via a delegation from the WMCA to the Black Country authorities with Walsall MBC as the Accountable Body but that she would assist Ian Martin with its incorporation into the revised Dashboard for monitoring and evaluation purposes.

Councillor Tristan Chatfield enquired that if start dates slipped whether end dates would also be extended on relevant projects. Ian Martin advised that such issues would be interrogated by the WMCA Programme Management Office and reports produced as appropriate for consideration by this Board.

Nick Abell welcomed the revised Dashboard but identified certain discrepancies. Councillor Mike Bird queried the contents of a particular scheme and Ian Martin gave an outline of the scheme.

Resolved:

1. That the status of the Investment Programme as detailed within the report be noted;
2. that the revised Dashboard be approved in principle with comments to be provided to Ian Martin by 3 January 2020.

**79. WMCA Collective Investment Fund (CIF) - Dashboard**

The Board considered the WMCA Collective Investment Fund (CIF) Dashboard (public iteration) as at 1 December 2019.

**Resolved:**

That the Dashboard be received and noted.

**80. WMCA Brownfield Land and Property Development Fund (BLPDF) - Dashboard**

The Board considered the WMCA Brownfield Land and Property Development Fund (BLPDF) Dashboard (public iteration) as at as at 1 December 2019.

Nick Oakley advised of an over-commitment to a particular scheme which would be reduced to comply with state aid requirements and that the allocation to another scheme was being reviewed as funding had not been drawn down as anticipated. He reported that all necessary legal agreements had now been signed between the respective parties and the WMCA in relation to schemes linked to the Commonwealth Games and were proceeding accordingly.

Councillor Mike Bird queried the gap in funding in relation to the Commonwealth Games. Councillor Tristan Chatfield explained that whilst some organisations had yet to commit to the funding promises, the commitments made to date exceeded requirements and, as such, a funding gap did not exist.

**Resolved:**

That the Dashboard be received and noted.

**81. WMCA Revolving Investment Fund (RIF) - Dashboard**

The Board considered the WMCA Revolving Investment Fund (RIF) Dashboard (public iteration) as at as at 1 December 2019.

**Resolved:**

That the Dashboard be received and noted.

**82. Land and Property Investment Fund (LPIF) - Dashboard**

The Board considered the Land and Property Investment Fund (LPIF) Dashboard as at 1 December 2019.

Sarah Middleton advised that the current iteration did not include reference to the additional 1,700 jobs to be created through the investment at the i54 site in Wolverhampton but would be included in future reports.

**Resolved:**

That the Dashboard be received and noted.

**83. 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).

**84. Former Wolverhampton Eye Infirmary, 1 Compton Road, Wolverhampton WV3 9QR**

Nick Oakley presented a report which sought approval to grant funding from the Land Fund (LF) and Brownfield Land and Property Development Fund (BLPDF) together with a loan from the WMCA Revolving Investment Fund (RIF) to assist with funding the construction and abnormals / viability gap at the Development. Richard Lawrence advised that the site was a key regeneration site in Wolverhampton and had suffered from vandalism and arson damage in recent years. The City of Wolverhampton Council supported the scheme.

The Board raised various questions in respect of the scheme and funding proposals including:

- The reasons for Compulsory Purchase Powers (CPO) not being used by the Council now and previously to resolve the issues earlier;
- The need for independent valuations;
- The increase in value of the site between acquisition and the present time and any linkages to the availability of public funding;
- The provision of affordable / quasi-affordable units;
- The role of English Heritage;
- The possibility of the City of Wolverhampton Council making a financial contribution towards the investment requested; and
- The reasons for enforcement action under Town and Country Planning legislation not being used at the appropriate time.

**Resolved:**

That the matter be deferred for consideration at the next meeting following further consideration by the Investment Advisory Group, the WMCA and City of Wolverhampton Council having regard to the various issues now raised including the terms of the loans and grant being reported separately.

**85. Land at Leys Road, Brierley Hill, Dudley DY5 3UR**

Kieren Turner-Owen presented a report which sought approval of a grant from the WMCA Land Fund and Brownfield Land and Property Development Fund to assist with funding the viability gap to provide 68 residential units, 35 of which would be affordable, at the property subject to conditions detailed in the report.

**Resolved:**

1. That approval of grant funding to assist with the delivery of 68 residential units, 35 of which would be affordable tenure be approved subject to the conditions detailed in the report and the critical dates referred to above;
2. That the explanation of 'clawback' be defined more fully in all future reports to this Board in line with the Single Commissioning Framework to ease consideration of that aspect.

**86. Land at Wilsons Lane, Exhall, CV7 9PJ**

Ed Bradburn presented a report which sought approval to an allocation of Collective Investment Fund (CIF) monies to fund the costs required to deliver the Development by way of a commercial loan. He advised that the pylon on the site did not present an issue, that the development of the site would lead to the creation of 150 jobs approximately and would generate £350,000 in additional Business Rates.

**Resolved:**

That the allocation of Collective Investment Fund (CIF) monies as detailed in the report to fund the costs required to deliver the Development by way of a commercial loan be approved.

**87. 37-42 Tenby Street, Birmingham, B1 3EF**

Andy Green presented a report which sought approval to the provision of Revolving Investment Fund (RIF) monies to the Company to assist with the Development of 42 residential units and 13,800 sq. ft. of new commercial space in Birmingham's Jewellery Quarter. The scheme would also retain a longstanding manufacturer of top jewellery in the area and provide new employment opportunities.

**Resolved:**

That the provision of Revolving Investment Fund (RIF) monies as detailed in the report to the Company to assist with the Development of 42 residential units and 13,800 sq. ft. of new commercial space in Birmingham's Jewellery Quarter be approved.

- 88. WMCA Collective Investment Fund (CIF) - Dashboard**  
The Board considered the WMCA Collective Investment Fund (CIF) Dashboard (private iteration) as at 1 December 2019.

**Resolved:**

That the Dashboard be received and noted.

- 89. WMCA Brownfield Land and Property Development Fund (BLPDF) - Dashboard**  
The Board considered the WMCA Brownfield Land and Property Development Fund (BLPDF) Dashboard (private iteration) as at 1 December 2019.

**Resolved:**

That the Dashboard be received and noted.

- 90. WMCA Revolving Investment Fund (RIF) - Dashboard**  
The Board considered the WMCA Revolving Investment Fund (RIF) Dashboard (private iteration) as at 1 December 2019.

**Resolved:**

That the Dashboard be received and noted.

- 91. MIPIM 2020**  
Ian Martin reminded the Board on the development of an Investment prospectus for use at MIPM 2019 with the intention that would only be subject to minor editorial amendments for MIPM 2020. The Editorial Group had met and had worked on minor changes which would be presented by way of a presentation to the next meeting of this Board on 20 January 2020 with the final iteration being considered at the meeting on 17 February 2020.

**Resolved:**

That the report be received and noted.

The meeting ended at 11.10 am.



## West Midlands Combined Authority

### Overview & Scrutiny Committee

Wednesday 18 December 2019 at 10.00 am

#### Minutes

##### Present

Councillor Lisa Trickett (Chair)	Birmingham City Council
Councillor Cathy Bayton (Vice-Chair)	Association of Black Country Authorities
Councillor Ahmad Bostan	Sandwell Metropolitan Borough Council
Councillor Peter Fowler	Birmingham City Council
Councillor Dr. Simon People	Staffordshire Non-Constituent Local Authorities
Councillor Stephen Simkins	Association of Black Country Authorities

##### In Attendance

Deborah Cadman	West Midlands Combined Authority
Councillor Kath Hartley	Transport Delivery Committee
Linda Horne	West Midlands Combined Authority
	Young Combined Authority

##### Item No. Title

##### 25. Inquorate Meeting

Tim Martin, Head of Governance, Clerk and Monitoring Officer, indicated that this meeting was inquorate and therefore decisions taken at the meeting would be submitted to the WMCA Board on 17 January 2020 for formal approval.

##### 26. Apologies for Absence

Apologies for absence were received from Councillor Lynnette Kelly (Coventry & Solihull Local Authorities), Councillor Richard Brown (Coventry City Council), Paul Brown (Black Country Local Enterprise Partnership), Councillor Chris Cade (Warwickshire Non-Constituent Local Authorities), Councillor Mike Chalk (Worcestershire Non-Constituent Local Authorities), Councillor Angus Lees (Dudley Metropolitan Borough Council), Councillor Lucy Seymour-Smith (Birmingham City Council), Councillor Kate Wild (Solihull Metropolitan Borough Council) and Sarah Windrum (Coventry & Warwickshire Local Enterprise Partnership).

##### 27. Mayoral Q&A - Budget 2020/21

Members of the committee, along with Aisha Masood from the Young Combined Authority, questioned the Mayor on financial matters relating to the WMCA and its developing budget for 2020/21. The Portfolio Lead for Finance, Councillor Bob Sleigh, was also questioned on matters relating to the Investment Programme that had been considered at meetings of the Investment Board.

Members questioned the Mayor on issues including financial transparency between proposed and actual spend, measures to achieve inclusive growth outcomes, targeting investments and outcome-based funding, the future funding arrangements for the Young Combined Authority, future intentions for a mayoral precept and a WMCA business rate supplement, and a greater focus on explaining to the public the outcomes that the WMCA had achieved.

In respect of specific matters to bring to the attention of the WMCA Board, it was recommended that:

- (a) A mechanism be developed that provided for assessing the impact on the WMCA's Investment Programme of new projects coming forward, and that this mechanism include an evaluation of carbon counting, social impact and value-added assessments.
- (b) An environment impact assessment be undertaken before any new WMCA policy was introduced so that its direct impact on the environment was assessed as part of wider policy considerations.
- (c) Any assessment of the regional skills gap be focuses on addressing the future and projected skills needs of the region.
- (d) A commitment be given to fund the Young Combined Authority for the four-year period 2020/21 – 2023/24
- (e) Investment be prioritised to reflect the changing contexts within the region since the WMCA was initially established in 2016 (eg. Climate emergency, economic impacts).
- (f) Caution be exercised over the use of reserves to fund the WMCA's revenue expenditure and the need to identify a more sustainable longer-term approach.
- (g) The delivery and performance monitoring framework be further developed so that it provided greater public transparency and clarity regarding the successes and challenges in delivering the WMCA's policy objectives.

It be recommended to the WMCA Board that:

The matters identified above that arose out of the Mayoral Q&A on 18 December 2019 be considered further by the WMCA Board.

## **28. Minutes - 22 October 2019**

The minutes of the meeting held on the 22 October 2019 were agreed as a correct record.

In regard to the outstanding action relating to Housing First spend, clarity was provided by the Head of Governance on the comments made by the Mayor at the Question Time session held on 9 October 2019.

**29. Matters Arising**

The committee noted the response from the Mayor in regards to the Mayor's Question Time held on 9 October 2019 that had been previously circulated to all members.

**30. Scrutiny Review into the Effectiveness of Transport Delivery Committee in Overseeing the Delivery of WMCA Transport Policies**

The committee considered a report from Councillor Cathy Bayton on the findings of the recent scrutiny review undertaken to determine the effectiveness of Transport Delivery Committee and to ensure that the transport policies of the West Midlands Combined Authority positively contributed towards the delivery of its wider corporate objectives.

Councillor Cathy Bayton highlighted that further to discussions with the Transport Portfolio Lead Councillor Ian Ward, an amendment would be made to recommendation 3 whereby membership of the proposed Transport Scrutiny Sub-Committee was suggested to be drawn from any member of a constituent authority transport scrutiny committee. This change in wording was supported by members of the committee.

Councillor Kath Hartley, Chair of Transport Delivery Committee, offered a number of comments on the recommendations contained within the report, including supporting the establishment of the Strategic Transport Board to co-ordinate the development of transport policy across the region.

It be recommended to the WMCA Board that:

- (1) The conclusions and recommendations of the scrutiny review group, as set out within the report, be endorsed subject to an amendment to the potential membership of the proposed Transport Scrutiny Sub-Committee.

**31. WMCA Scrutiny Review on the Effectiveness of the WMCA's Governance Structures in delivering the policy objectives of the WMCA**

Councillor Lisa Trickett provided the committee with an update on the progress made with the development of a scoping document for a scrutiny review on the effectiveness of the WMCA's governance structures in delivering its policy objectives.

The proposed review would look at whether the governance structures of the West Midlands Combined Authority were appropriate to deliver its aims and policy objectives, given the growth of the WMCA's remit and influence. Councillor Lisa Trickett would lead on this review alongside with the following councillors who indicated their interest of involvement with the review; Councillor Simon Peale, Councillor Stephen Simkins, Councillor Ahmad Bostan, Councillor Peter Fowler and Aisha Masood (representative from the Young Combined Authority).

It be recommended to the WMCA Board that:

- (1) The proposed scoping document for a scrutiny review into the effectiveness of the WMCA's governance structure in delivering the policy objectives of the West Midlands Combined Authority be considered and approved.

**32. Scrutiny Champions Update**

Councillor Simon People reported back to the committee following a meeting with Gareth Bradford, Director of Housing & Regeneration, in relation to queries on the allocations of housing funds between local authorities and affordance housing.

**33. Forward Plans**

The committee noted a forward plan of items that were to be reported to future meetings of this committee and the WMCA Board.

**34. Date of Next Meeting**

Tuesday 21 January 2020 at 10.00am

The meeting ended at 12.55 pm.