

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:

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AGENDA

No.	Item	Presenting	Pages
Items of Public Business			
1.	Apologies for Absence	Chair	None
2.	Declarations of Interest Members are reminded of the need to declare any disclosable pecuniary interests they have in an item being discussed during the course of the meeting. In addition, the receipt of any gift or hospitality should be declared where the value of it was thought to have exceeded £25 (gifts) or £40 (hospitality).	Chair	None
3.	Minutes - 17 January 2020	Chair	1 - 10
4.	Forward Plan	Chair	11 - 12
5.	Chair's Remarks (if any)	Chair	None
Governance			
6.	Appointment of Strategic Economic Development Board Chair	Chair	None
Finance			
7.	WMCA Budget 2020/21	Councillor Bob Sleigh	13 - 94
Transport			
8.	Electric Vehicle Charging and Enabling Energy Infrastructure: A West Midlands Approach	Councillor Ian Ward	95 - 110
9.	Intelligent Transport Systems World Congress 2024 Bid	Councillor Ian Ward	111 - 122
10.	Sprint A34 Walsall - Birmingham and Sprint A45 Birmingham - Airport	Councillor Ian Ward	123 - 132
Minutes			
11.	Transport Delivery Committee - 6 January 2020	Councillor Kath Hartley	133 - 140
12.	Audit, Risk & Assurance Committee - 13 January 2020	Chair	141 - 148

13.	Housing & Land Delivery Board - 15 January 2020	Councillor Mike Bird	149 - 156
14.	Young Combined Authority - 15 January 2020	Young CA Representative	157 - 158
15.	Investment Board - 20 January 2020	Councillor Bob Sleight	159 - 166
16.	Wellbeing Board - 24 January 2020	Councillor Izzi Seccombe	167 - 170
17.	Exclusion of the Public and Press [In accordance with s100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item(s) of business as it is likely to involve the disclosure of exempt information as specified in paragraph xx of the Act.]	Chair	None
Transport			
18.	Midland Metro Birmingham Eastside Extension	Councillor Ian Ward	171 - 192
19.	Intelligent Transport Systems World Congress 2024 Bid (Confidential Appendix)	Councillor Ian Ward	193 - 196
20.	Sprint A34 Walsall - Birmingham and Sprint A45 Birmingham - Airport (Confidential Appendix)	Councillor Ian Ward	197 - 198
Date of Next Meeting			
21.	Friday 20 March 2020 at 11.00am	Chair	None



**West Midlands
Combined Authority**

WMCA Board

Friday 17 January 2020 at 11.00 am

Minutes

Constituent Members

Andy Street (Chair)

Councillor Bob Sleigh (Vice-Chair)

Councillor Wasim Ali

Councillor Mike Bird

Councillor Ian Brookfield

Councillor Ian Courts

Councillor George Duggins

Councillor Patrick Harley

Councillor Brigid Jones

Councillor Ian Ward

Mayor of the West Midlands Combined
Authority

Solihull Metropolitan Borough Council

Sandwell Metropolitan Borough Council

Walsall Metropolitan Borough Council

City of Wolverhampton Council

Solihull Metropolitan Borough Council

Coventry City Council

Dudley Metropolitan Borough Council

Birmingham City Council

Birmingham City Council

Non-Constituent Members

Councillor Matthew Dormer

Councillor David Humphreys

Councillor Julie Jackson

Councillor Tony Jefferson

Ninder Johal

Councillor Tony Johnson

Councillor Alexander Phillips

Councillor Izzi Seccombe

Councillor Jill Simpson-Vince

Redditch Borough Council

North Warwickshire Borough Council

Nuneaton & Bedworth Borough Council

Stratford-on-Avon District Council

Black Country Local Enterprise

Partnership

Cannock Chase District Council

Shropshire Council

Warwickshire County Council

Rugby Borough 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

Kashmire Hawker

David Lane

Avtar Purewal

Overview & Scrutiny Committee

Overview & Scrutiny Committee

Transport Delivery Committee

Young Combined Authority

Audit, Risk & Assurance Committee

Young Combined Authority

Item Title
No.

70. Apologies for Absence

Apologies for absence were received from Councillor George Adamson (Cannock Chase), Jonathan Browning (Coventry & Warwickshire LEP), Councillor Shaun Davies (Telford & Wrekin), Councillor Yvonne Davies (Sandwell), Councillor David Hitchiner (Herefordshire), Councillor Sebastian Lowe (Rugby), Councillor Peter Nutting (Shropshire), Tim Pile (Greater Birmingham & Solihull LEP) and Stewart Towe (Black Country LEP).

71. Minutes - 8 November 2019

The minutes of the meeting held on 8 November 2019 were agreed as a correct record.

72. Forward Plan

A forward plan of items to be considered at future meetings of the board was noted.

73. Chair's Remarks

(a) David Stevens, Sandwell Metropolitan Borough Council

The Chair congratulated David Stevens on his recent appointment as Chief Executive of Sandwell Metropolitan Borough Council.

(b) Jacqueline Homan, Head of Environment

The Chair welcomed Jacqueline Homan, recently appointed as the WMCA's Head of Environment, to her first meeting.

74. Scrutiny Review into the Effectiveness of Transport Delivery Committee in Overseeing the Delivery of WMCA Transport Policies

The board considered a report setting out the findings of a scrutiny review undertaken to determine the effectiveness of Transport Delivery Committee in ensuring that the transport policies of the WMCA positively contributed towards the delivery of its wider corporate objectives.

Councillor Cathy Bayton reported that the scrutiny review had gathered written and verbal evidence from a number of key stakeholders, including the Portfolio Lead for Transport, Chair of Transport Delivery Committee and the Managing Director of Transport for West Midlands. It proposed a number of recommendations to strengthen the co-ordination of transport policy between the WMCA and its constituent authorities, improving transport scrutiny arrangements and strengthening Transport Delivery Committee.

Councillor Ian Ward thanked Councillor Cathy Bayton for the way in which the scrutiny review was carried out and the opportunity she provided for him to input into the evidence it considered.

Resolved:

The report be noted, and the Portfolio Lead for Transport provide a formal written response to the proposals contained within the report.

75. Financial Monitoring 2019/20

The board considered a report from the Director of Finance providing an update on WMCA finances as at the end of November 2019.

The report provided a summary of revenue and capital spend against the approved budget, and a summary of the Investment Programme along with current commitments. The year to date position at the end of November 2019 showed a £1.544m favourable variance from budget and a full-year favourable variance of £2.256m. This included of a favourable variance of £1.972m in transport expenditure against the budget, primarily as a result of lower patronage volumes and changes in the timetable of capital requirements.

Resolved:

- (1) The financial position as at the end of November 2019 be noted.
- (2) It be noted 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) 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 within the report, be noted.

76. WMCA Draft Budget 2020/21

The board considered a report from the Director of Finance presenting a draft budget for consideration so as to enable a period of consultation with stakeholders to begin. The report represented the first part of the formal process to determine the WMCA's budget, levy and precept levels for 2020/21. It would form the basis for the budget proposals to be considered by the WMCA Board on 14 February.

Councillor Lisa Trickett reported that Overview & Scrutiny Committee had considered the draft budget and its comments had been included within the report, including the need for improved performance monitoring, the longer-term sustainability of using reserves to fund revenue expenditure, and the need to develop a wider assessment of the return on capital invested to include CO₂ reduction and social inclusion considerations. Councillor Bob Sleigh thanked the Overview & Scrutiny Committee for its contribution to the development of the draft budget.

Lee Barron welcomed proposals to become an accredited Real Living Wage employer and considered that it was an important step to take in helping to encourage other organisations across the region to make a similar commitment.

Resolved:

- (1) The consolidated revenue budget monitoring position as at 30 November 2019 be noted.
- (2) The draft West Midlands Combined Authority consolidated revenue budget be approved for consultation. This included:
 - (a) the budget requirement for transport delivery 2020/21 comprising three elements:
 - (i) £114.7m a year to be funded from the existing transport levy mechanism;
 - (ii) £1.4m to be funded from grant awarded by the Commonwealth Games Organising Committee; and
 - (iii) a transfer from earmarked reserves of £3.65m.
 - (b) the West Midlands Combined Authority Delivery budget requirement for 2020/21 of £142.0m comprising of six elements:
 - (i) £125.8m Adult Education spending to be funded from Adult Education Budget funding devolved by the Department for Education;
 - (ii) £8.3m to be funded from other devolution deal grants;
 - (iii) £4.6m to be funded from Constituent Authority fees (fees to remain at the same level as 2019/20);
 - (iv) £0.4m to be funded from Non-Constituent Authority and observer fees (fees to remain at the same level as 2019/20);
 - (v) £2.2m to be funded from other income; and
 - (vi) a transfer from reserves of £0.8m.
- (3) The Mayoral Office budget for 2020/21 of £0.8m, to be funded from additional confirmed Mayoral capacity funding of £0.8m, be approved for consultation and scrutiny.
- (4) It be noted that the Mayor had indicated that there would be no mayoral precept during the remainder of his current term of office.
- (5) An application to the Living Wage Foundation to become an accredited Real Living Wage employer be approved in principle.

- (6) The West Midlands Combined Authority's indicative five-year Medium-Term Financial Plan be noted.
- (7) The draft Transport Capital Programme be approved for consultation.
- (8) The planned spend on the Investment Programme over the three-year period be noted.
- (9) It be approved that surplus cash balances generated from the Collective Investment Fund and Residential Investment Fund were to be used to support the West Midlands Combined Authority Delivery budget, thus minimising Constituent and Non-Constituent Authority contributions.
- (10) The matters identified by Overview and Scrutiny Committee that arose out of the Mayoral Q&A on 18 December 2019 be noted.

77. Local Industrial Strategy Implementation Update

The board considered a report from the Director of Strategy setting out the new opportunities identified within the Local Industrial Strategy, and 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.

The West Midlands Industrial Strategy was published in May 2019 and set out the WMCA's intent to continue recent growth and success, whilst tackling the issues of economic inclusion that remained embedded within the economy and communities.

Ninder Johal stressed the importance of partnership working between the public and private sectors to better co-ordinate funding bids. He added that the Strategic Economic Development Board was currently looking at current inward investment trends and their regional implications. Good progress was being made in moving forward on the four major market opportunities identified within the Local Industrial Strategy, including future of mobility, creative content, techniques and technologies, data driven health and life sciences, and modern services.

Resolved:

- (1) The progress to date on delivery against the Local Industrial Strategy and overall economic growth goals, including activity to ensure the economy was more inclusive and resilient to shocks, and that zero carbon priorities were embedded in all activity to deliver economic growth, be noted.
- (2) The more detailed approach being taken to implementing and managing delivery, including actions being taken to ensure delivery reflected the latest mid-year economic data and informed the future funding asks of Government, be agreed.
- (3) The next steps, outlined within the report, be agreed.

78. #WM2041: Our Actions to Meet the Climate Challenge

The board considered a report from the Head of Environment setting out within a 'green paper' proposals to identify a range of short, medium- and longer-term actions that would be needed to help the region transition to net-zero levels of CO₂ emissions by 2041.

The 'green paper' had been based on five underlying principles:

- We need to make the journey to 2041 without leaving anyone behind.
- We need to boost our resilience to 'locked in' climate breakdown.
- We need to reconcile our past with our future.
- We need to build more places, and more connectivity between places.
- We need to reduce demand for energy and resources without impacting on shared prosperity.

Councillor Ian Courts welcomed the report and the sense it gave as to the scope of the actions that would need to be undertaken to reduce CO₂ emissions within the region. He stressed that the green paper was a call to action, and he welcomed the public's full engagement in this. A six-week engagement period would now commence, and a further report would then be considered by the WMCA Board on 5 June to agree a revised action plan.

Avtar Purewal indicated that the Young Combined Authority welcomed the report and stressed the importance of young people within the West Midlands being engaged in this as they would be most affected having to live with the consequences of climate change. The Young Combined Authority had pledged to be fully involved, agreeing that the environment was to be a priority workstream for itself, leading engagement work with young people across the West Midlands, and holding the WMCA to account in delivering on the targets it sets.

Councillor Ian Ward expressed some concern that different target dates for net carbon emission neutrality could result in a confused message in the minds of the public. Councillor Ian Courts acknowledged these concerns, although noted that the Government's target date of 2050 was consistent with the specific objectives of the West Midlands by 2041. Councillor Lisa Trickett suggested that 85% of the measures required to enable the Government's 2050 target date to be met needed to be taken within the next five years, providing the impetus to act now and provide the funding necessary.

Resolved:

- (1) The climate green paper be received and endorsed as an important stage in a programme of collaboration, engagement and policy development to address the climate challenge in the West Midlands.

- (2) The next steps outlined within the report, including the development of an investment pipeline with priority investments as part of the Spending Review/Budget proposition to Government be agreed, and this collaborative task be delegated to the Environment Board, supported by the WMCA executive.

79. West Midlands Violence Reduction Unit

The board considered a report from the Director of Productivity & Skills and the Interim Implementation Lead for the Violence Reduction Unit providing details on how the West Midlands was approaching the challenge of increased violence through the establishment of a Violence Reduction Unit.

Within the West Midlands, gun crime had increased by 33% and instances of knife crime had increased by 85% since 2012. Domestic violence had increased 14% since 2018 and violent crime against the person was up 32% during the last year. The Violence Reduction Unit sought to bring together a number of programmes that were seeking to tackle these issues. The report set out the future role of the Violence Reduction Unit in relation to Community Safety Partnerships and statutory safeguarding arrangements.

David Jamieson stressed the significance of knife crime within the region, and the disproportionate impact it had on younger people. He welcomed the Prime Minister's intention to take a personal interest in this issue, and considered that violence in the community was something that wider society could do something about with the right targeted measures, of which the Violence Reduction Unit had a key role to play. He also thanked Councillor George Duggins for the recent Youth Violence Summit hosted by Coventry City Council. Councillor George Duggins stressed the importance of taking a public health approach to tackling violence, and welcomed the partnership working that had led to the creation of the Violence Reduction Unit.

Resolved:

- (1) The progress to date on the establishment of the West Midlands Violence Reduction Unit - a collaborative regional approach to addressing violence, vulnerability and exploitation - be noted and welcomed.
- (2) The WMCA commit to actively working with the Violence Reduction Unit on its prevention agenda - including through agreements for each West Midlands authority to work with the Violence Reduction Unit in ways that added value, supported preventative work in local settings (including targeting funding to the right places), and could be held to account through appropriate local forums.

80. Strategic Economic Development Board - 5 September 2019

The board received the minutes of the Strategic Economic Development Board held on 5 September.

Resolved:

The minutes of the meeting held on 5 September 2019 be noted.

81. Housing & Land Delivery Board - 4 November 2019

The board received the minutes of the Housing & Land Delivery Board held on 4 November.

Resolved:

The minutes of the meeting held on 4 November 2019 be noted.

82. Transport Delivery Committee - 4 November 2019

The board received the minutes of the Transport Delivery Committee held on 4 November.

In respect of minute no. 35(ii) ('Outcome of West Midlands Trains Strike Ballot'), Councillor Kath Hartley reported that members of the committee had received a further briefing indicating that a settlement had now been reached between West Midlands Trains and the National Union of Rail, Maritime & Transport Workers which would result in the end of the recent programme of industrial action. Councillor Ian Ward indicated that he, along with the West Midlands Police & Crime Commissioner, had recently asked for evidence from the public as to the unacceptable state of local rail services within the region. To date, almost 1,000 responses had been received from passengers, and he invited the Chair to join with him in reviewing the submissions received. The Chair indicated his willingness to participate in this.

Resolved:

The minutes of the meeting held on 4 November 2019 be noted.

83. Investment Board - 11 November 2019

The board received the minutes of the Investment Board held on 11 November.

Resolved:

The minutes of the meeting held on 11 November 2019 be noted.

84. Audit, Risk & Assurance Committee - 12 November 2019

The board received the minutes of the Audit, Risk & Assurance Committee held on 12 November.

Resolved:

The minutes of the meeting held on 12 November 2019 be noted.

85. Young Combined Authority - 13 November and 11 December 2019

The board received a report of the Young Combined Authority meetings held on 13 November and 11 December.

Kashmire Hawker reported on recent YCA activity, including pre-decision engagement with WMCA officers on the developing environmental strategy, participation in the Police & Crime Commissioner's Youth Summit, and an intention to hold a youth hustings event for mayoral candidates ahead on the election on 7 May. He also paid his respects to former councillor Mike Heap, Mayor of Wolverhampton 2014/15, who had recently died.

Resolved:

The report on the meetings held on 13 November and 11 December 2019 be noted.

86. Strategic Economic Development Board - 20 November 2019

The board received the minutes of the Strategic Economic Development Board held on 20 November.

Resolved:

The minutes of the meeting held on 20 November be noted.

87. Investment Board - 16 December 2019

The board received the minutes of the Investment Board held on 16 December.

Resolved:

The minutes of the meeting held on 16 December 2019 be noted.

88. Overview & Scrutiny Committee - 18 December 2019

The board considered the minutes of the inquorate meeting of the Overview & Scrutiny Committee held on 18 December.

Resolved:

The minutes of the meeting held on 18 December be approved.

89. Date of Next Meeting

Friday 14 February 2020 at 11.00am

The meeting ended at 12.30 pm.

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WEST MIDLANDS COMBINED AUTHORITY FORWARD PLAN: MARCH - MAY 2020

Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
Equalities Update	To agree a Modern Slavery Policy and adopt an anti-Semitism definition.	20 March 2020	Yes	n/a	Tim Martin	No	Governance
Financial Monitoring 2019/20	To review the latest budget monitoring position.	20 March 2020	No	Cllr Bob Sleigh	Linda Horne	No	Finance
Adult Education Budget	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
West Midlands Bus Byelaws Update	To provide an update on the progress made to introduce a proposed set of byelaws on the bus network.	20 March 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
Perry Barr and University New Railway Stations	To approve the full business cases.	20 March 2020	Yes	Cllr Ian Ward	Laura Shoaf	No	Transport
Moseley, Kings Heath and Hazelwell New Railway Stations	To approve compulsory purchase orders for these new railway stations.	20 March 2020	Yes	Cllr Ian Ward	Laura Shoaf	Yes	Transport
Procurement Update on the Bike Share Scheme	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
WMCA Annual Plan 2020/21	To approve the draft WMCA Annual Plan for 2020/21.	5 June 2020	Yes	n/a	Julia Goldsworthy	No	Governance



WMCA Board

Date	14 February 2020
Report title	WMCA Budget 2020/21
Portfolio Lead	Finance - Councillor Bob Sleigh
Accountable Chief Executive	Deborah Cadman, West Midlands Combined Authority email: deborah.cadman@wmca.org.uk tel: (0121) 214 7200
Accountable Employee	Linda Horne, Director of Finance email: linda.horne@wmca.org.uk tel: (0121) 214 7508
Report has been considered by	Senior Leadership Team West Midlands Finance Directors Programme Board

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

1. Note the consolidated revenue budget monitoring position as at 31 December 2019;
2. Approve the West Midlands Combined Authority consolidated revenue budget summarised in Section 5. 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; and
 - 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 £142.6 million comprising of six elements:
- i. £125.6¹ million Adult Education spending to be funded from Adult Education Budget funding devolved by the Department for Education;
 - ii. £9.0 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 £0.7 million.
3. Approve 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. Note that funding has not yet been secured in respect of the Mayoral Election taking place in May 2020.
 6. Approve the prepayment of employers' pension contributions to West Midlands Pension Fund as set out in section 5 (paragraphs 5.11 – 5.13).
 7. Endorse the proposal in respect of the Ring and Ride service set out in Section 5 (paragraphs 5.4 – 5.6).
 8. Approve the Capital Programme as set out in Section 6 and Appendices 3, 4 and 5.
 9. Note the West Midlands Combined Authority indicative 5 year Medium Term Financial Plan as set out in section 7 and Table 6.
 10. 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.
 11. Delegate to the Director of Finance in consultation with the Portfolio Lead for Finance and Investments to make any final changes that may result from the Final Local Government Finance Settlement as set out in paragraph 2.4.
 12. Approve an amendment to the Terms of Reference of West Midlands Combined Authority's Audit, Risk and Assurance Committee to include responsibility for review, commentary and consideration of the authority's annual Treasury Management Strategy and the annual mid-year review of Treasury Management activity as set out in paragraph 9.5.
 13. Approve the following policies and strategies as required by statute:
 - a) The West Midlands Combined Authority Treasury Management Strategy as set out in section 9 and Appendix 7;
 - b) The West Midlands Combined Authority Capital Strategy and Minimum Revenue Provision Strategy and as set out in section 10 and Appendices 8 and 9; and

¹ WMCA's Adult Education Budget allocation for the 2020/21 academic year is indicative at the time of writing. The actual allocation is anticipated to be confirmed in February 2020.

- c) The West Midlands Combined Authority Pay Policy Statement as set out in section 14 and Appendix 10.

1.0 Purpose

- 1.1 This report is intended to present the final West Midlands Combined Authority budget for 2020/21 for approval by the West Midlands Combined Authority Board. A draft budget was approved for review and comments by the West Midlands Combined Authority Board at its meeting on 17 January 2020.

2.0 Background

- 2.1 This report represents the final stage of the budget setting process for the West Midlands Combined Authority incorporating the final revenue and capital budget for 2020/21 together with an indicative Medium Term Financial Plan and associated policies required by statute and there are no changes from the financial plans considered within the Draft Budget at West Midlands Combined Authority Board on 17 January 2020.
- 2.2 This report incorporates the 2019 Provisional Local Government Finance Settlement. The final 2020/21 Local Government Finance Settlement is due to be laid before the House of Commons, for its approval, in February 2020 and so a verbal update will be provided at the meeting of the West Midlands Combined Authority on 14 February 2020 should there be any implications.
- 2.3 The Mayor and the West Midlands Combined Authority have listened to feedback on the Draft Budget during January 2020. This has included formal feedback from the Constituent Members of the Combined Authority and from other key stakeholders.
- 2.4 Delegation is requested to the Finance Director in consultation with the Portfolio Lead for Finance and Investments to make any final changes that may result from the Final Local Government Finance Settlement should they arise.

3.0 Building on a strong base – the 2019/20 forecast revenue outturn

- 3.1 The West Midlands Combined Authority's forecast outturn for 2019/20 at Month 9 (December 2019) indicates a favourable variation of £2.3 million. The forecast represents actual performance for nine months of the 2019/20 financial year together with a forecast for the remaining three months. Net spending for the Mayor's office continues to be in line with the original budget.
- 3.2 The following table illustrates the overall position at the end of December 2019:

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

£ million	Original Budget	Forecast Outturn	Forecast Variance
Transport Delivery	115.7	113.7	2.0
WMCA Operational Budget	97.6	97.3	0.3
Mayor's Office	0.8	0.8	-
Investment Programme	42.5	42.5	-
Total	256.6	254.3	2.3
Transfer to Efficiency Reserve			(2.3)

- 3.3 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. These savings are then shown as a transfer to an earmarked efficiency reserve rather than to the general fund.
- 3.4 Savings delivered by 31 March 2020 are anticipated to reach the overall target of £3.2 million required to fund West Midlands Combined Authority's overall spending plans in 2020/21.

4.0 Consultation and Engagement on the Draft 2020/21 Budget

- 4.1 Since the January 2020 West Midlands Combined Authority Board meeting, informal budget consultation has taken place with employee representatives i.e. the union and the budget opened for comments.
- 4.2 Overall, the feedback indicated broad support for the Draft Budget and for the delivery of outcomes set out in the Draft Budget.

5.0 Changes proposed to the Draft Budget

- 5.1 The Draft Budget related to the delivery of the Transport for West Midlands (TfWM) service, the West Midlands Combined Authority Delivery Budget and the Mayoral Office and the proposals set out in the Draft Budget remain largely unchanged.
- 5.2 The TfWM budget set out in Appendix 1 remains unchanged and continues to deliver all existing transport policies as set in the draft budget that was presented to West Midlands Combined Authority Board on 17 January 2020.
- 5.3 It should also be noted that any proposed policy changes in respect of transport delivery would require full public consultation.

Ring and Ride Service

- 5.4 TfWM has conducted a thorough review of Ring and Ride with the current provider, National Express Accessible Transport (NEAT), which has provided the service since 2019 following an accelerated merger and acquisition process. The assessment, which reflects findings from an earlier review of the service in 2018, before Accessible Transport Group went into administration, has focused on how the service can provide safety assurances, ensure staff are adequately trained, improve the customer experience through technology and better communication, improve transparency of operational costs and establish the necessary ongoing investment. Some of the agreed deliverables have already been undertaken in 2019/20 but there is still work to be done in future years.
- 5.5 A recommended proposal is to enter into a 3 year plus 2 contractual agreement with NEAT which will address these key issues and generate significant savings against the current annual budget allocation for Ring and Ride. The 2019/20 budget allocation is £7.1 million. If the contract is agreed, the annual cost of the three year contract would be £6.6 million on 2020/21, £6.35 million in 2021/22 and £6.2 million in 2022/23, resulting in total savings across the three years of approximately £2.2 million against an ongoing assumed annual budget of £7.1 million.

- 5.6 If the contract was extended beyond this for a further two years, a decision which would not be made until year 3 of the contract, the total level of savings over the five years would be approximately £4.8 million. The savings that can be achieved are dependent upon investment in new vehicles and technology and although the delivery of these savings has some risk for the operator, TfWM have insisted on a considerable saving up front, however, the agreement to enter into this contract would effectively require allocation of future unsecured West Midlands Combined Authority funding and therefore carries risk should future West Midlands Combined Authority budget allocations reduce significantly in future years. A three year funding deal has previously been granted from 2015 to 2018, however, there was no committed investment attached to this arrangement.
- 5.7 Funding for the proposals in relation to the budget West Midlands Delivery Budget set out in Appendix 2 (£142.6 million) is confirmed as follows:
- i. £125.6 million Adult Education spending to be funded from Adult Education Budget funding devolved by the Department for Education;
 - ii. £9.0 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 £0.7 million.
- 5.8 Since the Draft Budget was prepared an increase in gross expenditure of £0.65 million in respect of 'Creative Scale Up' programme delivery has been reflected in 2020/21. This is a Department of Culture, Media and Sport funded programme aimed at delivering support to creative businesses in the West Midlands.
- 5.9 The Department's aspiration is that West Midlands Combined Authority will use the funding to deliver:
- an intensive business support programme that improves the investability of scaling creative industry businesses;
 - an appropriate wrap-around programme of further support and signposting to match participating businesses to an appropriate and identified pool of investors;
 - targeted work with investors to increase investor interest and capacity to support creative industries businesses in the region; and
 - to contribute to a centralised rigorous evidence base that tests the impacts of sector specific investment readiness support on creative businesses.
- 5.10 The proposals in relation to the Mayoral Office remain unchanged although it should be noted that funding for the May 2020 Mayoral election is yet to be secured. West Midlands Combined Authority, alongside other Mayoral Combined Authorities, continues to lobby government to provide funding. A further update will be provided in the March 2020 Financial Monitoring Report, following the Government's budget announcements currently anticipated on 11 March 2020.

- 5.11 Since the Draft Budget for 2020/21 was prepared, West Midlands Combined Authority has been offered the opportunity to pay West Midlands Pension Fund employers' superannuation contributions three years in advance, based on assumed payroll levels. The advance discount levels are: year one 2.2%, year two 6.5% and year three 10.6%, resulting in an estimated three year saving of £0.681 million. Any overpayment or underpayment, based on actual payroll data, will either be adjusted in subsequent years or rolled up into the next actuarial valuation in the case of the third year.
- 5.12 It is considered that discount levels offered are higher than the cost of the return of any investments from the cash held or used, hence it is recommended that take up of this opportunity is endorsed.
- 5.13 West Midlands Combined Authority's auditors requested that the decision to take advantage of the discounted payment is formally approved by WMCA board.
- 5.14 The final consolidated revenue budget position for 2020/21 is set out in the following table:

Table 2: WMCA Consolidated 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	9.8	-	9.0	-	0.8
Adult Education Funding	125.6	-	125.6	-	-
Business Rates Growth	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	0.7	-	-
Unsecured Funding	3.6	-	-	-	3.6
Total Income	310.8	119.8	142.6	44.0	4.4
Transport Delivery	119.8	119.8	-	-	-
Operational Delivery	142.6	-	142.6	-	-
Investment Programme	44.0	-	-	44.0	-
Mayoral Office	0.8	-	-	-	0.8
Mayoral Election	3.6	-	-	-	3.6
Total Expenditure	310.8	119.8	142.6	44.0	4.4
Net Expenditure	0.0	0.0	0.0	0.0	0.0

- 5.15 There are no changes proposed to overall contributions from Constituent Authorities as set out in the following table:

Table 3: 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
Total	119.4	119.4	0.0

- 5.16 The minor change in net contributions from authorities reflects the proposed transport levy, updated for statutory population movements.
- 5.17 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.
- 5.18 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 table below:

Table 4: Non Constituent Authority and Observer Contributions

Non-Constituent Member Allocations	2020/21 £
<i>Non-Constituent</i>	
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
<i>Observers</i>	
The Marches LEP	25,000
Fire partner contribution	25,000
Police partner contribution	25,000
Herefordshire	25,000
Total	425,000

6.0 Capital Programme Summary

6.1 The West Midlands Combined Authority Board is recommended to approve the Capital Programme as summarised in following table.

Table 5: Summary WMCA Capital Programme 2020/21 – 2024/25

WMCA Capital Programme Expenditure (£M)		2020/21	2021/22	2022/23	2023/24	2024/25	Total
Expenditure	TfWM Capital Expenditure	307.3	502.3	348.6	240.6	193.9	1,592.7
	Housing Capital Expenditure	75.5	54.2	40.0	26.8	21.2	217.6
	Commercial / Residential Investment Funds	20.0	30.0	30.0	20.0	20.0	120.0
	Capital Grants to Local Authorities	226.8	160.2	187.4	155.3	105.3	835.1
TOTAL EXPENDITURE		629.6	746.7	606.1	442.7	340.4	2,765.5

- 6.2 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.
- 6.3 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.
- 6.4 Other Transport Capital Expenditure includes other ancillary programmes such as the Regional Transport Control Centre and the Connected Autonomous Vehicle programme.
- 6.5 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.
- 6.6 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.
- 6.7 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 £23 million.
- 6.8 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.

6.9 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 unsecured. Work with the Mayor, Metropolitan Leaders and the WMCA Finance Directors will continue into 2020 to enable the gaps to be closed.

6.10 WMCA also administer / transfer Capital Block Grants received by DfT to the Metropolitan Local Authorities. The methodology for distributing these grants is unchanged from previous years and is expected to be as follows:

£	ITB	Highways Maintenance Block	Highways Maintenance Incentive *	Pot Hole Action Fund *	Total
Strategic Top Slice **	90,000				90,000
WMCA	4,382,000				4,382,000
Birmingham	5,144,766				5,144,766
Coventry	1,653,294	2,225,000	463,000	157,700	4,498,994
Dudley	1,445,232	2,443,000	509,000	184,100	4,581,332
Sandwell	1,475,665	2,582,000	538,000	158,600	4,754,265
Solihull	968,702	2,108,000	439,000	149,100	3,664,802
Walsall	1,277,331	1,943,000	405,000	154,600	3,779,931
Wolverhampton	1,181,010	1,811,000	377,000	137,900	3,506,910
TOTAL	17,618,000	13,112,000	2,731,000	942,000	34,403,000

* Latest planning assumption agreed with DfT January 2020.

** Retained by WMCA and allocated through agreement with Strategic Transport Officers Group

7.0 Confirmation of Indicative Medium Term Financial Plan

7.1 The indicative Medium Term Financial Plan remains broadly as set out in the Draft Budget Report and is set out below:

Table 6: 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	172.0	167.3	162.6	162.6	162.6
Business Rates Growth	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
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
Total Funding	256.6	310.8	309.4	306.2	307.4	314.3
Transport for West Midlands	115.7	119.8	122.8	123.7	128.5	136.0
WMCA Delivery Budget	97.7	142.6	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
Total Expenditure	256.6	310.8	317.5	316.4	323.0	332.4
Net Expenditure	0.0	0.0	-8.1	-10.2	-15.6	-18.1

- 7.2 The indicative Medium Term Financial Plan assumes a cash flat funding requirement from Constituent Authorities in respect of 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 with regard to inflationary increases, pay and legislative changes and demand. The impact of these risks will be kept under review.
- 7.3 Assumptions have been made around pay increases although essentially pay awards negotiated as part of the appropriate collective agreements will be applicable from the appropriate date.
- 7.4 Assumptions have also been made around price rises and the Consumer Prices Index along with changes in patronage and fares. Clearly any variation in pay or prices 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.

8.0 Commentary on Risk

- 8.1 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.

8.2 December's Queen's Speech gave a commitment to a fundamental review of business rates. Details of 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.

8.3 These assumptions will be kept under review with the Finance Directors of the seven Constituent Authorities.

9.0 Treasury Management Strategy

9.1 The West Midlands Combined Authority is required to review its Treasury Management Strategy on an annual basis and the proposed strategy for 2020/21 is set out in Appendix 7.

9.2 Investment priorities will continue to be firstly, the security of capital (protecting sums from capital loss) and secondly the liquidity of investments (ensuring cash is available when required). Only when these two priorities are met will the third priority of achieving the optimum return on investments be taken into account.

9.3 The borrowing strategy is to borrow to protect the West Midlands Combined Authority cash flows and to borrow to replenish some of the internal cash balances that have been temporarily used to fund recent years' capital expenditure. It is anticipated that the new borrowing will occur early in 2020/21. WMCA will work to ensure borrowing is accessed at commercially competitive rates and terms following the policy decision by HM Treasury to increase the cost of borrowing by 1% in October 2019.

9.4 It is important to remember that real value is being achieved through Treasury Management by utilising internal cash balances to temporarily support the capital programme thus avoiding the need to borrow at the prevailing rates. The Treasury Management Strategy includes the borrowing needed to support WMCA Capital Programme.

9.5 Following a recent review of the Chartered Institute of Public Finance and Accountancy's recommended approach to Treasury Management set out in the Treasury Management in Public Services Code of Practice, it is proposed to amend the Terms of Reference of WMCA's Audit, Risk and Assurance Committee to include responsibility for review, commentary and consideration of the annual Treasury Management Strategy and annual mid-year review of Treasury Management activity, before approval of these documents is formally sought from WMCA Board. It is proposed to make this change with effect from the new municipal year commencing in May 2020. WMCA Board is recommended to endorse this approach.

10.0 Capital Strategy and Minimum Revenue Provision Strategy

10.1 The Capital Strategy is presented in Appendix 8 for approval by West Midlands Combined Authority Board.

10.2 The Minimum Revenue Provision Strategy is also presented in Appendix 9 for approval by West Midlands Combined Authority Board.

11.0 Budget Calculation

- 11.1 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.
- 11.2 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.
- 11.3 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.
- 11.4 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 Constituent Authority contributions.
- 11.5 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.
- 11.6 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.
- 11.7 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 borrowing at competitive rates; and
 - Treasury Management activity, maximising the current market opportunities for the West Midlands Combined Authority and reviewing the borrowing strategy.
- 11.8 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 Capital Programme set out in Appendices 3 - 5;
- 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.

12.0 Statutory Reporting – Scrutiny

- 12.1 Scrutiny of the 2020/21 budget proposals was undertaken by the Overview and Scrutiny Committee. This included a Mayoral Question Time session.
- 12.2 The Overview and Scrutiny Committee presented a summary of its findings on the Draft Budget to West Midlands Combined Authority Board on 17 January 2020. A summary of the recommendations is reproduced in Appendix 6 for information.
- 12.3 The Transport Delivery Committee reviewed the budget in detail on 16 December 2019 and sought amendment or clarification prior to publication of the draft budget.

13.0 Fulfilling the Public Sector Equalities Duty.

- 13.1 The Public Sector Equality Duty is set out in the Equality Act, 2010. The Act lists 9 Protected Characteristics in respect of which the Duty applies. The duty requires public bodies to have Due Regard to (consciously consider) three aims in their decision making and in policy-making and service delivery. The aims are:
- To eliminate unlawful discrimination;
 - To advance equality of opportunity between people who share one or more of the Protected Characteristics (listed in the Equality Act) and those who do not; and
 - To foster good relations between people who share one or more of the Protected Characteristics and those who do not.
- 13.2 An overarching strategic equality relevance assessment has been undertaken in respect of budget proposals. The assessment quantifies the levels of Due Regard to the aims of the duty for each programme and provides a broad overview on the potential cumulative impact for the most relevant of the Protected Characteristics.
- 13.3 When proposals have been fully developed and are brought to a future West Midlands Combined Authority Boards for decision, these reports will include a more detailed and specific equality impact assessment to ensure the findings are given due regard when any key decisions are made.

14.0 Pay Policy Statement

- 14.1 The purpose of the Pay Policy Statement is to clarify the West Midlands Combined Authority strategic stance on pay in order to provide direction for members and officers making decisions on pay and to provide the citizens of the West Midlands with a clear statement of the principles underpinning decisions on the use of public funds. The West Midlands Combined Authority Pay Policy Statement is attached at Appendix 10.
- 14.2 There are no significant changes proposed for 2020/21.
- 14.3 Following approval in principle in January, Real Living Wage accreditation will be progressed early in the New Year.

15.0 Legal Implications

- 15.1 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.
- 15.2 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.
- 15.3 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.

16.0 Inclusive Growth Implications

- 16.1 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 of 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.
- 16.2 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.

17.0 Geographical Area of Report's Implications

17.1 The budget proposals encompass the West Midlands region.

18.0 Appendices

Appendix 1 – Transport Delivery Revenue Budget

Appendix 2 – WMCA Delivery Budget

Appendix 3 – Transport Capital Programme

Appendix 4 – Housing Capital Programme

Appendix 5 – Investment Programme Capital Grants to Local Authorities

Appendix 6 – Mayoral Q&A - Budget 2020/21

Appendix 7 - Treasury Management Strategy

Appendix 8 – Capital Strategy

Appendix 9 – Minimum Revenue Provision Policy

Appendix 10 - Pay Policy Statement

APPENDIX 1

Proposed Transport Revenue Budget

The proposed transport budget and levy for 2020/21 – 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
INCOME						
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	3,633				
TOTAL INCOME	115,720	119,740	116,135	115,326	114,720	119,720
EXPENDITURE						
Concessions						
National Bus Concession	51,184	51,473	52,245	53,786	56,164	59,391
Metro / Rail	4,578	4,090	4,574	4,574	4,574	4,664
Child Concession	7,643	7,898	8,301	8,723	9,168	9,637
	63,404	63,461	65,119	67,083	69,906	73,692
Bus Services						
Bus Stations / Infrastructure	3,994	3,896	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	803	814	836	862	880
Accessible Transport	7,259	6,770	6,767	6,773	6,771	6,775
	21,419	22,138	22,151	22,351	22,646	22,947
Rail and Metro Services						
Metro Services	1,609	2,938	3,665	2,737	4,657	2,443
Rail Services	3,110	3,218	3,280	3,368	3,476	3,546
	4,718	6,157	6,945	6,105	8,134	5,989
Integration						
Safety and Security	1,031	1,034	1,072	1,101	1,136	1,159
Passenger Information	5,062	5,481	5,767	5,922	6,112	6,234
Sustainable Travel	378	392	414	425	439	447
	6,471	6,908	7,253	7,448	7,687	7,841
Network Resilience	1,788	2,601	2,743	2,817	2,620	2,672
Commonwealth Games		1,387	1,415	605		
Business Support and Democratic Services	3,789	3,908	3,946	4,056	4,190	4,276
Strategic Development	2,412	2,519	2,179	2,238	2,310	2,356
Transport Governance	136	132	136	136	136	136
Capital Finance Charges	11,581	10,530	10,904	10,893	10,885	16,116
TOTAL EXPENDITURE	115,720	119,740	122,791	123,734	128,512	136,026
NET	0	0	-6,656	-8,408	-13,792	-16,305

£51.5 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.

£10.5 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 5 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.

£5.5 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.

£4.1 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.

£2.5 million Strategic Development

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

£1.0 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.

£3.9 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.

Customer Experience

High Level Deliverable	Activity
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.

Development and Delivery

High Level Deliverable	Activity
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

Integrated Network Services

High Level Deliverable	Activity
<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 & 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>

Integrated Network Services

High Level Deliverable	Activity
<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&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 & ride to support better access to the Integrated Transport System</p>	<p>Improve customer experience at Park & 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 & Ride, exploring opportunities to reduce the significant impact that managing Park & Ride sites has on the levy budget</p>
<p>Developing park & ride to support better access to the Integrated Transport System</p>	<p>Continue with the development and delivery of expansion of Park & 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 & Ride strategy, develop a Park & Ride delivery plan gearing up to deliver new and expanded strategic Park & 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 & ride to support other Key Deliverables</p>	<p>Identify sites and develop a delivery plan for Park & Ride for the Commonwealth Games</p> <p>Identify sites and develop a delivery plan for Park & Ride for SPRINT</p>

Rail	
High Level Deliverable	Activity
Enhance the capacity of our rail network for a better-connected region	Rail enhancements (advance planning) Midlands Connect support HS2 released rail network capacity Commonwealth Games enhanced rail services
Using rail franchising to support and engage on rail development	West Midlands Railway Franchise Management Franchise Engagement Strategy West Midlands Stations Alliance Strategic Rail Industry Engagement and Consultation Responses
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	Further rail devolution WMRE single network vision and West Midlands Grand Rail Collaboration

Metro	
High Level Deliverable	Activity
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

Network Resilience	
High Level Deliverable	Activity
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 & 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 & 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"> 1. Development of the RTCC facility through technology and connectivity into partner systems and data sources 2. Develop an RTCC Concept of Operations, ensure partner engagement and maximise usage of the facility and function 3. Getting better outcomes from the services provided by the RTCC through a process of continuous improvement and lessons learned 4. Secure commercial revenues through a merged CCTV Control Room and RTCC service area
Keeping the transport networks safe and secure	<ol style="list-style-type: none"> 1. Ensure a Safe and Secure Transport Network through the Safer Travel Partnership and through an agreed Safer Travel Plan 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
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 & 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"> 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

Network Resilience	
High Level Deliverable	Activity
Delivering the operational plan for the Commonwealth Games for visitors to the region and ensuring reduced impacts on everyday journeys.	<p>B2022 Transport Planning and Support Services (incl. Communications & Engagement) Delivery Tools and Mechanisms; Modelling and Forecasting, PT Ticketing Solution Traffic Management; Local Area Traffic Management and Parking (LATMP), Road Events Planning Public Transport Strengthening; PT Strengthening for games time, Park and Ride, Shuttle Services, Accessible Transport, Active Travel CWG Transport C3, Readiness and Testing; 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>

Network Resilience

High Level Deliverable	Activity
<p>Developing and enhancing the performance of the Key Route Network (KRN) to tackle congestion</p>	<p>KRN Action Plans & 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 & 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>

Policy Strategy and Innovation	
High Level Deliverable	Activity
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>

Policy Strategy and Innovation

High Level Deliverable	Activity
<p>Coordinate and deliver a globally significant transport innovation programme</p>	<ul style="list-style-type: none"> • Provide general support and facilitation to enable integration of innovation programme outputs into Business as Usual of constituent authorities and key regional industrial sectors • Sponsor and direct the West Midlands 5G Urban Connected Communities Mobility programme • Coordinate and facilitate the development and delivery of the West Midlands LIS Implementation Plan - Future Mobility vertical • Deliver the Future Mobility Zone 1 UK pathfinder programme Develop and deliver further phases of a West Midlands Future Mobility Zone programme • Deliver and operate in partnership the Midlands Future Mobility Connected and Autonomous Vehicle public realm R&D facilities <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>

APPENDIX 2

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	131.9	130.7	126.9	126.9	126.9
Housing & Land	2.5	2.6	2.6	2.6	2.7
Economy & Innovation	1.8	1.8	1.8	1.8	1.9
Culture & Digital	1.0	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	3.4	3.5	3.5	3.6	3.6
Total Expenditure	142.6	141.0	137.3	137.6	137.8

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

Annex A

Productivity and Skills Portfolio	2019/20 Budget £	FTE (no.)	2020/21 Budget £	FTE (no.)
Constituent / Non-Constituent Membership Fees	565,179		556,754	
Adult Education (grant funded)	78,712,985		125,639,242	
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			30,572	
Technical Education	100,000		97,845	
Use of reserves	177,402		0	
Carry forward of efficiencies			212,843	
Total Funding	87,336,783		132,356,823	
Staff Costs (Membership fee funded only)	505,141	7.0	532,513	5.5
Project Delivery - careers, apprenticeships, youth unemployment	237,440		237,084	
Adult Education Budget	78,712,985		125,639,242	
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	
Careers Support			30,572	
Technical Education Support	100,000		97,845	
Expenditure before Jobs and Skills Programme	87,131,177		131,946,703	
Jobs and Skills Support	205,606		410,120	
Total Expenditure	87,336,783		132,356,823	
Total	-		-	

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

Productivity and Skills	
High Level Deliverable	Activity
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.

Annex B

Housing and Land Portfolio

Housing and Land Portfolio	2019/20 Budget £	FTE (no.)	2020/21 Budget £	FTE (no.)
Constituent / Non-Constituent Membership Fees	150,410		0	
Devolution Funding (Housing & Land)	2,201,321		2,387,657	
Other funding sources			89,025	
Total Funding	2,351,731		2,476,682	
Staff costs	1,173,231	15.0	1,373,182	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	
Total Expenditure	2,351,731		2,476,682	
Net Total	-		-	

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

Housing & Land	
High Level Deliverable	Activity
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

Housing & Land	
High Level Deliverable	Activity
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

Annex C

Economy & Innovation Portfolio

Economy & Innovation Portfolio	2019/20 Budget £	FTE (no.)	2020/21 Budget £	FTE (no.)
Constituent / Non-Constituent Membership Fees	1,103,954		1,171,448	
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	
Total Funding	1,905,410		1,794,536	
Staff Costs				
Industrial Strategy & Funding for Growth	380,585	4.0	497,699	7.0
Office of Data Analytics (ODA)	189,825	3.5	153,528	3.0
Growth Company Annual Membership Fee	700,000		700,000	
Black Country 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		103,309	
Total Expenditure	1,905,410		1,794,536	
Net Total	-		-	

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

Economy & Innovation	
High Level Deliverable	Activity
Economic Resilience: 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>
Local Industrial Strategy Delivery: 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>

Annex D

Culture and Digital Portfolio

Culture & Digital Portfolio	2019/20 Budget £	FTE (no.)	2020/21 Budget £	FTE (no.)
Constituent / Non-Constituent Membership Fees	110,000		110,000	
5G Grant			225,029	
Creative Scale Up Grant			650,000	
Total Funding	110,000		985,029	
Staff Costs	0		173,176	4.0
5G			100,000	
Culture & Tourism	110,000		110,000	
Creative Scale Up			601,853	
Total Expenditure	110,000		985,029	
Net Total	-		-	

Grant Funded Posts 2020/21:

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

Culture & Digital	
High Level Deliverable	Activity
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

Annex E

Wellbeing Portfolio

Wellbeing Portfolio	2019/20 Budget £	FTE (no.)	2020/21 Budget £	FTE (no.)
Constituent / Non-Constituent Membership Fees	687,216		665,383	
Thrive into Work Grant	819,756		105,117	
Other funding sources	0		114,445	
Carry forward of efficiencies	0		56,316	
Total Funding	1,506,972		941,261	
Staff Costs	441,320	8.0	618,144	11.0
Staff Costs (Thrive into Work Programme)	28,512	1.0	105,117	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	
Total Expenditure	1,506,972		941,261	
Total	-		-	

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

Wellbeing	
High Level Deliverable	Activity
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

Annex F

Public Service Reform & Social Economy Portfolio

PSR & Social Economy Portfolio	2019/20 Budget £	FTE (no.)	2020/21 Budget £	FTE (no.)
Constituent / Non-Constituent Membership Fees	560,735		526,020	
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			
Total Funding	1,160,735		705,378	
Staff Costs	560,735	6.0	605,378	9.0
PSR Project / Consultancy Support	100,000		100,000	
Delivery of inclusive growth, radical prevention & systems collaboration	500,000		0	
Total Expenditure	1,160,735		705,378	
Net Total	-		-	

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

Public Sector Reform	
High Level Deliverable	Activity
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.

Annex G

Environment, Energy and HS2 Portfolio

Environment, Energy & HS2 Portfolio	2019/20 Budget £	FTE (no.)	2020/21 Budget £	FTE (no.)
Constituent / Non-Constituent Membership Fees	242,386		250,961	
Carry forward of efficiencies			93,577	
Total Funding	242,386		344,538	
Staff Costs (Fee Funded)	157,386	3.0	177,013	3.0
Environment Project / Consultancy Support	85,000		167,525	
Total Expenditure	242,386		344,538	
Total	-		-	

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

Environment, Energy & HS2

High Level Deliverable	Activity
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"> • A clear analysis of the impacts of the actions will need to be made • There will need to be a robust investment plan built on the actions with costings attached <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

Annex H

Inclusive Communities Portfolio

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

Fee Funded Posts 2020/21:

Leadership Commission Coordinator

Inclusive Communities

High Level Deliverable	Activity
<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 universities 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>

Annex I

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.

Leadership & Corporate Support	2019/20 Budget £	FTE (no.)	2020/21 Budget £	FTE (no.)
Constituent / Non-Constituent Membership Fees	1,648,938		1,668,505	
Investment Income	1,693,500		1,766,040	
Total Funding	3,342,438		3,434,545	
Leadership	472,730	4.0	446,999	4.0
WMCA Central Project / Consultancy Support	100,000			
Corporate Support Recharges	2,769,708		2,987,545	
Total Expenditure	3,342,438		3,434,544	
Total	-		0	

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 WMCA Delivery 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 3 – 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 Edgbaston Extension	25.4	13.2				38.6
	Metro Birmingham Eastside Extension	20.5	43.0	36.2	22.5	7.6	129.7
	Metro Network Enhancements	8.6	5.1	1.5	0.5		15.7
	Metro Wolverhampton City Centre Extension	3.8					3.8
	Wolverhampton Interchange Station & Car Park	1.8					1.8
	Buy Before Boarding	0.7	0.1	0.5	0.0		1.3
SUB TOTAL METRO		138.0	273.9	288.1	198.2	147.2	1,045.4
Rail	Walsall to Wolverhampton New Stations	18.4	26.5	0.0			45.0
	Camp Hill Lines New Stations	6.6	40.3	1.2			48.1
	University Station Improvement Project	11.3	24.6				35.9
	Rail - Sutton Coldfield Gateway	9.3	12.0				21.2
	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
	Longbridge Connectivity Package	0.0					0.0
	Park and Ride Delivery	0.7					0.7
	Snow Hill 3rd Access	0.3					0.3
	Snow Hill Lines	1.1	1.1	2.0	16.3		20.5
	Snow Hill Public Realm	0.2					0.2
SUB TOTAL RAIL		54.7	119.5	7.8	16.3	0.0	198.3
Sprint	Sprint - A34 Walsall to Birmingham	24.7	14.9	0.1			39.6
	Sprint - A45 Birmingham to Airport and Solihull	27.8	26.6	1.2			55.7
	Sprint - Sutton Coldfield to Birmingham (via Langley)	12.5	12.8				25.3
	Sprint - Hagley Road Phase 1	6.9					6.9
	Sprint - Hagley Road Phase 2 (with Halesowen and Dudley)	0.5	3.8	8.8	10.7	27.6	51.3
	Sprint - Hall Green to Interchange via Solihull	0.2	2.6	1.6	3.1	5.7	13.2
	Sprint - Longbridge to Birmingham	0.3	8.1	9.0	11.0	13.4	41.8
SUB TOTAL SPRINT		72.9	68.8	20.7	24.8	46.7	233.9
Highway	Regional Transport Co-ordination Centre (RTCC)	7.1	6.0	3.8			16.8
	B4106 Spon End (Coventry CC)	4.1		1.1			5.2
	Birchley Island (Sandwell MBC)	2.0	5.4				7.4
	ADEPT Live Lab	0.9					0.9
	Commonwealth Games (Transport Modelling/Strategy)	0.8					0.8
	Highway Investment Programme	1.3	0.4				1.8
	Key Route Network Safety	1.6					1.6
NPIF 2 Birmingham Growth Point	0.9					0.9	
SUB TOTAL HIGHWAY		18.6	11.8	4.9	0.0	0.0	35.3
Bus	Dudley Interchange	4.8	14.3	0.0			19.1
	Real Time Information Upgrades	1.8	0.2				1.9
	Low Emission Bus Scheme (Coventry CC)	0.0					0.0
SUB TOTAL BUS		6.6	14.5	0.0	0.0	0.0	21.1
Cycling	Better Streets Community Fund	1.3	0.2	0.1	0.0		1.7
	Cycling Programme	1.0	3.0	17.0			21.0
SUB TOTAL CYCLING		2.3	3.2	17.1	0.0	0.0	22.7
Assets	Asset Management Programme	1.3	1.2	1.2	1.2		4.9
	Network Infrastructure Measures	0.5					0.5
SUB TOTAL ASSET REPLACEMENT		1.8	1.2	1.2	1.2	0.0	5.4
Other	Autonomous Highway,Rural & Parking Test Facilities	3.1					3.1
	AutopleX	0.1	0.0				0.1
	Bradley Lane Park and Ride	0.0	0.0				0.0
	Connected and Autonomous Vehicles TestBed (CAV)	2.3					2.3
	Future Mobility Zone	3.3	6.9	8.5			18.7
	Gateway Controlled Project Development	0.3	0.5	0.3			1.1
	New St/High St/Victoria Sq Public Realm (Birmingham CC)	3.2	1.7				4.9
Top Slice	0.1	0.1	0.1	0.1	0.0	0.4	
SUB TOTAL OTHER		12.4	9.3	8.9	0.1	0.0	30.6
TOTAL TRANSPORT		307.3	502.3	348.6	240.6	193.9	1,592.7

Appendix 4 – 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
TOTAL HOUSING		75.5	54.2	40.0	26.8	21.2	217.6

Appendix 5 – Investment Programme Capital 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	5.0	11.5	54.6	0.1		71.2
	Coventry Friargate Business District Phase 1	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	32.7	3.1				35.8
	UK City of Culture 2021 Regeneration	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	
TOTAL INVESTMENT PROGRAMME GRANT TO LOCAL AUTHORITIES		226.8	160.2	187.4	155.3	105.3	835.1

APPENDIX 6

Reproduced for information.

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.

APPENDIX 7

Treasury Management Strategy Statement 2020/21

Introduction

Treasury management is the management of WMCA's cash flows, borrowing and investments, and the associated risks. WMCA has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to WMCA's prudent financial management.

Treasury risk management at WMCA is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires WMCA to approve a treasury management strategy before the start of each financial year. This report fulfils WMCA's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

External Context

The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Authority's treasury management strategy for 2020/21.

The Bank of England maintained Bank Rate to 0.75% in November. Despite keeping rates on hold, Monetary Policy Committee members did confirm that if Brexit uncertainty continues or global growth fails to recover, they are prepared to cut interest rates as required.

Credit conditions for larger UK banks have remained stable over the past year and whilst there remains some concern over a global economic slowdown, this has yet to manifest in any credit issues for banks. Meanwhile, the post financial crisis banking reform is now largely complete, with the new ringfenced banks embedded in the market.

Challenger banks hit the news headlines in 2019 with Metro Bank and TSB Bank both suffering adverse publicity and falling customer numbers.

Looking forward, the potential for a "no-deal" Brexit and/or a global recession remain the major risks facing banks and building societies in 2020/21 and a cautious approach to bank deposits remains advisable.

The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will remain at 0.75% until the end of 2022. The risks to this forecast are deemed to be significantly weighted to the downside, particularly given the continuing global economic slowdown.

Gilt yields have risen but remain at low levels and only some very modest upward movement from current levels are expected based on Arlingclose's interest rate projections. The central case is for 10-year and 20-year gilt yields to rise to around 1.00% and 1.40% respectively over the time horizon.

Local Context

The need to manage cash effectively and make robust borrowing decisions will be largely driven by the delivery of the WMCA Capital Programme which contains the WMCA Investment Programme. The WMCA elements of the Investment Programme are largely funded through borrowing and as a number of both WMCA and Local Authority schemes enter the delivery phase, the draw on WMCA resources is expected to be significant. Further details regarding the financing of the Capital Programme is included in the WMCA Capital Strategy which features as Appendix 8.

On 31 December 2019, WMCA held £131.1m of borrowing and £108.5m of investments.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. WMCA's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

WMCA has an increasing CFR due to the capital programme, but lower values of investments will therefore require WMCA to borrow up to £777m (net of investment income) over the forecast period, mostly driven by the delivery of the WMCA Investment Programme as detailed above.

Table 1: WMCA Capital Financing Requirement

Gross External Debt vs CFR (£M)	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Opening External Debt	136.3	150.3	455.3	793.3	893.3	903.3
New Borrowing *	14.0	305.0	338.0	100.0	10.0	10.0
Forecast Closing External Debt	150.3	455.3	793.3	893.3	903.3	913.3
Capital Financing Requirement	377.8	673.8	923.3	1,070.1	1,087.8	1,058.9
Under Borrowing	227.6	218.5	130.0	176.9	184.5	145.6

* After effective use of available resources

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that WMCA's total debt should be lower than its highest forecast CFR over the next three years. Table 2 shows that WMCA expects to comply with this recommendation during 2020/21.

HM Treasury External Debt Cap

WMCA has acquired approval from HM Treasury and MHCLG to borrow for all of its functions subject to it operating within an agreed external debt cap which was agreed during February 2018. The debt cap runs coterminous with the 5 year gateway review period and the caps for 2021/22 and beyond are expected to be discussed with HM Treasury during 2020/21.

WMCA do not expect to breach the debt cap during 2020/21 based on the current external debt and projections for the 2020/21 financial year. For information, the debt limit agreed for 2020/21 is £1,042 million.

Borrowing Strategy

As at 31 December 2019 WMCA currently holds £131.1m of loans, a decrease of £6.0m on the previous year. The forecast in table 1 shows that WMCA expects to borrow up to £305m in 2020/21. WMCA may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing.

Objectives: WMCA's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should WMCA's long-term plans change is a secondary objective.

Strategy: WMCA's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, WMCA is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist WMCA with this 'cost of carry' and breakeven analysis. Its output may determine whether WMCA borrows additional sums at long-term fixed rates in 2020/21 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

WMCA has previously raised the majority of its long-term borrowing from the PWLB but the government increased PWLB rates by 1% in October 2019 making it a relatively expensive option. WMCA will now look to borrow any long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. WMCA Finance Directors continue to work collectively also, to ensure the buying power of the region is fully exploited in the capital markets.

It should be noted that following a competitive process, during 2019/20, WMCA were notified by HM Treasury that it would qualify for Infrastructure Rate Funding. This effectively guarantees WMCA access to £100m of debt at 1.2% below the currently published levels. Access to this financing together with the use of short term debt will provide WMCA with a bridge whilst other more competitive sources of long term finance are identified.

Additionally, WMCA will look to identify suitable forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, WMCA may borrow using further short-term loans to cover unplanned cash flow shortages.

Sources of borrowing: The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except West Midlands Local Government Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to WMCA Board.

Short-term and variable rate loans: These loans leave WMCA exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below.

Debt rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. WMCA may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

Investment Strategy

WMCA holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, WMCA's investment balance has ranged between £38.7m and £231.5m, and similar levels are expected to be maintained throughout parts of 2020/21 largely due to the profile of Government grant receipts in quarter one.

Objectives: The CIPFA Code requires WMCA to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. WMCA's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, WMCA will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Negative interest rates: If the UK enters into a recession in 2020/21, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy: Given the increasing risk and very low returns from short-term unsecured bank investments, WMCA aims to further diversify into more secure and/or higher yielding asset classes during 2020/21. This is especially the case for the estimated £10m that is available for longer-term investment to ensure MiFID compliance. A significant amount of WMCA's surplus cash is currently invested in short-term unsecured bank deposits, and money market funds. This diversification will represent a continued change in strategy over the coming year.

Business models: Under the new IFRS 9 standard, the accounting for certain investments depends on WMCA's "business model" for managing them. WMCA aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved counterparties: WMCA may invest its surplus funds with any of the counterparty types in table 3 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 3: Approved investment counterparties and limits

Credit Rating of Institution or Product	UK Banks and Financial Institutions		UK Government	Corporates
	Unsecured	Secured		
AAA	£20m Per Counter Party (1 Year Max)*	£20m Per Counter Party (3 Years Max)*	£ Unlimited 50 Yrs Max	£10m (2Yrs) Max
AA+				£5m (1 Yr) Max
AA				£1m (1 Yr) Max
AA-				
A+				
A	£4m (100 days)	£5m (2 Yrs Max)	No Investments to be placed	
A-	£1m (Call Only)			
BBB+	£1m (6mths)			
BBB or BBB-				
None/Un-rated				
Pooled Funds / Money Market Funds				
Constant Net Asset Value	AA+	£20m per Fund		
Low-Volatility Net Asset Value	AAA	£20m per Fund		
Variable Net Asset Value	AAA	£5m per Fund		
UK Non Domiciled Bank				
		Unsecured	Secured	
Non-UK Banks must be domiciled in a country which has a minimum sovereign Long Term rating of 'AA-'		£20m Per Counter Party (1 Year Max)**	£20m Per Counter Party (3 Years Max)	

* Normal operating levels will not exceed £10m but adequate headroom has been provided to accommodate potential peak cash-flow requirements. The Combined Authority will look to keep an even spread of investments across counter parties to minimise exposure to defaults.

This table must be read in conjunction with the notes overleaf.

Credit rating: Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Banks unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Banks secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent.

Pooled funds: Shares or units in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow WMCA to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting WMCA's investment objectives will be monitored regularly.

Operational bank accounts: WMCA may incur operational exposures, for example through current accounts, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £1m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of WMCA maintaining operational continuity.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by WMCA's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: WMCA understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, WMCA will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security.

Investment limits: In order that WMCA’s reserves will not be put at significant risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £20 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries and industry sectors as below.

Table 4: Investment limits

	Cash limit
UK Central Government	unlimited
Any group of organisations under the same ownership	£20m per group
Any group of pooled funds under the same management	£20m per manager
Negotiable instruments held in a broker’s nominee account	£20m per broker
Foreign countries	£5m per country
Unsecured investments with building societies	£10m in total
Loans to unrated commercial entities	See Below
Money market funds (Sector Limit)	£80m in total
UK Banks and Building Societies (Sector Limit)	£80m in total
Unrated Banks / Building Societies (Sector Limit)	£5m in total

Liquidity management: WMCA employ Treasury specialists to build cash flow forecasts to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of WMCA being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to WMCA’s medium-term financial plan and cash flow forecast.

Commercial Investment Funds

WMCA operate commercial loan funds on behalf of the Constituent Local Authorities. The investment funds have recently been increased from £70m to £210m and provide loans at a commercial rate to developers where the more traditional financial institutions are not willing to lend on agreeable terms.

The primary objective of the investment funds is to stimulate economic regeneration and to date, the fund has committed £109.4m of which £24.5m has been repaid and £23.3m is currently drawn.

Whilst these developers do not have a credit rating in the traditional sense, WMCA employ fund manager’s West Midlands Development Capital to ensure adequate due diligence is undertaken and each loan agreement will be adequately secured, usually on the land / buildings underpinning the requirement. Furthermore, each loan agreement requires approval by Investment Board and protections around concentration risk (i.e. limiting the cumulative value of loans to any one developer) were reviewed and approved by WMCA Investment Board in July 2019.

Treasury Management Indicators

WMCA measures and manages its exposures to treasury management risks using the following indicators.

Security: WMCA has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target
Portfolio average credit	<i>A minus</i>

Liquidity: WMCA has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

Liquidity risk indicator	Target
Total cash available within 3 months	£50m (Min)

Maturity structure of borrowing: This indicator is set to control WMCA's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	15%	0%
12 months and within 24 months	20%	0%
24 months and within 5 years	20%	0%
5 years and within 10 years	20%	0%
10 years and above	25%	25%

Principal sums invested for periods longer than a year: The purpose of this indicator is to control WMCA's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2020/21	2021/22	2022/23
Limit on principal invested longer than a year	£10m	£10m	£10m

Related Matters

The CIPFA Code requires WMCA to include the following in its treasury management strategy.

Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

WMCA will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that WMCA is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, WMCA will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Financial Derivatives: In the absence of any explicit legal power to do so, WMCA will not use standalone financial derivatives (such as swaps, forwards, futures and options). Derivatives embedded into loans and investments, including pooled funds and forward starting transactions, may be used, and the risks that they present will be managed in line with the overall treasury risk management strategy.

Markets in Financial Instruments Directive: WMCA has retained retail client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of WMCA's treasury management activities, the Section 151 Officer considers this to be the most appropriate status.

Treasury Management Strategy: Annex 1

	31 Dec 19 Actual £m	Average Rate %
External borrowing:		
Public Works Loan Board	113.92	5.18
Loans from banks	10.00	4.03
Total external borrowing	123.92	
Other long-term liabilities:		
Transferred Debt	7.18	6.70
Total other long-term liabilities	7.18	
Total gross external debt	131.10	
Treasury investments:		
Banks & building societies (unsecured)	11.00	0.65
Government (incl. local authorities)	75.00	0.72
Money Market Funds	17.00	0.70
Overnight Deposits	5.55	0.45
Total treasury investments	108.55	
Net debt	22.55	

APPENDIX 8

Capital Strategy Report 2020/21

Introduction

This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.

Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

Capital Expenditure and Financing

Capital expenditure is where the Authority spends money on assets, such as property or infrastructure that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. This is particularly relevant where WMCA are providing Capital Grants to Local Authorities under the terms of the Investment Programme.

In 2020/21, the Authority is planning capital expenditure of £629.6m as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure

WMCA Capital Programme Expenditure (£M)		2020/21	2021/22	2022/23	2023/24	2024/25	Total
Expenditure	TfWM Capital Expenditure	307.3	502.3	348.6	240.6	193.9	1,592.7
	Housing Capital Expenditure	75.5	54.2	40.0	26.8	21.2	217.6
	Commercial / Residential Investment Funds	20.0	30.0	30.0	20.0	20.0	120.0
	Capital Grants to Local Authorities	226.8	160.2	187.4	155.3	105.3	835.1
TOTAL EXPENDITURE		629.6	746.7	606.1	442.7	340.4	2,765.5

The Capital Programme for 2020/21 is mostly focused around the delivery of public transport infrastructure with significant investment being made in extending the Metro Network to Brierley Hill, Edgbaston and Birmingham Eastside as well as a continuation of the development and delivery of rail stations in Kings Heath, Moseley, Hazelwell, Willenhall and Darlaston. In addition, significant values of capital grants are expected to be paid to Local Authorities for the delivery of Investment Programme schemes such as Coventry Station Masterplan, Commonwealth Games and UK Central Infrastructure.

The programme will also see significant investment made in acquiring brownfield sites for development as the Land Fund is deployed with two significant acquisitions taking place prior to 31 December 2019.

In addition, WMCA expect to make commercial loans to developers to facilitate commercial and residential developments which otherwise would not be deliverable.

Governance: The Capital Programme for 2020/21 is largely a continuation of the Investment Programme delivery and the delivery of projects facilitated by central Government, project specific grants. Investment Programme schemes and those administered through the Single Pot arrangements (i.e. Transforming Cities Funding) are aligned to the WMCA Assurance Framework which allows for the review and scrutiny of Business Cases through Technical Appraisal Panel and Investment Board, with final approval coming from WMCA Board for all Final Business Cases and any requests of WMCA of £20m and over.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Authority’s own resources or debt. The planned financing of the above expenditure is as follows:

Table 2: Capital financing

WMCA Capital Programme Funding (£M)		2020/21	2021/22	2022/23	2023/24	2024/25	Total
Funded By	Grants & Other External Funding	199.9	246.3	55.3	8.1	0.0	509.7
	Borrowing (Capital Programme)	287.0	243.4	154.2	46.6	0.4	731.6
	Borrowing (Investment Funds)	20.0	30.0	30.0	20.0	20.0	120.0
	Borrowing / Grants TBC*	122.7	226.9	366.6	367.9	320.0	1,404.2
TOTAL FUNDING		629.6	746.7	606.1	442.7	340.4	2,765.5

* Included committed Investment Programme schemes where additional income is required to support borrowing.

Funding itemised above as Borrowing / Grants TBC relates to those programmes contained within the WMCA Investment Programme which remain priorities for the region but are subject to WMCA realising additional income (either locally raised or Government Grants). Should these additional resources not be realised, the expenditure against these programmes will not be incurred. In this regard, WMCA Board approved in November 2019 to cap the Investment Programme commitments at an affordable limit of £801m.

The Authority’s cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP / loans fund repayments and capital receipts used to replace debt. The CFR is expected to increase by £120m during 2020/21. Based on the above figures for expenditure and financing, the Authority’s estimated CFR is as follows:

Table 3: Prudential Indicator: Estimates of Capital Financing Requirement

Estimates Capital Financing Requirement (£M)	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Opening Capital Financing Requirement	257.2	377.8	673.8	923.3	1,070.1	1,087.8
Additional Debt Financed Capital Expenditure	121.1	307.0	273.4	184.2	66.6	20.4
Less Loan Repayments / MRP	(0.4)	(11.0)	(23.9)	(37.4)	(49.0)	(49.3)
Closing CFR	377.8	673.8	923.3	1,070.1	1,087.8	1,058.9

Asset management: To ensure that capital assets continue to be of long-term use, the Authority has an asset management strategy in place. This sets the high-level strategic framework for managing WMCA’s asset and property portfolio effectively. It guides future strategic property decisions to ensure WMCA manage its property portfolio sustainably and efficiently so that WMCA can adapt to remain fit for future developments and support frontline delivery

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. WMCA will predominantly realise capital receipts from two areas during 2020/21; firstly through the repayment of investment loans to developers as part of the commercial / residential investment funds where the receipts will be used to repay any debt financing required to facilitate the loan and secondly, where land acquisitions made under the terms of the Land and Regeneration Funds managed by WMCA are disposed of. In the case of the latter, the receipts will be re-cycled into the land fund to facilitate additional investments in line with the Single Commissioning Framework.

Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Authority’s spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account.

Due to decisions taken in the past, as at 31 December 2019 the Authority has £131.1m borrowing at an average interest rate of 5.2% and £108.6m treasury investments at an average rate of 0.63%. Whilst the investment rate may seem low, it is a by-product of the need for WMCA to ensure investments are held in liquid investments so payments to creditors can be met.

Borrowing strategy: The Authority’s main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Authority therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.75%) and long-term fixed rate loans where the future cost is known but higher (currently 2.0 to 3.0%).

Table 4: Prudential Indicator: Gross Debt and the Capital Financing Requirement

Gross External Debt vs CFR (£M)	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Opening External Debt	136.3	150.3	455.3	793.3	893.3	903.3
New Borrowing *	14.0	305.0	338.0	100.0	10.0	10.0
Forecast Closing External Debt	150.3	455.3	793.3	893.3	903.3	913.3
Capital Financing Requirement	377.8	673.8	923.3	1,070.1	1,087.8	1,058.9
Under Borrowing	227.6	218.5	130.0	176.9	184.5	145.6

* After effective use of available resources

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 4, the Authority expects to comply with this indicator

Affordable borrowing limit: The Authority is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

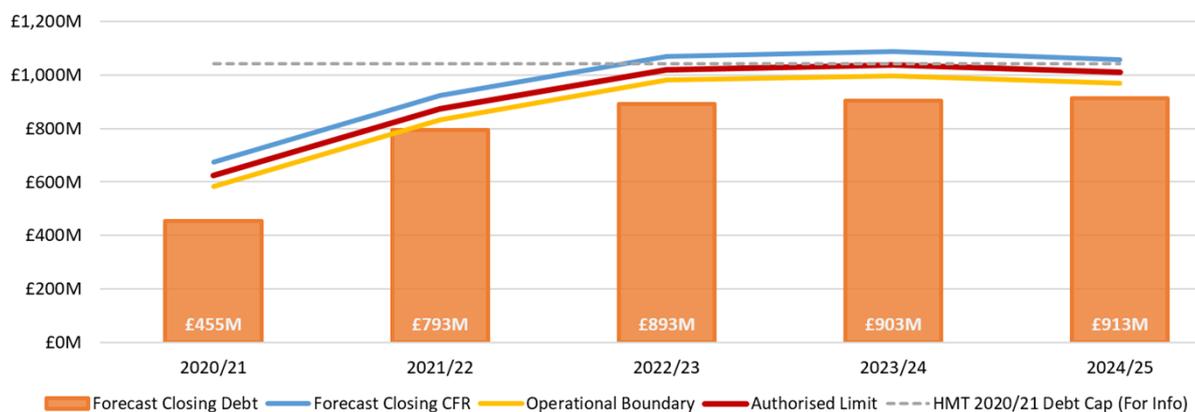
Table 5: Prudential Indicators: Authorised limit and operational boundary for external debt

Gross External Debt vs CFR (£M)	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Forecast Closing CFR	377.8	673.8	923.3	1,070.1	1,087.8	1,058.9
Forecast Closing Debt	150.3	455.3	793.3	893.3	903.3	913.3
Operational Boundary	617.0*	583.8	833.3	980.1	997.8	968.9
Authorised Limit	783.0*	623.8	873.3	1,020.1	1,037.8	1,008.9

* As per 2019/20 TM Strategy

The table below shows how the operational and authorised limit will be used to act as a control against total borrowing during the plan period. Both limits will be re-set on an annual basis as they are heavily influenced by the progression of the WMCA Capital Programmes.

WMCA Operational / Authorised Limits



The chart above includes the HM Treasury debt cap for 2020/21 for illustration purposes. This shows that whilst WMCA will be significantly below the value for 2020/21, the limit will need to be renegotiated upwards to allow WMCA to fulfil its capital plans. WMCA expect HM Treasury to renegotiate all Mayoral Combined Authority debt caps during 2020/21 for limits to apply from April 2021 for five years.

Treasury investment strategy: The Authority's policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Further details are contained within the Treasury Management Strategy which is appended to the 2020/21 Budget Report.

Risk management: The effective management and control of risk are prime objectives of the Authority's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Finance and staff, who must act in line with the treasury management strategy approved by WMCA Board. Reports on treasury management activity are presented to WMCA Board in line with CIPFA guidance. The Audit, Risk and Assurance Committee is responsible for scrutinising treasury management strategy and performance.

Commercial Investments for Economic Growth

WMCA makes loans available to developers within the WMCA constituent and non-constituent area to stimulate economic development. These loans are available to assist in the delivery of commercial and residential developments where traditional financial institutions are not willing to lend on reasonable commercial terms. The loans to developers are at a market rate, typically around 6% interest per annum and meet all State Aid requirements.

WMCA employ West Midlands Development Capital who act as a fund manager for the investment portfolio. Their remit is to identify / introduce the developer to WMCA, undertake all due diligence on the proposal and the entity itself before making a proposal to Investment Advisory Group for consideration by Investment Board.

In light of the economic regeneration objective, WMCA is willing to take more risk than with treasury investments, however WMCA still plan for such investments to at least cover all costs of operation with the effective due diligence and full consideration by Investment Board towards the shape of the deal and the underpinning securities playing a key role in being able to satisfy this requirement.

Commitments (being the total value WMCA has agreed to provide to developers) made against the commercial and residential funds to date totals £109.4m with £24.5m of that value already being repaid to WMCA. The drawn value as at 31 December 2019 is £23.3m.

Governance: As detailed above, decisions on commercial investments are made by Investment Board following adequate scrutiny of each proposal by West Midlands Development Capital and Investment Advisory Group. As an additional control, in July 2019, Investment Board agreed a concentration risk policy to restrict the value of loans to any one entity to £10m with amounts up to £20m requiring approval by WMCA Board. Also, all investments are consistent with the Single Commissioning Framework which ensures investment is focused on delivering new homes, jobs and / or commercial floor space.

Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and Minimum Revenue Provision (MRP) and loans fund repayments are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 10: Prudential Indicator: Proportion of financing costs to net revenue stream

	2020/21 budget	2021/22 budget	2022/23 budget	2021/22 budget	2022/23 budget
Financing costs (£m)	19.8	30.7	39.3	51.8	66.7
Net Revenue	310.2	309.4	306.2	307.4	314.3
Proportion of net revenue stream	6.4%	9.9%	12.8%	16.9%	21.2%

It should be noted that the ratios change over time due to the implications of the agreed, affordable Investment Programme borrowing requirements whereas the revenue resources of WMCA are predicted to remain relatively constant.

Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for a number of years into the future. The Director of Finance is satisfied that the authority's capital programme is prudent, affordable and sustainable because no commitments will be placed until revenue and capital budgets are secured prior to investment decisions being made.

Knowledge, Skills and Scrutiny

The Authority employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Director of Finance is a fully qualified accountant with over 20 years' experience. The Authority supports staff to study towards relevant professional qualifications including CIPFA and ACT (treasury) should the role and development plan identify a training need.

In addition to the above, WMCA ensure those Elected Members with responsibilities towards oversight of the Capital and Treasury Management Strategies have the opportunity to receive training on the technical aspects of the subject to ensure proper scrutiny. This will include the WMCA Audit, Risk and Assurance Committee who will undertake scrutiny of those strategies during 2020/21.

Where Authority staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Authority currently employs Arlingclose Limited as treasury management advisers and West Midlands Development Capital as investment fund managers. This approach is more cost effective than employing such staff directly, and ensures that the Authority has access to knowledge and skills commensurate with its risk appetite.

APPENDIX 9

Annual Minimum Revenue Provision (MRP) Statement 2020/21

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Ministry of Housing, Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in 2018.

The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits.

The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. As such, WMCA will charge MRP as detailed below:

- For capital expenditure incurred before 1st April 2008 MRP will be determined as 2% of the capital financing requirement in respect of that expenditure;
- For unsupported capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset as the principal repayment on an annuity with an annual interest rate of 2%, starting in the year after the asset becomes operational;
- For capital expenditure loans to third parties WMCA will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead.

In November 2017, WMCA Board agreed to the release of historic overpayments of MRP by suppressing the MRP charges to zero from April 2017. The policy amendment was undertaken in liaison with WMCA's external auditors (Grant Thornton) and the practice is common across a number of UK Local Authorities.

The total value of the overpayments were calculated at £31million and the duration of the 'zero MRP' was expected to be seven years. The value of overpayments released to March 2020 will be £12.7million leaving a balance of £18.3million to be released in subsequent years, of which £4.5million will be released in 2020/21. The outcome of this procedure means that the Transport Levy (i.e. the source of those original overpayments) can be suppressed by a corresponding amount during the seven year period whilst still ensuring that the legacy debt WMCA hold can be repaid in a prudent manner.

It should be noted that as the historic MRP over payments relate to Transport assets delivered prior to April 2017, the release of the overpayment does not apply to schemes developed and delivered after this date and as such, WMCA will continue to make MRP payments against Investment Programme schemes during the current planning cycle.

Pay Policy Statement

1. Introduction and Purpose

- 1.1. The purpose of this policy is to clarify West Midlands Combined Authority's strategic stance on pay in order to provide direction for members and officers making detailed decisions on pay and to provide the citizens of the West Midlands with a clear statement of the principles underpinning decisions on the use of public funds.
- 1.2. As defined in Sections 2 (6), (7) and (8) of the Local Government and Housing Act 1989, the Authority has the power to appoint officers on such reasonable terms and conditions, including remuneration, as the authority thinks fit. This Pay Policy Statement (the 'statement') sets out the Authority's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. The purpose of the statement is to provide transparency with regard to the Authority's approach to setting the pay of its employees by identifying;
 - the methods by which salaries of all employees are determined;
 - the detail and level of remuneration of its most senior staff i.e. 'chief officers', as defined by the relevant legislation;
 - the Committee responsible for ensuring the provisions set out in this statement are applied consistently throughout the West Midlands Combined Authority and for recommending any amendments to the statement to the West Midland Combined Authority Board.
- 1.3. Once approved by the Board, the statement will come into immediate effect and will be published by no later than 1 April each year, subject to review on a minimum of an annual basis in accordance with the relevant legislation prevailing at that time.

2. Legislative Framework

- 2.1. In determining the pay and remuneration of all of its employees, the West Midlands Combined Authority will comply with all relevant employment legislation. This includes, but is not an exhaustive list, the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations.
- 2.2. With regard to the Equal Pay requirements contained within the Equality Act, the West Midlands Combined Authority ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality-proofed job evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.

3. Pay Structure

- 3.1. The purpose of pay is to encourage staff with the appropriate skills to seek to work for the Authority and then to reward them appropriately for the tasks they undertake in order to maintain their motivation and retain their services.
- 3.2. Based on the application of job evaluation processes, the West Midlands Combined Authority uses the nationally negotiated pay spine as the basis for its local grading structure (known as the main salary scale). This determines the salaries of the majority of the workforce, together with the use of other nationally defined rates where relevant. The West Midlands Combined Authority's terms and conditions of employment for non-Chief Officers will be in accordance with collective agreements negotiated from time to time by the Passenger Transport Forum (PTF) for Passenger Transport Executive Staff set out in the Scheme of Salaries and Conditions of Service (Commonly known as the "Green Book") as amended or supplemented by such local collective agreements reached with trade unions recognised by the West Midlands Combined Authority, currently Unison.
- 3.3. In determining its grading structure and setting remuneration levels for all posts, the West Midlands Combined Authority takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.
- 3.4. New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the West Midlands Combined Authority will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources.

4. Market supplements

- 4.1. The Authority has a policy to offer market supplements in instances where the substantive grade of the post is insufficient to attract or retain post holders in skill shortage areas, based on evidence of recruitment and retention difficulties. The Market supplement has been defined in the form of 2 additional increments added to the main salary scale.

5. Senior Management Remuneration

- 5.1. For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out in the following table, with details of their basic salary as at 1st April 2019. Salaries quoted are based on the full time equivalent (FTE) of 36.5 hours per week. The table overleaf lists the 53 chief officer posts that make up 9.3% of the 569 people employed by the West Midlands Combined Authority.

Title	Grade	Pay
Chief Executive	Chief Executive	£195,075.00

Title - Executive Directors	Grade	Minimum	Maximum
Managing Director - Transport for West Midlands	Directors (7 posts)	£120,000.00	£140,000.00
Director of Housing and Regeneration		£110,000.00	£130,000.00
Director of Skills & Productivity			
Director of Strategic Comms and Public Affairs			
Director of Strategy			
Finance Director			
Investment and Commercial Activities Director			

Title - Operational Directors	Grade	Minimum	Maximum
Director of Customer Experience (Interim)	Operational Directors (7 posts)	£80,000.00	£110,000.00
Director of Development and Delivery			
Director of Integrated Services			
Director of Network Resilience			
Director of Policy Strategy & Innovation			
Executive Director. WMRE			
WMM Projects Director			

Title - SLT Direct Report	Grade	Minimum	Maximum
Assistant to the Leadership/CEX	SLT Direct Report (6 posts)	£80,000.00	£110,000.00
Director- Energy Capital			
Head of Business Engagement - Productivity			
Head of Governance			
Head of Human Resources and Organisation			
Head of Implementation: PSR and Prevention			

Title - Head Of Service	Grade	Minimum	Maximum
Head of Customer Services	Head of Service (20 posts)	£60,000.00	£80,000.00
Head of Data Insight			
Head of Economy and Local Industrial Strategy			
Head of Network Delivery			
Head of Policy – Housing and Regeneration			
Head of Policy, Programme Development			
Head of Rail Development			
Head of Rail Development and Integration			
Head of Rail Franchising and Partnership			
Head of Safety, Security and Emerg. Planning			
Head of Skills Delivery			
Head of Sprint			
Head of Strategy			
Head of Swift			
Head of Transport Implementation			
Head of Transport Innovation			
Head of WMM Development Services			
Head/Manager of Demand Management			
Interim Deputy S151 Officer			
Key Route Network Manager			

Title - SME (Subject Matter Expert)	Grade	Minimum	Maximum
Employment and Skills Delivery – HS2 Lead	SME (Subject Matter Expert) (12 posts)	£60,000.00	£80,000.00
Head of Business Transformation			
Head of Environment			
Head of ICT- Metro			
Head of Park & Ride			
Head of Sprint Development			
Senior Development Manager x3			
Senior Implementation Manager (OPE)			
Senior Manager - Sprint Technical Programme Manager			
WMM Project Sponsor			

For information, the main salary scale covering the majority of the workforce, is shown in the Annex.

6. Recruitment of Chief Officer Related Posts

- 6.1 The West Midlands Combined Authority's policy and procedures with regard to recruitment of chief officer related posts is set out within the Constitution which can be accessed [click here](#). The West Midlands Combined Authority shall appoint seven separate Members from the Constituent Councils, the Mayor and any other additional person as required, as members of the Employment Committee. When recruiting to all posts the West Midlands Combined Authority will take full and proper account of its own policies and procedures. The determination of the remuneration to be offered to any newly appointed chief officer related position will be in accordance with the pay structure and relevant policies in place at the time of recruitment. The agreement of pay and conditions for the Chief Executive and Chief Officers are in accordance with the Joint Negotiating Committee for Chief Officers of Local Authorities'. Where the West Midlands Combined Authority is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements in accordance with its relevant policies.
- 6.2 Where the West Midlands Combined Authority remains unable to recruit to chief officer related posts under a contract of employment, or there is a need for interim support to provide cover for a vacant substantive chief officer related post, the Authority will, where necessary, consider engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the West Midlands Combined Authority is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. The temporary filling of a vacancy for a post of Chief Officer or Deputy Chief Officer will be for a period of no more than 12 months.

7. Additions to Salary of Chief Officer Related Posts

- 7.1. The West Midlands Combined Authority does not normally apply any bonuses or performance related pay to its chief officer related posts. Chief Officers are currently employed on a fixed salary with no incremental scale. No other elements of 'additional pay' are paid in addition to basic salary, albeit where the West Midlands Combined Authority may pay reimbursement of expenses incurred in the fulfilment of duties.

8. Payments on Termination

- 8.1. The West Midlands Combined Authority's approach to discretionary payments on termination of employment of chief officers, prior to reaching normal retirement age, is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and the Local Government Pension Scheme (LGPS) Regulations 2013 (as amended).
- 8.2. The circumstances of each individual redundancy case will be assessed, each specific case will be judged equally and fairly on its own merits.

For redundancy payment purposes the following applies to all posts holders:

- All continuous service with local authority and other bodies specified by *The Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification) Order*, as amended, counts towards the entitlement to and calculation of a payment. Any service already taken into account by a Scheme employer in calculating compensation under these or similar Regulations will be excluded.
- No employee may receive a redundancy payment in a sum greater than their current annual salary as at the date of redundancy. (This excludes any payment for pay in lieu of notice).
- Statutory or enhanced redundancy pay will be paid to those with over 2 years continuous employment. Payment for each week's pay will be calculated on the number of statutory weeks, based on an employee's age and length of employment. Length of service is capped at 20 years.
- A week's pay for the calculation of the enhanced redundancy payment shall be the actual amount of a week's pay based on the annual salary as at the date of redundancy. To calculate the enhanced redundancy payment this shall be multiplied by a factor of 1.75.

8.3. Any other payments falling outside the provisions or the relevant periods of contractual notice shall be subject to a formal decision made by the West Midlands Combined Authority or relevant elected members, committee or panel of elected members with delegated authority to approve such payments.

9. Publication

9.1. Upon approval by the West Midlands Combined Authority Board, this statement will be published on the West Midlands Combined Authority's website.

9.2. In addition, the West Midlands Combined Authority's Annual Statement of Accounts will include a note setting out the number of staff whose total remuneration is at least £50,000 and for chief officer posts it will show the amount of

- salary, fees or allowances paid to or receivable by the person in the current and previous year;
- employers contribution to the person's pension;
- any bonuses so paid or receivable by the person in the current and previous year;
- any sums payable by way of expenses allowance that are chargeable to UK income tax;
- any compensation for loss of employment and any other payments connected with termination;
- any benefits received that do not fall within the above.

10. Lowest Paid Employees

- 10.1. The West Midlands Combined Authority has adopted the principle to pay the UK Real Living Wage. The lowest paid persons employed under a contract of employment with the West Midlands Combined Authority are employed in accordance with the minimum spinal column point currently in use within the Authority's grading structure. As at 1st April 2019 this is £19,408 per annum and is 7 points higher than the main pay spine minimum and 3 points higher than the UK Real Living Wage minimum in the spinal column. West Midlands Combined Authority have committed to obtaining living wage foundation accreditation. West Midlands Combined Authority will apply for accreditation by the end of March 2020.
- 10.2. The West Midlands Combined Authority employs Apprentices who are not included within the definition of 'lowest paid employees' as the terms and conditions are determined by the National Apprenticeship Service. The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.
- 10.3. The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that "it would not be fair or wise for the Government to impose a single maximum pay multiple across the public sector". The West Midlands Combined Authority accepts the view that the relationship to median earnings is a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the authority's workforce.
- 10.4. The current pay levels within the West Midlands Combined Authority define the multiple between the lowest paid employee and the Chief Executive as 1:10.28 and; between the lowest paid and average chief officer as 1:4.21. The Authority's multiplier falls well below Lord Hutton's public sector threshold.
- 10.5. As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the West Midlands Combined Authority will use available benchmark information as appropriate.

11. Re-engagement and Re-employment of former Chief Officer Related Posts

- 11.1. Other than in exceptional circumstances the West Midlands Combined Authority would not normally re-employ or re-engage chief officers who were previously employed by the Authority and who on ceasing to be employed, received severance or redundancy payment.

12. Accountability and Decision Making

- 12.1. In accordance with the Constitution of the West Midlands Combined Authority, the Employment Committee is responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to chief officer positions within the West Midlands Combined Authority. Overall the Authority aims to maintain a mid-market position on chief officer pay in comparison to similar authorities.

West Midlands Combined Authority - SALARY SCALES
INCREASED WITH EFFECT FROM 1 APRIL 2019

	NEW BASIC SALARY W.E.F.1.4.19
SALARY POINT	PER ANNUM
9	16,594.00
10	17,009.00
11	17,481.00
12	17,544.00
13	17,650.00
14	18,242.00
15	18,811.00
16	19,408.00
17	20,151.00
18	20,819.00
19	21,512.00
20	22,061.00
21	22,947.00
22	23,859.00
23	24,821.00
24	25,811.00
25	26,841.00
26	27,918.00
27	29,031.00
28	30,191.00
29	31,404.00
30	32,657.00
31	33,965.00
32	34,983.00
33	36,033.00
34	37,109.00
35	38,227.00
36	39,378.00
37	40,556.00
38	41,770.00

39	43,026.00
40	44,317.00
41	45,645.00
42	47,015.00
43	48,425.00
44	49,879.00
45	51,379.00
46	52,916.00
47	54,509.00
48	56,143.00
49	57,821.00
50	59,556.00

MARKET SCALES	NEW BASIC SALARY W.E.F.1.4.19
SALARY POINT	PER ANNUM
51	61,342.00
52	63,183.00

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WMCA Board

Date	14 February 2020
Report title	Electric Vehicle Charging and Enabling Energy Infrastructure: A West Midlands Approach
Portfolio Lead	Environment, Energy & HS2 - Councillor Ian Courts
Accountable Chief Executive	Deborah Cadman, West Midlands Combined Authority email: deborah.cadman@wmca.org.uk tel: (0121) 214 7552
Accountable Employee	<p>Ian Martin, Director of Investment & Commercial Activities email: ian.martin@wmca.org.uk tel: 07921 105435</p> <p>Cheryl Hiles, Director, Energy Capital email: cheryl.hiles@wmca.org.uk tel: 07814 972921</p> <p>Kate Ashworth, Energy Infrastructure Lead, Energy Capital email: kate.ashworth@wmca.org.uk tel: 07469 916673</p>
Report has been considered by	Programme Board - 31 January 2020

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

- (1) Support the case made in this report for the acceleration of electric charging and enabling energy infrastructure in the West Midlands – noting the strategic importance of this issue to our Industrial Strategy, Strategic Economic Plan and Climate Change Strategy #WM2041.
- (2) Consider the proposal presented below and Support the recommendation to move forward with a collaborative strategy to expand Electric Vehicle charging infrastructure across the West Midlands.
- (3) Note that an Ultra-Low Emission Vehicle evidence base has been developed to inform this proposal by Energy Capital¹, TfWM, Cenex² and a West Midlands Electric Vehicle Working Group³ has been convened and has met twice to further inform and shape our approach as expediently as possible.
- (4) Note that subject to approval of this paper, next step one can be progressed with existing resources; additional revenue funding for step two will be sought and step three will require further public investment, once a clear investment case has been developed.

¹ Energy Capital is a Public-Private Partnership operating within the WMCA focusing on directing the necessary energy infrastructure investment to enable our businesses and citizens to thrive and our regional strategies to be delivered.

² Cenex is an independent, not for profit Centre of Excellence for Low Carbon and Fuel Cell Technologies - Delivering innovation through transport and energy infrastructures to help lower emissions.

³ The West Midlands EV Working Group was convened for the purposes of developing this strategy and it has been agreed that it will evolve to continue to support strategy delivery as appropriate. It is comprised of the Constituent Local Authorities, Warwickshire, TfWM, Energy Capital and WMCA.

1.0 Purpose

- 1.1 The purpose of this report is to seek endorsement of this collaborative approach to expand electric vehicle charging across the West Midlands. Shifting to ultra-low emission vehicles on our roads and in our urban centres is a key plank of our strategic agenda around clean transport, clean air and climate change. It is core to realising the ambitions of our industrial strategy and is an area in which our cities and places are already innovating. The recently commissioned report by CENEX supported by a WM LA and Warwickshire CC working group, indicates that the take-up of EVs can be facilitated with positive action at strategic level and taking action to accelerate change would offer the region annual costs savings of between £45.7 million and £98 million⁴.
- 1.2 This paper seeks to address how this innovation and existing provision could be accelerated, so that this region is at the forefront of developing the infrastructure we know that consumers and businesses will need; and that befits our role as the centre of automotive innovation in the UK. In summary, the specific role of the West Midlands Combined Authority (WMCA) through Energy Capital and Transport for the West Midlands (TfWM) has been identified as:
1. Ensuring adequate electric charging provision across the region to support the increased uptake of electric vehicles. This will be achieved by supporting the WM EV Working Group to continue to identify gaps in provision and by seeking investment to fill these gaps, developing an initial investment case for a spine of EV charging stations which require public sector intervention to come forward.
 2. Working with Western Power Distribution and National Grid to plan effectively for the increase in power demand to support the growth of electric vehicles in the West Midlands; developing an effective mechanism through Energy Capital's Local Energy System Innovate UK funded projects in Coventry, Rugeley and Sandwell and expanding this across the region.
 3. Achieving efficiency in procurement, supporting partners to share best practice and work together to procure services as required.
- 1.3 The evidence base behind this paper provides the Board with the current position relating to the development of Ultra-Low Emissions Vehicle (ULEV) infrastructure provision for the West Midlands – including the provision of electric charging points, and the underlying energy provision needed for them to be viable.⁵
- 1.4 Following engagement with the working group, an evidence-based approach for collaborative action is proposed, taking a multi-faceted, co-ordinated approach, that supports best practise already developed across the region and provides targeted investment in key locations for strategic benefit. This will maximise private sector leverage (and therefore investment into the region), minimises public sector cost, ensures the most inclusive delivery, and creates a long term and sustainable revenue stream for local authorities.

⁴ Air Quality Damage Cost figures calculated using DEFRA guidance which includes primarily cost of health impact of proximity to pollutants as well as other costed factors

⁵ CENEX – ULEV Strategy JAN 2020 commissioned by TfWM on behalf of Energy Capital

- 1.5 The paper also explains the need to work proactively with energy infrastructure providers to understand the underlying energy infrastructure and investment that will be needed for any approach to be successful, including consideration of the opportunity for additional strategic benefits from local reinforcement.
- 1.6 In short – the paper argues that the region has an opportunity – to use its strong collaboration between local authorities and LEPs, as well as targeted investment in strategic locations, to influence the market and quicken the pace of roll-out beyond what a free-market approach would otherwise enable.

2.0 Background

- 2.1 Meeting our climate change and air quality goals as a country and a region⁶ inevitably means being more proactive about moving away from fossil fuel based transport, initially through electric vehicles, then progressively to hydrogen, whilst in parallel increasing the proportion of this fuel source that is generated from renewable sources.
- 2.2 Creating the conditions for growth in electric vehicle manufacturing and take up is fundamental to this region's local industrial strategy and its strategic transport plan. It has the potential to create a triple benefit – impacting on citizen wellbeing embedding inclusivity, environmental sustainability, and the creation of new avenues for export growth within a key West Midlands industry. The automotive industry is an extremely important sector, directly employing over 46,000 people in the region. It will be increasingly important, given the national policy direction, to support local manufacturers with the transition to ULEV to ensure that they can fully capitalise on upcoming opportunities.
- 2.3 The EV market – and the associated market for battery technology, is small but growing fast, as evidenced by the prevalence of EV model lines across the major car manufacturers, and the number of chargepoints springing up within major cities in the UK and Europe. The West Midlands is already innovating in electric, hydrogen and autonomous vehicles, reflecting the key role they play as part of a wider modal shift towards cleaner travel and the increased use of integrated public transport.
- 2.4 The effective roll out of EV infrastructure is subject to addressing a number of issues, including:
- *The number, scale and visibility of charging points for electric vehicles* – guided by an analysis of how many points we will need across our places, based in turn on projections of current and future demand and consideration of how market failure may be avoided for areas that are disadvantaged
 - *The nature of the underlying energy infrastructure* – which is impacted by demands on the underlying low voltage (LV) network created by more chargepoints, and the inherent risk of lack of sufficient capacity at key locations

⁶ #WM2041

- *An understanding of any gaps regionally* – Understanding local strategies for providing charging infrastructure will necessarily impact on neighbouring areas. Allowing the knowledge and expertise built at a local level to be shared across the region and identifying areas where people travelling across the region may need additional and different types of facilities.

2.5 General consensus, in addition to early stage findings from behavioural studies⁷, show that a lack of visible infrastructure for charging is impeding confidence and providing a barrier to uptake in the EV market. Whilst new generation electric vehicles on the market have significantly improved range capacity than early models, consumers are still quoting 'range anxiety' alongside increased capital costs as a reason not to invest in the new technology. Many potential EV drivers will be able to charge at home (70% of residents across the West Midlands have access to a driveway for overnight off-street charging) but a significant number do not have this provision and even those who can charge at home will want the opportunity to charge whilst travelling through the region in the event of mis-calculation or change of plans. There is a perceived risk of the local EV market stalling if these provisions are not put in place to allay fears of those that may otherwise switch.

3.0 A Brief Outline of the Policy Environment

- 3.1 This section outlines the policy backdrop – in particular, the clear signal provided nationally and regionally as to the importance of transition to cleaner transport and infrastructure:
- 3.2 In October 2017, UK Government published the Clean Growth Strategy, following the 2015 Paris Agreement, which laid out an overarching ambition that all industrial growth should be founded on clean principles of reducing reliance on fossil fuels.
- 3.3 In July 2018, and following from the Clean Growth Strategy, the Government published the Road to Zero Strategy which states that no new conventional petrol and diesel engine vehicles will be sold beyond 2040.
- 3.4 In July 2019, WMCA committed to setting 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. A Climate Action Plan, #WM2041 is to be taken to WMCA Board in January 2020 to launch the consultation process, covering the key themes of 'clean growth', 'clean air', 'nature gain' and 'leading by local example'. Local authorities are developing their own approaches to the climate challenge, with some variation in targets, and the WMCA has committed to supporting those approaches wherever possible.
- 3.5 It should be noted that the West Midlands as whole has disproportionately high carbon emissions from transport (37% compared to 24% as a whole). This can primarily be attributed to the prevalence of strategic highways through the region, but adds weight to the need to allow both residents and transitory users of regional facilities to access clean fuels for travel.

⁷ E.g. Consumer Research into Rapid Charging, PWC 2019 Commissioned by National Grid

- 3.6 Air quality is at an unacceptable level in many urban areas, with a child living within 50m of a major road in Birmingham experiencing lung growth stunting by up to 8% due to pollution, and life expectancy for 2.8 million people potentially reducing by up to 8 months.
- 3.7 EV infrastructure provision is high on the national agenda, with the recent letter from Grant Shapps in October 2019 laying out the expectation that Local and Regional Authorities will be expected to take a leading position driving the transformation (to electric vehicles) forward. The Mayor for the West Midlands is writing to the Minister of State for Business, Energy and Clean Growth regarding cementing the region's leading position on cost effective, clean, local energy systems and both the Secretary of State for Business, Energy and Industrial Strategy and the Permanent Secretary for the Department for Business, Energy and Industrial Strategy will be visiting the region to see our work in this area in January 2020.

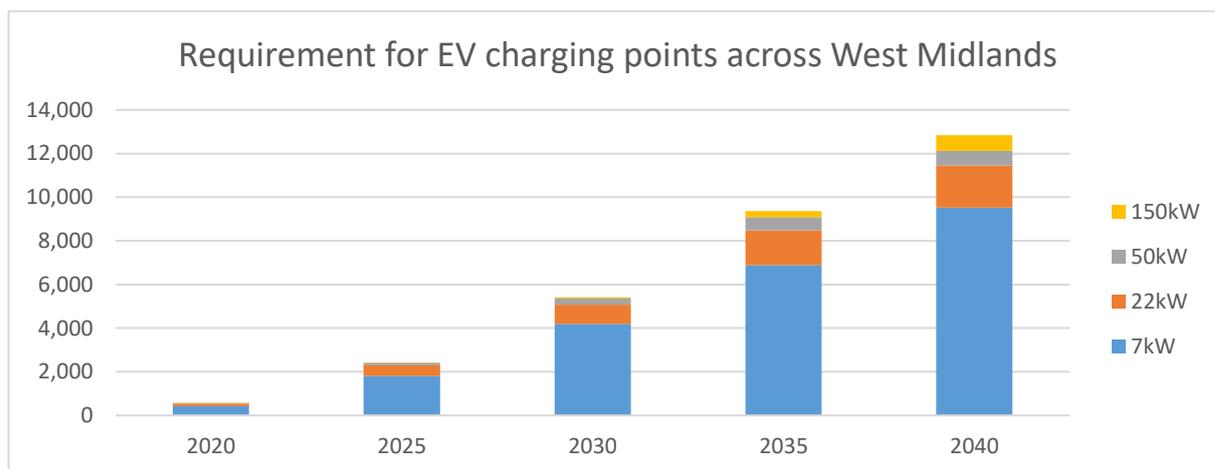
4.0 The current regional position and Constituent Member activity

- 4.1 TfWM on behalf of Energy Capital recently commissioned CENEX to gather evidence on the regions current position, projections for future take-up, opportunities and risks of the sector transition and recommended next steps to accelerate the process. The outputs are given below;
- 4.2 Electric vehicle registrations in the West Midlands are currently running at 0.35% of the new car registrations (when adjusted to remove the influence of Lex auto-lease which then distributes the vehicles nationally). This is slightly behind the UK average of 0.47%.
- 4.3 In terms of energy infrastructure, the West Midlands currently offers 1,537 publicly available EV chargepoints across the region, this is 8th out of 12 UK Regions. It also has the second worse ratio of people to chargepoint and the worst ratio of vehicles to chargepoint, presenting a short-term risk of EV charging infrastructure undersupply.
- 4.4 Constituent members have already identified and are putting in place strategies to counteract this risk. A great deal of knowledge and expertise has been accumulated by leading authorities including negotiating contracts to balance maximum public value and flexibility for future technology change, overcoming practical barriers to delivery and specifying protocols for interconnectivity with other national networks. Current public installations are completed, in progress or planned as follows-
- Birmingham have won over £2.92 from OLEV and are using this to lever a further £4-6 million in private sector investment through exclusive 12 year contract. The Private sector partner will install a minimum of 394 charge points. A full range of off street, on street, hubs in public car parks, arterial routes and within local communities.
 - Coventry have won over £1.2million from OLEV to install 39 rapid chargers with partner ESB and Siemens and have completed installation of 80 slow and 10 fast on street residential charging points
 - Wolverhampton have won £0.47million from OLEV and have installed 6 out of 24 rapid/fast chargers.
 - TfWM – currently have 14 chargers across 6 P&R sites and at Summer Lane and are considering options for upgrade of facilities across the P&R spaces
 - TfWM/LAs (not inc. Birmingham) are installing circa 200 on street residential chargepoints (7-22kw) with Virgin Media and partners, with project funding from Innovate UK

Many of the projects underway have focused or included elements which focus on the provision of charging for electric taxi fleets. This recognises the importance of shared mobility services in the transition to ULEV and the advantage of both visibility and local supply chain.

5.0 The future regional need

5.1 The scale of the transition to electric vehicles should not be underestimated. CENEX have calculated in their 'Medium' take up scenario that by 2040 nearly 10,000 7kW chargers will be needed to service up to 1 million electric vehicles.



In many ways the take up of EVs is inextricably linked to charge point provision. The medium case assumes some public sector action to facilitate the roll out of charge points. The more charge points are provided, the more this is likely to lead to increased EV take-up and drive the need for further provision.

5.2 These are made up of a range of charging scenarios as specified below;

	Equipment specification	Typical use case
Long stay	7kW	Residential Workplace Hotels
Short stay	22-50kW	Retail parks and shopping centres Leisure facilities Tourist attractions
Local hub	22-150kW	Transport hubs designed specifically for charging and modal interchange
Transit charge stations	50-350kW	(New) Service stations on key major routes around the West Midlands

5.3 Whilst the number of ultra-rapid (150kW+) units appears small, this is a particularly difficult end of the market. Due to the high power requirement resulting in fewer sites and the higher equipment cost this is likely to prove unpalatable to the private sector as it is currently economically unviable in all but a small number of cases.

5.4 It should be noted that the medium scenario is presented to give an indication of the scale of the challenge. This scenario, in isolation, will not deliver the West Midlands decarbonisation targets nor individual Local Authorities targets, and for that purpose should be considered within a suite of widespread changes to future modes of mobility.

6.0 The future gaps in provision

6.1 It is likely that if the private sector was solely responsible for the roll out of EV charging infrastructure the following gaps in the market would emerge:

- *Coverage in less affluent areas* – private sector will not want to invest significantly ahead of demand. There is a clear correlation between the early adopters of EV technology and average salary. There is a risk that provision will therefore be limited to affluent areas where the infrastructure investment returns would be deemed as attractive.
- *Coverage in areas of electrical grid constraints* – Electric vehicles draw significant power from the low voltage network. This will lead to a disparity of access, as there are certain areas within the West Midlands that will not be able to support EV charging infrastructure at scale without investment in local reinforcement. This would make roll out in these areas commercially unviable for a private investor. We are seeing evidence already of this impact through the VPACH⁸ project, where many of the possible locations for even low powered charging stations have been rejected due to poor local electrical grid strength.
- *Less on-street charging in preference for higher power destination charging* – The commercial case for lower power charging stations (typically residential) is currently less attractive than fast and rapid chargers, due to a combination of issues including administering overstaying, ICE blocking, charging tariff and physical difficulty in provision. Without public sector leadership, the private sector would be predisposed to offer mainly higher power solutions, targeting more economically viable locations at Short Stay locations. This create disparity between those that can charge at home vs those that cannot.
- *Delay in roll out* – The private sector will follow demand due to the requirement to ensure profitability. In addition, sites may be banked until demand increases sufficiently to justify the remaining investment. Public sector intervention is therefore required to ensure that charging provision drives EV demand and expedites roll out and prevents land banking blocking the chance to lead the market in strategic locations.
- *Interoperability* – Whilst some attempt has been made by the private sector to ensure users can access sites with different operators, the current service is far from perfect. Already we have 15 different operators active in the West Midlands and additional companies seeking to gain market share for profitable locations. In order to provide a fully interoperable service to the public, there is a case for the public sector to drive interoperability through procurement intervention.

⁸ VPACH – An Innovate UK funded project led by TfWM to install on-street electrical vehicle charging points using Virgin Media infrastructure

7.0 A regional strategy on addressing EV charging infrastructure

7.1 This section outlines a range of roles that WMCA could undertake. These are based on the findings of the report commissioned by TfWM and delivered by Cenex in January 2020 and the agreed outcomes of the EV working group which has met twice in the past quarter to move this programme forward as quickly as possible.

7.2 The proposed regional strategy offers a range of support to Local Authorities who are primarily leading on the roll out. This support would be offered on an optional and modular basis; Constituent Members who are advanced in their individual strategies would access little support, whereas others who are still shaping their strategies could call off a more comprehensive support package.

7.3 Examples of support that could be offered include;

	Sharing best practice	Co-ordination of resources	Joint delivery
Long stay	<ul style="list-style-type: none"> Developing a toolkit of standardised documents such as chargepoint specifications 	<ul style="list-style-type: none"> Developing a procurement framework for members who have not yet procured services Coordinate with Distribution Network Operator (DNO) to create datasets of existing and planned energy infrastructure including known grid constraints. Develop investment strategies to mitigate risk of poor local energy capacity. Consider regional branding and integration with existing platforms such as SWIFT to ensure consistency of user experience 	<ul style="list-style-type: none"> Where Constituent Members have not already procured services for delivery and wish to take advantage of collective scale, WMCA could develop a joint delivery model. This could be a standalone vehicle (DelCo). This would not be comprehensive across the region as some Constituent Members are not in a position or would want to take this forward but this doesn't preclude the remainder from taking this approach if this is seen to offer an advantage⁹.
Short stay	<ul style="list-style-type: none"> Support with finding locations to ensure even distribution across region Focus of discussion as to how best encourage local businesses to transition to ULEV 		
Local hub	<ul style="list-style-type: none"> Understand and mitigate the impact on commercial viability of potentially competing or complimentary local initiatives 		

⁹ It should be noted that individual local authorities can currently apply for government funding to support activities through OLEV (Office of Low Emissions Vehicles) but it is not known how many more rounds will be available and may be more financially efficient to go to government with a co-ordinated and collective approach

	<ul style="list-style-type: none"> • Ensure fit with other TfWM/ future mobility activities 	<ul style="list-style-type: none"> • Share learnings and identify specific opportunities emerging from current TfWM and Energy Capital Innovate UK projects including VPACH, RESO, ZCR and GreenSCIES • Assisting in building investment case for public and private sector funding 	
Transit charge stations	<p><i>This is a spine network of purpose-built facilities with ultra-rapid chargers intended to mimic a petrol service station user experience.</i></p> <p>WMCA could take a leading role in developing these facilities at key strategic locations through a mechanism such as that outlined above for joint delivery projects.</p> <p>Where possible, renewable energy and storage should be integrated to de-risk the power demand and unlock further benefits.</p>		

7.4 In the specific case of the requirement of Transit Charge Stations, it is recommended that WMCA take an immediate leading role in bringing these forward at key strategic locations. It is intended that these facilities would provide ultra-rapid charging to a variety of users including fleets without access to depot charging (or for whom the operating model is for the vans to go home with the operative at night), inter and intra-regional travel and own-use charging for shared mobility services such as car clubs. Particularly in the short-term, facilities could also accommodate residents who do not have access to off-street charging until local long-stay provision is more ubiquitous.

7.5 There is strategic benefit to WMCA investing in these assets to:

- a) Mitigate the risk of land banking, where the charging assets may not be available for years until the private sector feels that the market is mature enough to be profitable, losing the benefit of stimulating demand. It is anticipated that these sites will not be economically viable for the early years without public subsidy.
- b) Allow a more holistic view of the economic benefit of investment, including the provision of a large, de-risked, electrical network upgrade to catalyse renewable energy, storage and other commercial developments which would otherwise not be able to progressed.

7.6 Due to commercial pressures, there is a scarcity of available sites in locations besides arterial routes. Land costs already reflect this lack of supply. At the same time, the ability of the energy distribution network to support high power charging is highly geographically variable. WMCA is in an excellent position to strategically evaluate sites for this very small number of opportunities and therefore should be in a good position to make sound investment decisions on this basis.

7.7 In brief, a regional strategy has overarching benefits:

- a) Ensuring efficient deployment of infrastructure that matches the grid and has the least consumer overlap. Specifically Charging Stations, Hubs and Short Stay facilities will have spheres of influence that can be optimised. They do not follow Local Authority boundaries.
- b) A Regional Strategy can provide confidence to both the Private Sector and Central Government that any investment will be used most efficiently. Driving confidence will attract funds.
- c) Co-ordination and sharing best practice needs a forum that can be provided via Steering and Working Groups.
- d) Given the critical importance of the Energy Grid, interactions with Western Power Distribution, National Grid and Highways England can be managed on behalf of the collective, saving resource and being received better by the organisations we are seeking assistance from.
- e) At a regional level, and in consultation with the Steering Group, we will be able to consolidate some of the technical resources and direct any professional consultants for the benefit of multiple Authorities, thus achieving cost and efficiency savings.
As aforesaid, the Regional Role would not be in isolation to Local input which would be achieved via Steering and Working Group.
The Steering Group will also be critical in providing a link into the Local Authorities so that need is properly understood and to ensure the necessary close links with Planning and Transport colleagues.

8.0 Implementation

- 8.1 The coordination of the different support packages will be administered through the continuation of the West Midlands EV working group, and a new steering group, which should provide a forum to collaboratively work through opportunities and barriers for the overall EV infrastructure roll-out. This is already in progress but should be formally ratified and resourced appropriately depending on the requirements and appetite of Constituent Members.
- 8.2 The implementation of developing transit charging stations will depend on firstly funding to develop the investment case and secondly the investment case itself. **The development of the investment case** for the transit charging stations would initially require:
 - An architect to develop the concept, based upon 3 types of facility, giving a base to look at costs and revenue with scope to be accommodated on different sites. Suggesting Micro, Mid and Large facilities.
 - Energy Capital to work with WPD and National Grid to undertake an infrastructure assessment.
 - Real Estate Agents to provide site intelligence and conduct land searches, on and off market.
 - A management consultant to develop the financial case and provide assurance. Advise on the potential delivery vehicle structure and operational agreements.

Significant interaction with potential Operators and Local Authorities will be required. This will be performed by WMCA/ TfWM and has already begun. Additional resource will be required to continue this work. It is not possible to predict the cost of this work, but sensible assumptions would put this at £500,000 including the internal resource required. Funding will need to be sourced from Central Government.

- 8.3 **The outline development cost** for the transit charging stations carries high uncertainty until the development work is undertaken. As a high level indication, an assessment puts the cost of a mid sized facility of c. 8-12 ultra rapid chargers at £6-8m. A spine network may contain 6-10 stations (each with multiple ultra rapid chargers) at key strategic locations.

The greatest likely costs come from site acquisition and clearance, construction, plus fees and infrastructure upgrade. The latter can only be estimated until sites are identified and assessed for the reasons aforesaid.

- 8.4 **Facilitation and co-ordination:** In order to provide a strong facilitation role and dependant on the package support to be offered, a budget of c.£500,000 per annum is likely to be required over a five year period. In addition to the sum referenced in 8.2, this funding will need to be sourced from Central Government.

- 8.5 **Securing funds and assisting the investment case for local delivery:** It would be our intention to offer support where required and facilitate a cohesive regional strategy to best support members in accessing central government funds. It is recognised that there currently an established route for each LA to apply for funds¹⁰, it is thought that these individual applications would be looked on more favourably if it could be seen in the context of a regional framework for delivery. This would clearly involve working closely with the steering and working groups to define each member's requirements in more detail.

9.0 Implications for our Energy Infrastructure

This section outlines the energy requirements of any material expansion of EV Charging infrastructure across the region:

- 9.1 The region's Low Voltage (LV) electricity supply network is used by domestic and industrial customers, as well as any potential public- or privately- sponsored EV charging points. The costs of network reinforcement in order to accommodate any new EV charging infrastructure may range from £0 to £1m+ per site depending on the location and the range of competing uses. A modest cost estimate for the whole region in aggregate over the next 10 years could be £200M-£800M.
- 9.2 Under current energy market regulations, these costs will *at best* be shared across all network users (including the fuel poor and industry) and *at worst* be met in full by the next-coming user of the network local to a given charge point (e.g. a housing developer or potential inward investor).

¹⁰ OLEV funding administered through DfI supporting projects with a £600 million fund to 2020

- 9.3 For these reasons, alongside any initiative taken by the region in EV charging, it is important that the region retains the capacity and competence provided by Energy Capital to engage at strategic planning level with the energy network providers and in any given proposed investment location.
- 9.4 Regional energy infrastructure financing mechanisms to share the risks and rewards of such investment in ways that reflect local political priorities also need to be developed. The work to develop these competences and mechanisms has been taken forward separately by the WMCA and partners, led by Energy Capital, and this will need to be further supported and accelerated in parallel with any investments in EV infrastructure alone.

10.0 Next Steps

- 10.1 Subject to approval from WMCA Board, specific next steps to develop the approach outlined in this paper are:

Step 1: Continue to share knowledge and build a more granular evidence base:

- a) To evolve the West Midlands EV Working Group into a regional steering group which shares learning and inputs information on activity led by local authorities and LEPs to facilitate the identification of gaps in EV charging provision.
- b) Energy Capital and TfWM to further consider and share the final results of the Cenex consultancy work, to gain a clearer picture of provision and demand across the region.
- c) Energy Capital to collaborate with National Grid and Highways England to consider the impacts of current studies being undertaken of EV charging provision on the strategic road network.
- d) Energy Capital to assess the increased demand on the region's low-voltage networks in Coventry, Rugeley and Sandwell resulting from increased electric charging provision, and work with Western Power Distribution and National Grid on addressing this at a strategic level¹¹.

Step 2: Agree a regional delivery plan:

- e) TfWM, WMCA and the Steering Group to consider what support each Constituent Member would benefit from and agree a co-ordinated delivery plan, including agreement on a joint approach to procurement of services requested by Constituent Members.
- f) WMCA's Investment Director to develop a more detailed investment case for investing in an infrastructure spine of charging stations across the WMCA area and any other gaps in provision identified, where there is regional benefit in doing so and this supplements local provision.
- g) Energy Capital to undertake a strategic assessment of the potential impact of increased demand on the network across the region in partnership with the DNO's Western Power Distribution and Cadent.

¹¹ This work will be funded through 3 Innovate UK funded projects, which are soon to be announced under the Prospering from the Energy Revolution fund, where Energy Capital secured funding for three out of ten projects being awarded nationally.

Step 3: To secure investment for specific opportunities

- h) Secure investment and establish delivery mechanisms for identified opportunities as appropriate.

11.0 Financial implications

- 11.1 The full and long term financial implications arising from the recommendations set out by this report are unknown
- 11.2 The recommendations of this report are to:
 - 1. Support the acceleration of electric charging and enabling energy infrastructure in the West Midlands;
 - 2. Support a collaborative strategy to expand electric vehicle charging infrastructure across the West Midlands; and
 - 3. Progress steps 1, 2 and 3 as outlined in **Section 10**.
- 11.3 To deliver the above, significant additional funding is required. There is no local funding available at present.
- 11.4 The short term costs should be regarded as high level estimates only, subject to review and procurement processes.
- 11.5 In order to initially progress the initiative, Step 1 must be continued. The cost of Step 1, the facilitation and support role, is expected to be £500,000 per annum for a five year period.
- 11.6 This cost is an estimate not substantiated by detailed workings or a rigorous cost review. A detailed breakdown of this estimate has not been provided.
- 11.7 Further, it is not known for how long Step 1 can be continued with existing resources, and how much of this aggregate cost requires additional funding to be secured.
- 11.8 The initial costs for Step 2, to develop a detailed investment case for an infrastructure spine of transit charging stations, are estimated to be £500,000, including internal resource.
- 11.9 This cost assumes the need for an architect, Energy Capital resource, real estate agents and a management consultant.
- 11.10 The tendering process has not yet begun and likely suppliers are not yet known at this stage. Therefore, the costs of £500,000 are considered to be subject to a significant degree of uncertainty, and the funding needed must be secured.
- 11.11 The long term local delivery of an infrastructure spine would require funding from central government. The quantum of costs and revenues resulting from this work are unknown before the development of the detailed investment case.
- 11.12 Initial desktop estimates are that a mid-sized transit charging station of c. 8-12 ultra-rapid chargers would cost between £6m and £8m.

11.13 Assuming the infrastructure spine comprises 10 such stations, at an average cost of £7.3m, and that for each station £6.25m of public funding is required, then the total public cost of the spine would be £62.5m.

11.14 The patronage and operating surpluses generated from the stations cannot be reliably estimated at this stage.

12.0 Legal implications

The Authority has functions and powers relating to economic development and supporting the local economy. The rapidly evolving market for electric vehicles is an important consideration for the West Midlands both in terms of the provision of facilities for individual vehicle and the development of capacity in the Automotive sector. The Combined Authority also has powers and responsibilities in relation to air quality and transport which will be relevant in these proposals. The Authority has a functional power of competence to undertake actions which are related to and in furtherance of existing powers. Any funding agreements with third parties will be subject to any conditions and stipulations attached to central government funding as appropriate.

Where it is proposed that the Authority is involved in the direct provision of any facilities as opposed to simply funding the provision by others, there may be a need for consents to be obtained to undertake works in or adjacent to the highway, for easements or licences to place facilities in particular locations and power supply agreements. These would need to be negotiated on a location specific basis respecting Local Authority powers and responsibilities.

13.0 Equalities implications

13.1 The strategy is likely to directly positively impact electric car vehicle owners who are more likely to be from more affluent backgrounds. However, the public sector intervention set out in this paper will also help to ensure charging provision is in place for those from lower socio-economic backgrounds wishing to access electric vehicles through emerging car clubs and other shared services. The positive environmental impact of the strategy is also likely to positively impact people from lower socio-economic backgrounds, ethnic minority groups, older people and people with disabilities as air pollution disproportionately impacts people from these groups. Direct equalities implications are likely to will rise from any bids or infrastructure proposals which will be assessed on a case by case basis. Activity such as car clubs has potential to benefit the inclusion agenda which will need to be balanced against a natural bias in the early market adoption of ULEV technologies to the more affluent demographics.

14.0 Inclusive Growth implications

14.1 The development of ultra low emission vehicles and associated infrastructure contributes to the improvement air quality and reduces harmful particulates in the environment. The propositions made in this paper will be factored into the Climate Action Plan which has been developed for publication/consultation at the January 2020 WMCA Board. Air quality and the extent to which the benefits of working at scale – such as those portrayed in this paper – are shared by all of our communities, are central elements of the WMCA's inclusive growth framework. Any decision to proceed with ULEV at-scale in the region would be underpinned by a business case which scrutinises inclusive growth impact as part of the strategic case.

15.0 Geographical Area of Report's Implications

15.1 This report relates primarily to the metropolitan West Midlands and Warwickshire as these areas have engaged in the initial workshops. However, there is potential to work across the three-LEP geography depending on appetite from WMCA Members.

16.0 Schedule of background papers

- ULEV Adoption and re-fuelling report to STOG, 16 April 2018
- ULEV Update report to STOG August 2018
- Electric Vehicles and Air Quality briefing note, 3rd June 2019
- WM ULEV Strategy Workshop Update 6th July 2019
- Low Emissions and ULEV Strategy report, STOG 7th October 2019

WMCA Board

Date	14 February 2020
Report title	Intelligent Transport Systems World Congress 2024 Bid
Portfolio Lead	Transport - Councillor Ian Ward
Accountable Chief Executive	Laura Shoaf, Managing Director, Transport for West Midlands email: laura.shoaf@tfwm.org.uk tel: (0121) 214 7444
Accountable Employee	Mike Waters, Director of Policy, Strategy and Innovation, Transport for West Midlands email: mike.waters@tfwm.org.uk
Report has been considered by	WMCA Programme Board Met Authority Finance Directors

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

- (1) Approve submission of a UK bid in partnership with the Department for Transport to host the ITS (Intelligent Transport Systems) World Congress in 2024. This will be hosted with ERTICO (the wider European professional body for Intelligent Transport Systems).
- (2) Approve delegation of the authority to Officers as set out in Section 6.0 of this report.

The WMCA Board is recommended to note:

- (3) The strategic alignment of the event as a major world trade show (the largest that the region will have hosted) with the WMCA's strategic agenda to de-carbonise the transport system and accelerate its response to the Local Industrial Strategy automotive and clean future mobility challenges.

- (4) The timescales and funding mechanism set-out in Section 7.0 and Appendix 1 and that the proposal is a self-funding initiative which can be managed within existing budgets; and which also has in-principle industry support and significant financial support from the Department for Transport.

1.0 Purpose

- 1.1 To outline the background and rationale for the bid to host the ITS World Congress in 2024; and to seek necessary approvals to submit the bid and undertake associated commercial negotiations and contracting should the bid be successful.
- 1.2 Whilst the level of financial implication is positive and within delegated levels, the activity is outside of normal business and the reputational significance is such that it was felt appropriate to seek the view of the WMCA Board.
- 1.3 The bid timescales (outside of our control), with a deadline for submission on the Monday immediately following the Board, means there is little latitude for the Board to shape the bid. The Board's decision is primarily around whether to submit the bid or not. An early report was not possible due to the bid process and need to establish Department for Transport support and financial implications.

2.0 Background

- 2.1 The Intelligent Transport Systems (ITS) World Congress is a large-scale, prestigious trade and academic conference event in the field of Transport Technology / Intelligent Mobility. In 2019 it was hosted in Singapore and attracted 14,500 delegates and 800 speakers from over 150 countries worldwide.
- 2.2 The event is jointly run by industry associations covering the Americas (ITS America), Asia-Pacific (ITS Asia-Pacific) and Europe / Middle East and Africa (ERTICO). The Congress is held annually and rotates between the three regions. The event includes seminars, exhibitions, demonstrations and off-site technical visits for delegates to see the latest technologies deployed in the region hosting the event.
- 2.3 Linked to the event are a Gala Dinner for attendees, a dinner for key VIP stakeholders and a Leaders roundtable (ITS Summit) which attracts senior politicians from around the World.
- 2.4 The event also features a programme of outreach events, such as a public day to promote intelligent mobility to a wider audience. Also included are initiatives targeted young people such as educational outreach and graduate challenges.
- 2.5 Typically, as well as the formal activities, there are substantial fringe events held by ITS Associations, Suppliers and Consultants during the Congress week and before / after the event itself.
- 2.6 In addition to the immediate trade, industry and academic opportunities associated with an event of this nature there are significant regional economy benefits. Monitoring undertaken at previous Congresses has reported excellent value for money, for example:
 - ITS European Congress in Eindhoven returned a 5:1 investment on every euro spent (despite a being smaller scale event)

- ITS World Congress in Melbourne 2016 returned an equivalent of £21 million to the local economy
- 2.7 After discussions with and encouragement from DfT, ITS UK (the UK's trade body) and key local partners (inc West Midlands Growth Company), WMCA submitted an expression of interest to host the ITS World Congress in 2024 to ERTICO.
 - 2.8 In line with the aspirations of the intelligent transport agenda generally our understanding is that ERTICO and the ITS World Congress Association intend all future events including the 2024 Congress to be CO2 neutral with exhibitors and delegates being supported to off-set their impact of attending. This is a commitment substantially supported by ITS organisations not the host region, albeit that does have some local responsibilities. By the nature of the travel to the event (over 10,000 overseas visitors) many will arrive by train and air (including coach based airlink services). Car based access is expected to be relatively small and sustainable access will be heavily promoted and supported including complementary public transport use.
 - 2.9 The UK, through the West Midlands application, have passed the expression of interest stage and have been invited to submit a full bid. Our understanding is that Dubai and Zurich are also shortlisted and informal sounds suggest that a UK bid is likely to be a very strong contender.

3.0 Strategic Alignment to the West Midlands Agenda

- 3.1 Holding the event would be prestigious for the West Midlands, aligns to the Industrial Strategy and Regional Tourism Strategy as well offering significant opportunities to ensure a legacy impact. The UK last held the World Congress in London in 2006 and the European Congress in Glasgow in 2016.
- 3.2 We have targeted hosting the event in 2024, as we believe it will be well timed. The region can showcase the transport infrastructure being developed throughout the whole West Midlands region including Regional Transport Coordination Centre, Sprint, Midlands Metro, new railway stations, very light rail in Coventry and Dudley, as well as the legacy of innovations put in place to host the Coventry City of Culture and Commonwealth Games in 2022.
- 3.3 The event allows us to showcase our technology developments around autonomous vehicles, 5G, Mobility as a Service, the work of Energy Capital and local Energy Innovation Zones. Many of these initiatives will have matured to deliver tangible demonstrators and legacy during prior 12 months and will have aimed to enter business as usual (whilst remaining cutting edge and of interest internationally). As well as core Local Authority / LEP / WMCA / TfWM supported activities there will be a focus on promoting initiatives / projects related to industrial and further education partners (from product launches to start-up activity).
- 3.4 Technical visits would be arranged to key academic, transport and automotive sites throughout the seven West Midlands authorities such as Birmingham New Street, Wolverhampton Station, the RTCC, WMG at University of Warwick, major local manufacturers, SMEs, Highways England Control Centres at Quinton and the Dudley Hub to Home Transport Innovation Centre.

- 3.5 These visits would be an opportunity for organisations throughout the West Midlands to establish international collaborations, academic / commercial partnerships and drive inward investment, particularly for local industry. This ties into the Midlands Future Mobility initiative (<https://midlandsfuturemobility.co.uk/>) and reinforces the message to the world that the Midlands is place to come to develop, test and deploy innovative transport systems.
- 3.6 In addition to the Congress events there is an excellent opportunity to promote further investment in the region related to our growth ambitions and wider priorities, especially climate change, skills and health. There is a particularly valuable opportunity to form strong tourist and visitor offers across the wider area. These will be an important offer and attraction for delegates and can be expected to encourage some to arrive earlier or stay longer to visit, for example, Shakespeare's birthplace, Warwick Castle or the Black Country living museum.

4.0 Stakeholder Engagement

- 4.1 The event offers a unique opportunity to engage the general public, researchers and students to promote activities already being carried out by WMCA and our partner authorities. This also gives an involvement from industry, particularly relating to the potential for marketing and recruiting high-skilled jobs. The event supports the transport skills academy work being undertaken as part of the Regional Transport Coordination Centre and is an opportunity to upskill and share knowledge with transport and automotive professionals across the UK's professional communities.
- 4.2 WMCA have had strong support from national government and industry to bid for the event. Over a dozen significant industrial organisations have already pledged in-principle support and sponsorship and the Department for Transport (with explicit Secretary of State support) have become bid partners and will provide financial support.
- 4.3 As part of planning for the event, we have been engaging key stakeholders within the UK industry with experience in the organisation of the event such as ITS UK, Department for Transport and Private Sector organisations who regularly attend the World Congress. We have also had extensive discussions with the NEC Group as the NEC is the proposed venue for the Birmingham bid.

5.0 Venue and Locations

- 5.1 An important criterion for the decision makers is the ability to hold the exhibition and academic conference in a single cohesive location. The only venue in the Midlands capable of doing this for an event of this size is the NEC. If successful, this will be the largest single event they have hosted and as such is a valuable strategic demonstrator of capability for them.
- 5.2 In terms of accommodation as part of the bid normal channels of securing, booking and promoting accommodation will be followed, working with West Midlands Growth Company who have been engaged throughout the bid process.

- 5.3 Part of the proposal includes promoting the cultural and visitor experience for the whole region, and as such evening entertainment and trips and ancillary events will be planned and offered. The objective will be to encourage a wider distribution of hotel activity and engagement with the local offers of centres across the WMCA area.

6.0 Delivery Governance

- 6.1 In order to manage the negotiation of detailed commercial terms effectively and efficiently WMCA is recommended to delegate its powers in respect of this initiative to the Managing Director, TfWM and Director of Policy, Strategy and Innovation, TfWM (working in close liaison with the Finance Director, WMCA) in order to:

6.1.1 Act on behalf of TfWM and WMCA as the lead body in delivering the programme in full partnership with the constituent Local Authorities.

6.1.2 Form a West Midlands stakeholder steering group including a representative of STOG (strategic transport officers working at Director level from constituent and non-constituent Authorities).

6.1.3 Operate through TfWM and the WMCA's standard assurance, governance and Member oversight processes to shape and deliver the programme.

- 6.2 The initiative will be delivered and resourced alongside existing transport innovation programmes to maximise project management efficiencies and the use of scarce technical skill sets. As part of this the existing structure of Officer based partnership delivery boards for Transport Innovation (covering the Black Country, Birmingham, Solihull and Coventry) will ensure integration with all local programmes and will co-develop any necessary Local Authority Cabinet or Cabinet Member briefings which are required support the event if the bid is successful.

7.0 Next Steps

- 7.1 Next steps and anticipated timescales for the bidding process are as follows

- February 17th 2020: Submission of bid to ERTICO
- May 18-21st 2020: Attendance at ITS European Congress – this is an opportunity to engage stakeholders within ERTICO and ITS Industry to reinforce our bid messages. Key to this attendance of senior Politicians at the event and ITS Summit
- Late June 2020: Presentation and Interview at ERTICO offices in Brussels
- July / August 2020: ERTICO inform who is preferred bidder and contract negotiations to commence
- September 2020: ERTICO Board makes internal decision sign off of bidder.
- October 2020: Announcement of winning bidder (most likely at the 2020 ITS World Congress in Los Angeles). There would be significant media opportunities around this announcement.

8.0 Wider WMCA / Geographic Implications

- 8.1 Hosting the event supports the goal of the Regional Tourist Strategy to show that the region is well placed to host major events and build upon hosting the UK City of Culture and Commonwealth Games.
- 8.2 The event is a significant opportunity to attract over 15,000 visitors from the UK and abroad from key markets in the US, Middle East and Asia. These visitors will be of a senior level and accustomed to spending significant sums on accommodation, food and drink, recreation, transport and indirect expenditure and so the event will provide many benefits to the local economy.
- 8.3 WMCA will work through the West Midlands Growth Company to develop a strategy to maximise economic tourism opportunities resulting from the event throughout the region.
- 8.4 This strategy will allow us to market the West Midlands region to conference attendees and to encourage visits by their partners and families. This will include providing a travel portal for conference attendees, so that they can identify where to stay, eat and enjoy leisure activities.
- 8.5 We will implement a monitoring and evaluation framework to ensure we track benefits from the event.
- 8.6 A key part of our strategy will also be to maximise the media opportunities through TV, Social Media and Print. The indoor demonstration area at the event will be a major opportunity for media coverage. We also work with Combined Authority and Council Media teams to ensure coverage of senior politicians.
- 8.7 We will work with key industry partners to use the event to major make announcements, again increasing coverage. Previous Congresses have seen major vehicle manufacturers announce new initiatives and vehicles and their local technology industry significantly grow and embrace new international markets.
- 8.8 A key part of the offer we will provide to attendees is organised trips and tours to local cultural destinations throughout the West Midlands and surrounding area. This would also encourage return visits from delegates and their families.
- 8.9 Attendees will be offered a seamless mobility as a service application covering their transport needs from arrival in the UK to departure, encouraging low carbon and efficient travel. This could be offered as a significant tool for future tourist and business visitors to the region.
- 8.10 We also anticipate a series of outreach and satellite events to promote the region in the run up to the event in the 2024 and during the event itself. There are significant opportunities for these to be hosted throughout the West Midlands benefitting the whole region.
- 8.11 The NEC will also benefit significantly from the visitors and exhibitors attending the event. The event is large even for the NEC and helps promote the NEC Campus as a world leading facility for business to business events.

8.12 We also anticipate significant benefits for Birmingham Airport as its proximity to the NEC would suggest that many international visitors will fly directly to the airport. A key part of our strategy will be to encourage visitors to use the airport, instead of Heathrow, promoting the Airport as Gateway to the UK.

8.13 Hosting the event also gives opportunities for the gaming and creative sector centred around Coventry and Leamington Spa to provide interactive content and demonstrations for exhibitors at the event.

9.0 Financial Implications

9.1 The required finance model for running the ITS World Congress is a split of costs between ERTICO (the awarding authority for the bid) and the Local Host accountable body (WMCA).

9.2 Conditions prescribe that the local host's costs relate to specific items which have significant local promotional opportunities including:

- Providing a local team to support, organise and promote the event in the years running up to the event
- Organising key events such as opening / closing ceremony, gala dinner, VIP dinner and ITS Summit
- Organising demonstrations and technical visits
- Providing inclusive transport for ticketed delegates (circa 3000 attendees)

9.3 ERTICO would be responsible for funding the remaining costs including hall hire and conference organisation.

9.4 As part of the bid and contract negotiation with ERTICO in July / August we will have an opportunity to refine the bid financial model to confirm a detailed commercial model that can recoup our costs. This covers:

- Fees from delegates to attend gala dinner
- Fees from demonstrators to demonstrate at the event
- Sponsorship
- Commission on ticket sales and exhibition space sales
- Funding from Visit Britain to cover outreach events during bidding and

9.5 There is also potential for selling added value services from the Midlands Future Mobility initiative around consultancy, testing and safety tests for exhibitors and demonstrators.

9.6 The financial model for the bid sets out a conservative commercial model which would cover our costs from organising the event and potentially provide a small surplus that can be used to cover legacy activities as a result of the event, e.g. providing an element of revenue funding for innovation activities, encouraging skills development or ongoing promotion of the region's innovation activities.

9.7 Due to commercial sensitives, details of the specific costings and income assumptions are contained in a private item appendix (Appendix 1). Inflation and 20% contingency have been applied to costings.

- 9.8 We have robustly benchmarked the costings and income against other ITS World Congress held in Europe: the Copenhagen one that occurred in 2018 and plans from Hamburg who will be hosting in 2021. We have also spoken to the organisers of the ITS World Congress in Brisbane in 2016 and key people from ITS America to give an international view on the event.
- 9.9 We have also identified the need for insurance for hosting in the event of Force Majeure and this is covered in our costings.
- 9.10 As part of the bidding process we have been asking public sector, academic and private sector partners to support the bid and express interest in sponsorship. We have had excellent response from the private sector with over 40 organisations expressing support ranging from SMEs to large scale multi-nationals and significant pledges of support both in cash terms and in-kind contributions.
- 9.11 In the event that sponsorship and other variable income identified at risk in Appendix 1 could not be recovered it is proposed to use earmarked reserves currently set aside for TfWM's transport capital investment.

10.0 Legal Implications

- 10.1 The WMCA has powers under the Local Government Act 1972 to encourage visitors to the region and to provide conference and other facilities. There are two main legal considerations for the event: the Contract with ERTICO and the approach around Sponsorship. Each of these covered below:

Contract with ERTICO

- 10.2 If successful, we shall need to agree a contract with ERTICO which will outline both parties' responsibilities and the commercial model.
- 10.3 ERTICO will be responsible for procurement of their responsibilities.
- 10.4 Regarding our responsibilities, we have two options around how we deliver this:
- TfWM procure directly any requirements, which will require legal and procurement support. This may be as one package through a professional conference organiser
 - TfWM grant fund ERTICO to undertake our responsibilities, which saves direct procurement needs but may not be as effective to us financially.
- 10.5 Of these two options, the direct procurement approach is seen to be preferred for allowing better control and value for money. Legal advice will be required at the time to ensure the most compliant route is taken in relation to procurement law requirements.

Sponsorship

- 10.6 As part of hosting the event, we shall be seeking sponsorship from the private sector. All sponsorship offers will be subject to agreed principles as following:
- Typically sponsors we shall seek to recruit are those involved in the transport and innovation space or those who have a significant local employment in the area. Regardless, Sponsors will need to be seen to be aligned to WMCA and Local Authority stated aims.
 - It will be made clear to sponsors that their Sponsorship purely for the event and offers no inducement to provide any additional services.
 - Consideration will take place of any procurement exercises ongoing and if there is a potential concern that a Sponsor may be seen as a conflict of interest to WMCA or partner authorities, we shall seek advice from legal and procurement before proceeding with sponsorship.
 - A sponsorship contract will be agreed with the relevant party outlining the sponsorship fee or benefits provided, what is provided in return and any conditions around return of sponsorship fee.
 - Care will need to be taken to ensure that sponsoring bodies are not involved in activity that is counter to the stated aims, policies and values of the WMCA
- 10.7 We shall either recruit or second people with experience of sponsorship in the public sector or appoint a company with sufficient skills and experience in this matter.

11.0 Equalities and Inclusive Growth Implications

- 11.1 We shall use the build-up and hosting of the ITS World Congress as a catalyst for qualities and inclusive growth opportunities. A key strength for the region is the diversity of our population and workforce, and this is an area we will promote throughout the event. We will identify opportunities for those groups that are typically under-represented at these types of event, particularly Women and young people.
- 11.2 We shall work with the Young Persons Combined Authority Board to develop a programme of outreach events to encourage skills development and job opportunities in what is a highly skilled, relatively well paid and rewarding area of transportation. We also look to the Young Persons Board to host a young persons' roundtable at the event.
- 11.3 We also work with the region's Universities, Schools and Colleges to encourage participation of students through volunteering, monitoring and competition opportunities.
- 11.4 The organisation of the event provides specific opportunities for work experience and placements in the field of leisure and tourism as well as the technical fields related to transport technology.
- 11.5 The event is an important opportunity to highlight the successes of Women in the industry and we will focus on encouraging them to speak, take part and exhibit.

- 11.6 In order to reduce barriers to working parents we can offer childcare at the venue to encourage those with families to take part, who often struggle to attend for these reasons.
- 11.7 A key consideration for the event is how technologies can be used to improve access for all, but particularly those with disabilities. By hosting the event we can promote the initiatives being pioneered by the West Midlands but also obtain best practice from elsewhere in the World.
- 11.8 We are seeking to ensure that the event is accessible for all, including those with disabilities and that it will be communicated widely to ensure attendance of a wide range of regional stakeholders.

Appendices:

- Financial / commercial model (private agenda item no. 19)

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WMCA Board

Date	14 February 2020
Report title	Sprint - A34 Walsall to Birmingham and A45 Birmingham to Airport and Solihull Full Business Case Submission
Portfolio Lead	Transport - Councillor Ian Ward
Accountable Chief Executive	Laura Shoaf, Managing Director - Transport for West Midlands email: laura.shoaf@tfwm.org.uk tel: (0121) 214 7444
Accountable Employee	Sandeep Shingadia, Director of Development and Delivery - Transport for West Midlands email: Sandeep.shingadia@tfwm.org.uk tel: (0121) 214 7169
Report has been considered by	TfWM Sprint Programme Board, WMCA Technical Appraisal Panel, WMCA Investment Advisory Group, WMCA Investment Board

The WMCA Board is recommended to:

- (1) Approve the Full Business Cases for the Sprint A34 Walsall to Birmingham and Sprint A45 Birmingham to Airport and Solihull, which covers phase one and phase two of delivery.
- (2) Approve the budget for the phase one delivery of £87.8m to include bus priority interventions, signal upgrades, shelter enhancements, ticket machines, utility diversions, and resurfacing.
- (3) Approve the £26m funding allocation within the WMCA Investment Programme which WMCA Board earmarked in November 2019 to fund phase one for Sprint A34 Walsall to Birmingham and Sprint A45 Birmingham to Airport and Solihull Sprint.

- (4) Note that approval by WMCA Board to the £87.8m budget be subject to all necessary funding agreements being signed and sealed; in particular the Department for Transport funding referred to in section 5.6 of this report.
- (5) Agree that subject to £50.3m funding for phase two being identified and allocated:
 - (a) WMCA Board approve, in principle, the delivery of phase two as contained within the Final Business Cases subject to this report.
 - (b) WMCA Board will receive a further report seeking approval to the budget documenting the costs, scope, benefits and confirmed delivery profile for the schemes.
 - (c) A Full Business Case to cover solely the phase two delivery aspects will not be required, subject to the total phase one and two cost, scope and benefits falling within the parameters of the Final Business Cases which are the subject of this report;
- (6) Endorse the submission of the A45 Birmingham to Airport and Solihull Sprint Full Business Case to the Department for Transport, and seek an expedited approval in order to support delivery for 2022.
- (7) Note that as construction and utility costs for the scheme are not yet finalised, the project team will need to flexibly manage the scope of the scheme in order to maintain the overall budget. This will need to be managed in a way that ensures the benefits are not materially affected and appropriate change control processes implemented to manage any changes.
- (8) Approve Delegation of Authority to Officers as set out in Section 6 of this report.
- (9) Approve further development and enabling work, with local authority partners, to deliver a park and ride site near to M6 Junction 7 on the A34 route in advance of the Commonwealth Games alongside phase one.
- (10) Note that the A34 full scheme delivers a Benefit Cost Ratio of 3.23:1, and the A45 full scheme delivers a Benefit Cost Ratio of 2.42:1. The overall level of economic benefit of phase 1 is £201.3m.
- (11) Note that the Sprint service will be operated by zero emission vehicles and the operator(s) will purchase the vehicles.

2. Background

- 2.1 Positive, enduring change is happening in the West Midlands. Transport is at the heart of our collective ambitions for inclusive economic growth and addressing the climate emergency. We see the importance of an effective transport system for the creation of new jobs, economic growth which benefits all, new housing, clean air and improved health in our conurbations. The WMCA and Transport for West Midlands are committed to making the best use of our existing highway network and getting more people on buses as part of an integrated transport system, to meet the challenges of congestion and poor air quality.
- 2.2 The A34 Walsall to Birmingham Sprint scheme is a Bus Rapid Transit proposal enhancing the link between Walsall Town Centre, Perry Barr and Birmingham City Centre, ultimately connecting to the HS2 station at Curzon Street.
- 2.3 The A45 Birmingham to Airport and Solihull Sprint scheme is a Bus Rapid Transit proposal enhancing the link between Birmingham Airport, Solihull, and Birmingham City Centre, serving residents and businesses in Digbeth, Sheldon, and Yardley.
- 2.4 The Sprint service runs on existing roads enhanced by a range of measures to ensure journey time reliability and an enhanced customer experience including new Sprint bus lanes, signal priority at traffic lights, and new improved shelters.
- 2.5 It is intended that the two schemes will operate as a cross city route, with direct services between Birmingham Airport and Walsall, and Solihull and Walsall.
- 2.6 In order to reduce delivery risks it is intended that the routes will be completed over two phases; prior to the Commonwealth Games (CWG) and after the CWG. There is currently funding available for the first phase of delivery, which provides 70% of the infrastructure, and the Board is requested to support the second phase of delivery when further funding is available and allocated. Subject to the phase two funding of £50.3m being identified and allocated, the full scheme will be delivered by 2024.
- 2.7 In November 2019, the WMCA Board endorsed the phased delivery approach of the A34 and A45 Sprint routes through the allocation of £26m phase one funding.
- 2.8 Together the schemes will provide a major uplift in public transport provision on the corridor, linking key residential and employment destinations. The schemes will also support the Birmingham 2022 CWG, by improving access to Alexander Stadium, the Athletes Village at Perry Barr, Birmingham Airport and the NEC. The first phase of delivery will provide all the shelters for the route and the most significant interventions to support bus journey time reliability. This programme of delivery is supported by the emerging Northern Venue Cluster Study.
- 2.9 The schemes are both included within Movement for Growth: The West Midlands Strategic Transport Plan and support the key strategic aims of improving connectivity throughout the region, by improving all public transport trips on the corridors. The schemes will support connectivity to HS2 and were included within the HS2 Growth Strategy for the region. A benefits sensitivity test has shown the schemes would still provide substantial benefits if the delivery of HS2 is delayed or cancelled.

- 2.10 The standard of the full service will align with the Sprint performance and service standards (endorsed by the Integrated Transport Authority in March 2016) which include minimum and target requirements for Sprint operation, vehicles, shelters, fares, priority, intelligent transport systems, branding and environmental credentials.
- 2.11 Transport for West Midlands are undertaking further work to deliver a park and ride site on the A34 Sprint route in advance of the Commonwealth Games. The location will be near to M6 Junction 7, and we are working with local authority colleagues (including planning officers) and landowner(s) to deliver this. Development and enabling work will be funded as part of the wider Sprint programme.
- 2.12 The final scheme designs have been refined with Local Highway Authority Officers to ensure detailed design incorporates feedback received during the public consultation. They are still subject to the necessary final Road Safety Audits and highway approvals.

3. Vehicles and Delivery Agreements

- 3.1 The region's commitment to climate change has escalated since the original scheme proposal, and a Climate Emergency has been declared by the WMCA. As a result, the decision has been taken to use zero emission vehicles for the operation of Sprint. This has increased the delivery timescale risk of the scheme due to additional infrastructure required to support zero emission operation.
- 3.2 The option for the WMCA to part-purchase the vehicles in a grant scheme arrangement (and take on the commercial risk of contracting the service) was discounted in order to reduce the financial risk to the WMCA and remove £12m of cost to the WMCA. Furthermore, a market sounding exercise in 2018 confirmed that the Sprint route could be operated commercially, and an operator has confirmed they are willing to purchase the vehicles with no contribution required from the WMCA. This approach has reduced any ongoing liabilities for the WMCA.
- 3.3 The Enhanced Partnership (EP) will provide the maximum level of protection of the WMCA investment proposed, best using the tools currently available through the Bus Services Act 2017. Approval to develop an EP Plan for the Region and EP Scheme for these corridors was provided by the WMCA in June 2019. The EP Scheme will mandate TfWM to deliver the infrastructure within the Pre-CWG Delivery Strategy by the end of June 2022 and set a target date for delivery of the Post-CWG Delivery Strategy infrastructure by the end of December 2024. The EP Scheme will, in return, mandate bus operators on the corridor to meet certain vehicle standards in the scheme area. The EP affords the West Midlands and Local Highway Authorities more control over the bus network than ever before (vehicle requirements, ticketing, branding, passenger information), whilst operating in a de-regulated market.
- 3.4 For Sprint, the EP will be supported by a Voluntary Partnership Agreement (VPA). The VPA will be used in conjunction with EP Scheme to secure levels of service. The VPA will be developed following the EP Scheme, and will cover frequency, hours of operation and service offer. The VPA can be legally binding between the WMCA and the operator(s), and is expected to include a compensation mechanism in the event infrastructure to support the scheme is not delivered as committed to within the EP.

4. Scheme Benefits

- 4.1 The A34 and A45 Sprint schemes will offer improved connectivity from the Black Country, through Birmingham City Centre, to Solihull and the Airport. The investment provides predictable journey times and high frequency, dependable timetables that will further stimulate growth and encourage the use of sustainable public transport. All other bus services on the Sprint corridor will be able to use the new bus lanes, which will provide benefits to millions more public transport users in the region.
- 4.2 The enhanced shelters will improve passenger safety, comfort and experience. The shelters include CCTV that can be viewed in real time via a virtual private network connection, improving safety at stops and the surrounding area. Improved seating and advanced real time journey information will provide a further uplift for passengers. The change in stop layout and provision of off-board ticketing in key locations reduces the dwell times at stops and helps reduce minimise the delays often experienced with regular bus services. The facility benefits of upgraded shelters add significant value to the economic case and are supported by initial customer feedback on the prototype shelter.
- 4.3 The main economic benefit of the schemes is through the improved journey times and reliability provided from 2022. The annualised patronage of the full A34 service is 4.4 million based on PRISM 5.1 outputs. The dis-benefit from highway congestion has been included in the calculation of the Present Value of Benefits (PVB). The PVB is around £101.58m following the subtraction of highway dis-benefits. The core Benefit Cost Ratio (BCR) of the full scheme is 2.42, and the inclusion of Wider Economic Benefits provides an uplift to 3.23. A high level sensitivity test for the first phase has been undertaken based on journey time difference, which indicates the BCR is 2.78, and the inclusion of Wider Economic Benefits provides an uplift to 3.36.
- 4.4 The annualised patronage of the full A45 service is 4.6 million based on PRISM 5.1 outputs, and the present value of benefits (PVB) is around £103.2 million following the subtraction of highway dis-benefits. The core BCR of the full scheme is 1.72, and the inclusion of Wider Economic Benefits provides an uplift to 2.42. A high level sensitivity test has been undertaken for the first phase based on journey time difference, which indicates the BCR is 1.66, and the inclusion of Wider Economic Benefits provides an uplift to 2.09.
- 4.5 The whole scheme benefits, in particular the Wider Economic Benefits, can only be achieved if both phases of the Sprint scheme are delivered. Upon the approval of the first phase of delivery, the WMCA Board are also supporting the delivery of the second phase of Sprint A34 Walsall to Birmingham and A45 Birmingham to Airport and Solihull Sprint schemes when further funding is available and allocated.
- 4.6 The schemes will deliver:
- An increase in public transport patronage. The patronage forecast and modal shift for Sprint will help reduce highway congestion.
 - Improved journey times and reliability through bus priority interventions, leading to an increase in regional productivity.
 - A range of sustainable transport choices within the corridor to encourage future inclusive growth.

- Over 30 million trips per year on other bus services using parts of the route are expected to benefit from additional bus priority (such as 51, 52, 77, 424, 907, 937, X51, X12, 17, 58, 60, 72, 73, etc). In addition, several school services will also benefit. There is not expected to be any reduction in the overall frequency of services to Walsall, Solihull or the airport.
- Environmental benefits from the use of zero emission vehicles on the Sprint service and low emission vehicles on other services.

The overall impact of the scheme will improve access to sustainable modes, providing enhanced connectivity from residential and industrial development within the corridor.

- 4.7 Engagement will continue throughout the delivery of project to ensure there is awareness of the impact of the scheme and that the benefits continue to be shared.

5 Financial Implications

- 5.1 The costs to deliver the Sprint routes which are the subject of this report have been developed in conjunction with construction contractors as part of an early contractor involvement exercise designed to build expertise and accuracy into the costing process.
- 5.2 As the design and costing process has evolved, anticipated costs have escalated. This has been due to changes to the design as a result of public consultation (including the retention of the majority of parking on the A34 and delays due to redesign), wider stakeholder input, and construction market premiums due to scale of work in the delivery pipeline in the West Midlands. Given the finite nature of funding and project timescales, elements of the scheme have required revisions to scope in order to propose a scheme which delivers the benefits of Sprint within an affordable total sum prior to 2022.
- 5.3 Whilst the current cost breakdowns are based on latest estimates, they continue to be refined through the early contractor involvement stages and are subject to amendment. It should also be noted that in addition to the main construction costs, both Sprint routes contain allowances for Statutory / Utility diversions and as at February 2020, firm estimates for three providers remain outstanding.

The proposed project budget contains 15% contingency based on an assessment of likelihood and impact of specific risks based on a P50 scenario which may be considered to be a robust central estimate.

5.4 The anticipated funding as contained within the case is detailed below:

Available Funding	A34	A45	Total
WMCA - SOC Approved	0.3	0	0.3
WMCA - OBC Approved	7.9	8.1	16
WMCA – Ring-fenced (Subject to WMCA Board Approval)	13.9	12.1	26
Sub-total - WMCA Funding	22.1	20.2	42.3
MHCLG – external source	3.1	0	3.1
Integrated Transport Block	0	0.2	0.2
DfT – external source	0	35	35
Transforming Cities Fund (RTCC workstream)	2	0	2
City Centre Bus Fund	5.2	0	5.2
Other Funding Total	10.3	35.2	45.5
Total Funding	32.4	55.4	87.8

The funding to deliver the routes is mostly sourced from the WMCA Investment Programme, together with a significant contribution from DfT.

- 5.5 As at the date of this report, the only 3rd Party funding for the scheme that is not secure is the DfT contribution and it is recommended that funding agreements are all signed and sealed prior to WMCA entering into contracts to deliver the scheme. In the case of the £35m DfT contribution, this will require approval to an FBC through DfT’s assurance arrangements. WMCA are liaising with DfT to ensure the review complements the schedule that WMCA are working to. There is ongoing engagement with DfT on the approach for reviewing and approving the FBC to release the funds.
- 5.6 The £26m subject to the recommendations within this report is available for use against the A34 and A45 schemes following approval via the WMCA Assurance Framework and is within the agreed affordable limit as agreed by WMCA Board in November 2019.
- 5.7 The revenue costs of the scheme are expected to be accommodated from the existing Transport Levy and will mostly revolve around the maintenance and up-keep of shelters and the provision of passenger information.
- 5.8 With respect to the requirement to flexibly manage the scope of the project as costs are refined, the following dates document the major milestones in relation to developing the financial aspects of the scheme:

Phased scheme construction price confirmed – February 2020
 Utility Diversion prices updated – February 2020
 Department for Transport funding confirmation – March 2020 (TBC)

- 5.9 It should be noted that the budget required for the second phase of the schemes is valued at £50.3m. The importance of the second phase of the scheme has been highlighted by WMCA Investment Board, and the second phase will be delivered following the Commonwealth Games subject to additional funding being identified and allocated. Subject to funding, the full scheme will be delivered by 2024, although there is potential for earlier delivery if funding comes forward sooner. As a region, we have been successful in securing over £300m of devolved transport funding since 2017. In addition, the Local Public Transport Fund will provide £4.2bn to Mayoral Combined Authorities (£1.6bn in new funding) so there is a high degree of confidence that further funding will be secured for the delivery of Phase 2.
- 5.10 The FBC for the full scheme (including Phase 1 and Phase 2) has been endorsed through the WMCA assurance process and as the full scheme BCRs are above 2:1 (outlined in section 4), a new standalone FBC for the second phase will not require WMCA approval when further funding is available and allocated, subject to cost falling within the budget of £50.3m. The existing Full Business Case will be refreshed and resubmitted through the assurance process for approval when further funding is available and allocated.

6. Delegations to Officers

- 6.1 In order to manage business effectively and efficiently the WMCA Board is recommended to delegate its powers in respect of this Programme to the TfWM Managing Director, WMCA Section 151 Officer, and the WMCA Head of Governance to:
- Accept target cost Project Proposals from Morgan Sindall (for construction of phase one of the A34 and A45 Sprint routes) for the projects should they fall within the approved phase one allocation, overall budget, and subject to a satisfactory report by the Quantity Surveyor;
 - Manage the scope of Phase 1 deliverables through the change control process in order to maintain the overall budget and programme vision;
 - Subject to costs being contained within the approved funding envelope, and all third party funding being confirmed, enter into contract for the services of consultants, contractors, legal and financial advisors and others as necessary to undertake delivery work on A34 and A45 Sprint schemes;
 - Enter into Section 8 and Section 278 agreements with Local Highway Authorities, and other legal agreements, in respect of the Sprint deliverables subject to costs being within budget;
 - The purchase of any land required to undertake delivery work on A34 and A45 Sprint schemes subject to costs being within budget;
 - To proceed to deliver phase one of the A34 and A45 Sprint routes by 2022 in line with the approvals granted in respect of this paper;
 - To enter into a Voluntary Partnership Agreement with any operator(s) willing to meet Sprint Standards and formalise any agreements.

7. Legal Implications

- 7.1 Whilst the recommendations themselves do not give rise to any direct legal implications, the deliverables arising in progressing and concluding Phase 1 will require legal support. In particular in regards to entering into a contractor contract(s); as envisaged in section 6 (above). Additionally, section 6 flags the nature of matters that will require legal support.

8. Equalities Implications

- 8.1 No equality implications arising from this report. An Equality Impact Assessment was undertaken in early 2019 that concluded the scheme is likely to have a mainly positive impact. It will increase travel options for residents in the affected wards and improve transport connectivity, journey time and journey reliability.
- 8.2 Public Consultation took place between 22nd August and 5th October 2018. This was advertised via social media channels, letters drops on the route, local authority websites, bus stop posters, and in local media articles. Additional engagement activities took place in areas where concerns were raised.

9. Inclusive Growth Implications

- 9.1 The scheme will support many of the WMCA's growth objectives:
- Economic Growth - businesses will be more confident to invest, remain, locate or start up in vicinity of the Sprint route.
 - Business Competitiveness - businesses will have improved access to labour to enable growth, particularly in central Birmingham. The improved connectivity will provide enhanced access to labour benefitting business.
 - Increased employment rate in target growth sectors - the route serves areas where there are unemployed residents. The scheme will improve access to training and employment, particularly town and city centres where growth is targeted.
 - Social Impact - the new infrastructure will improve bus connectivity and will encourage travel by bus to training and employment opportunities.
 - Health & Wellbeing - the removal of car traffic from the congested highway network through mode shift to bus will improve air quality. Broaden travel choice for residents, reducing barriers to travel and bringing key health and leisure facilities within shorter journey times.
 - Environmental Impact - supporting and promoting greener travel solutions is a key part of the Sprint programme.
- 9.2 The impact of the contents of this report on delivery of the 15 Strategic Transport Plan Policies and/or the development/operation of:
- The National & Regional Tier
 - The Metropolitan Tier: Rail and Rapid Transit Network, Key Route Network, Strategic Cycle Network
 - The Local Tier
 - Smart Mobility Tier
- 9.3 The policies that are supported include:
- Policy 1 - Accommodate increased travel demand by existing transport capacity and new sustainable transport capacity;
 - Policy 2 - Use existing transport capacity more effectively to provide greater reliability and average speed for the movement of people and goods;
 - Policy 3 - Maintain existing transport capacity more effectively to provide greater resilience and greater reliability for the movement of people and goods.

- Policy 4 - Improve connections to new economic development locations to help them flourish, primarily through sustainable transport connections
- Policy 6 - To improve connections to areas of deprivation.
- Policy 8 - To improve connections to new housing development locations to help them flourish, primarily through sustainable transport connections.

10. Geographical Area of Report's Implications

- 10.1 This report considers the A34 Walsall to Birmingham Sprint and A45 Birmingham to Airport and Solihull Sprint schemes which are located within the Metropolitan Area, but will also improve connectivity across the wider WMCA through improved interchange links on a key corridor, including to the HS2 Stations at Curzon and Interchange.

11. Other Implications

- 11.1 No other implications are noted.

12. Schedule of Background Papers

- 12.1 16th March 2016, Sprint Standards Document, Integrated Transport Authority
 17th February 2017, HS2 Connectivity Package Report, WMCA Board
 7th September 2017, Strategic Outline Case, SEP Board
 18th February 2019, Outline Business Case, WMCA Investment Board
 Sprint – A34 Walsall to Birmingham Full Business Case
 Sprint – A45 Birmingham to Airport and Solihull Sprint Full Business Case

13.0 Appendices

Appendix: Sprint – confidential information (agenda item no. 20)



**West Midlands
Combined Authority**

Transport Delivery Committee

Monday 6 January 2020 at 1.00 pm

Minutes

Present

Councillor Kath Hartley (Chair)	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 Robert Alden	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 Mary Locke	Birmingham City Council
Councillor Ted Richards	Solihull Metropolitan Borough Council
Councillor Alan Taylor	Dudley Metropolitan Borough Council
Councillor David Welsh	Coventry City Council

In Attendance

Councillor Angus Lees	WMCA's Overview and Scrutiny Committee
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Item Title No.

54. Apologies for absence

Apologies for absence were received from Councillors Shaheen Akhtar, Samiya Akhter, Adrian Andrew, Mohammed Fazal and Keith Linnecor.

55. Action Tracker

The action tracker was noted.

56. Chair's Remarks

(i) UK Bus Summit- 6 February 2020

The Chair reported that she and Councillor Taylor as members of Putting Passengers First Lead Member Reference Group would be attending the forthcoming UK Bus Summit along with Councillor Hibbert.

(ii) Increase in Bus Patronage

The Chair reported that she was pleased to report that the latest DfT bus patronage figures for the West Midlands indicated an increase in passenger journeys by 8 million in the year ending

March 2019 which the Bus Alliance would be examining in more detail.

(iii) Metro Extension opening to Centenary Square

The Chair informed members that the Metro Extension from Birmingham City Centre to Centenary Square had opened one week early on 11 December 2019 and the new stop had been named 'Library'.

57. Minutes of the last meeting

The minutes of the meeting held on 4 November 2019 were agreed as a correct record.

58. Matters Arising

Minute No.45 Safer Travel Update

Councillor Lal asked if he could be provided with a breakdown of the public transport crime figures that were referred to in the Safer Travel Update report.

The Director of Integrated Network Services, Pete Bond undertook to follow-up the request with Safer Travel Team.

59. Correspondence/ Petitions

A petition report was submitted by the Senior Development Manager that required consideration by the committee in accordance with the new WMCA petitions protocol.

The petition, received on behalf of Birmingham Friends of the Earth objected to the A435 Alcester Road/ Moseley Road and Highgate Middleway Bus Revitalisation Project, had received over 250 signatures and had been considered by the Officer Petition Panel and the Putting Passengers First Lead Member Reference Group.

It was noted that the petition had been submitted to Birmingham City Council's Chair of the Sustainability and Transport Overview Scrutiny Committee but had been forwarded to TfWM for action as the project owner with overall responsibility for the scheme. However, the final decision on the scheme would be taken by Birmingham City Council as the Local Highway Authority.

[Councillor Huxtable reported that he was a member of Birmingham City Council's Sustainability and Transport Overview and Scrutiny Committee and declared an interest in this matter in that the decision taken could be the subject of a future 'call-in'].

The Lead Petitioner, Martin Stride, Birmingham Friends of The Earth outlined the reasons for the petition which related to the above scheme (following public consultation) on plans by Birmingham City Council to widen stretches of the Moseley Road through Balsall Heath requiring the destruction of trees and the narrowing of footways . He/ petitioners believed the scheme would lead to a worse environment for pedestrian and cyclists. The petition asked that Birmingham City Council halt plans to widen parts of

the Moseley Road in Balsall Heath.

The Senior Development Manager, Danny Gouveia responded to the issues raised by the petition, outlined the emerging scheme changes (mitigation measures) following consultation and the wider supporting evidence base for the project and the conclusions of the Officers Petition Panel.

The Senior Development Manager advised the committee that a meeting had been arranged next week with Birmingham Friends to discuss the issues raised in the petition.

The Chair added that all matters identified by the Officers Petition Panel would be investigated.

Further to enquiries regarding the proposed station on the Camp Hill Line at Balsall Heath, it was noted that a briefing note on the station would be provided to the committee.

Resolved :

1. That the petition submitted by Birmingham Friends of the Earth raising objections to the A435 Alcester Road/Moseley Road and Highgate Middleway Bus Revitalisation project be noted;
2. That no further action be taken on the petition based upon the mitigations proposed and the findings of the Officer Petition Panel be agreed;
3. That the full implications of the proposals, including consultation responses and the issues raised within the petition be considered with a full business case by the TfWM Network Programme Board and Birmingham City Council's Cabinet Member for Transport and the Environment be noted;
4. That a final decision to proceed with the project be retained by Birmingham City Council as Local Highway Authority via the Cabinet Member for Transport and Environment be noted and
5. That the petition be submitted to the Birmingham City Council's Cabinet Member for Transport and the Environment (to include the decision and findings of this committee) for representation in final decision making on the scheme be agreed.

60. Presentation : Ring and Ride

The committee received a presentation from Vinay Parmar, Managing Director of National Express Accessible Transport that provided an update on the accessible transport service provided by the company that is commonly known as 'Ring and Ride'.

The presentation outlined the vision for Ring and Ride, observations and conclusions since taking over the service in August 2019 and the four key

areas of the transformation plan which were to improve the customer journey to appeal to wider audience, raise operational standards, drive safety and embed excellence, make the organisation a great place to work and to continue to invest in staff training, vehicles and facilities.

Vinay Parmar reported that he envisaged the changes being implemented would have a real impact for customers within the next three to six months.

In relation to an enquiry from the Chair regarding the involvement of TDC Members with the Ring and Ride User Groups, Vinay reported that he was in the process of setting up User Groups and undertook to report back on the role he envisaged for TDC Members.

The Chair thanked Vinay Parmar for his informative presentation and reported that the committee would welcome further updates to future meetings.

Resolved : That the presentation be noted.

61. Financial Monitoring Report

The committee considered a report of the Finance Director that set out the financial position as at 30 November 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 November 2019 shows a favourable variance of £1.403m compared to budget and the forecast position shows a favourable movement of £1.972m from budget be noted and
2. That the total capital expenditure to the end of November 2019 for the overall transport programme was £85.1m, which was £21.8m below the year to date budget of £106.9m and the annual forecast position shows a favourable movement of £54.5m from budget be noted.

62. 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 with regards to completed elements of the 2019/20 Capital Programme during November and December 2019 and the report's recommendations.

Resolved:

1. That the achievements since the 4 November meeting of the

Transport Delivery committee set out in section 3 of the report be noted;

2. That progress of deliverables and outturn of the 2019/20 Capital Programme be noted and
3. That the variation to the baseline programme as referred to in section 4 of the report be noted.

63. Rail Business Report

The committee considered a report of the Director of Rail, Transport for the West Midlands that provided an update relating to the performance, operation and delivery of rail services in the West Midlands including rail operator partnership agreements and West Midlands Rail Executive (WMRE) activity.

Councillor Lawrence, Lead Member for Rail and Metro introduced the report and highlighted key areas within the report.

Tom Painter, Head of Rail Franchising and Partnerships, West Midlands Rail Executive, updated the committee on various rail matters since the report had been published.

In relation to an enquiry from the Minority Vice-Chair, Councillor Huxtable regarding the deferment of planning approval for Moseley and Hazewell Stations due to Network Rail requesting more information and whether the committee could be provided with further details, the Head of Rail Franchising and Partnerships undertook to find out more and circulate a briefing note to members.

In relation to further enquiry from Councillor Huxtable as to whether TfWM could speak to Birmingham City Council regarding their Urban Centres Framework as this did not appear to adequately account for the Camp Hill rail line, the Head of Rail Franchising undertook to contact Birmingham City Council on the matter.

In relation to an enquiry from the Chair regarding the funding position for Darlaston and Willenhall Stations, the Head of Rail Franchising and Partnerships reported that he would provide an update to the committee following the meeting.

Resolved : That the contents of the report be noted.

64. Rail and Metro Lead Member Reference Group Annual Report

The committee considered the Annual Report of the Rail and Metro Lead Member Reference Group that provided an update on progress to date with the work of the group.

Councillor Lawrence, Lead Member for Rail and Metro introduced the report.

Resolved: That progress to date with the work of the Lead Member and Lead

Member Reference Group for Rail and Metro be noted.

65. Cycling Charter Progress Report

The committee considered a report of the Cycling and Walking Manager that reported on matters relating to the performance, operation and delivery of TfWM led initiatives within the West Midlands Cycling Charter Action Plan.

Councillor Holl-Allen, Lead Member for Safe and Sustainable Travel, introduced the report and highlighted issues of interest to the committee.

The Cycling and Walking Development Officer, Hannah Dayan, outlined progress undertaken on key activities since the last report was considered in June 2019. This included but was not limited to, the work undertaken by the Cycling and Walking Ambassador to promote cycling and walking in the region, the establishment of the Better Streets Community Fund and the Network Cycle Parking Programme.

In relation to an enquiry from the Chair regarding her request to be provided with a list of all applicants to the Better Streets Community Fund, the Director of Integrated Network Services, Pete Bond, reported that a comprehensive list was being compiled and this would be shared with TDC members as soon as possible.

Councillor Huxtable reported that he had been contacted by Councillor Phil Davis who had expressed concern regarding the cycle lockers being replaced with bike stands at Yardley Wood Station which meant people were unable to secure their bikes in particular electric bikes and queried why the cycle lockers had been removed.

The Cycling and Walking Development Officer reported that the cycle facilities had changed at Yardley Wood Station due to issues pertaining to the safety and security of the lockers but would investigate how e-bikes and batteries could be secured at the station.

Resolved: That progress to date of the TfWM led initiatives of the West Midlands Cycling Charter Action Plan be noted.

66. Safe and Sustainable Lead Member Reference Group Annual Report

The committee considered the Annual Report of the Safe and Sustainable Travel Lead Member Reference Group that set out the work undertaken by the group during the year.

Councillor Holl-Allen, Lead Member for Safe and Sustainable Travel introduced the report and outlined the key areas of focus including member visits undertaken in 2019 and planned for 2020.

Resolved : That the report be noted.

67. Putting Passengers First Lead Member Reference Group Annual Report

The committee considered the Annual Report of the Putting Passengers First Lead Member Reference Group.

The Chair and Lead Member for Putting Passengers First outlined the report and conveyed her thanks to Councillors Fazal, Locke and Taylor for attending the many meetings held during the year to consider petitions and shelter appeals amongst other matters. The Chair also conveyed her appreciation to officers for supporting the group.

Resolved : That the contents of the report be noted.

68. West Midlands Combined Authority Petitions Summary

The committee considered a report of the Customer Relations Manager that provided a summary of the petitions received by the WMCA from the period October 2019 to December 2019.

It was noted that three petitions had been received during the period and all petitions were below 250 signatures details of which were outlined in the report.

Resolved: That the contents of the report be noted.

69. Notices of Motion

None received.

70. Questions

None received.

71. Forward Plan

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

Resolved : That the report be noted.

72. 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).

73. Snow Hill Third Access Project

The committee considered a report of the Director of Rail that set out the case for pausing the Snow Hill Third Access Project.

Resolved: That the Snow Hill Third Access Project be paused after the completion of detailed design (GRIP 5) stage for the reasons stated in the report.

The meeting ended at 3.25 pm.



**West Midlands
Combined Authority**

Audit, Risk & Assurance Committee

Monday 13 January 2020 at 10.00 am

Minutes

Present

David Lane (Chair)

Councillor Ram Lakha (Vice-Chair)

Councillor Ahmad Bostan

Councillor Alan Butt

Sean Farnell

Councillor Michael Gough

Councillor Alan Taylor

Coventry City Council

Sandwell Metropolitan Borough Council

City of Wolverhampton Council

Coventry & Warwickshire LEP

Solihull Metropolitan Borough Council

Dudley Metropolitan Borough Council

In Attendance

Peter Farrow

Julia Goldsworthy

Jacqueline Homan

Linda Horne

Sandra Kaylan

Ian Martin

Tim Martin

Grant Patterson

Hardial Phull

Lorraine Quibell

City of Wolverhampton Council

West Midlands Combined Authority

West Midlands Combined Authority

West Midlands Combined Authority

City of Wolverhampton Council

West Midlands Combined Authority

West Midlands Combined Authority

Grant Thornton

West Midlands Combined Authority

West Midlands Combined Authority

Item Title No.

195. Inquorate Meeting

The Monitoring Officer reported that in accordance with the WMCA's constitution, the meeting was inquorate. The recommendations contained within the minutes would be submitted to the WMCA Board on 14 February 2020 for formal approval and adoption.

196. Apologies for Absence

Apologies for absence were received from Councillor Fred Grindrod (Birmingham City Council), Councillor Alexander Phillips (Shropshire Council) and Councillor June Tandy (Nuneaton & Bedworth Borough Council).

197. Declarations of Interest

Councillor Alan Taylor reported that he was a member of Transport Delivery Committee.

198. Minutes - 12 November 2019

The minutes of the meeting held on the 12 November 2019 were agreed as a correct record.

199. Chair's Remarks

(a) Overview & Scrutiny Committee

The Chair reported that the Overview & Scrutiny Committee would be undertaking a review of governance and that he had been asked to give evidence to the group undertaking this review. He also reported that the Overview & Scrutiny Committee had raised questions over transparency and the public availability of performance data, and he had therefore shared the Performance Management and Reporting report with the chair of that committee for information.

(b) Commonwealth Games Assurance Forum

The Chair reported that Peter Farrow had received an invitation from the Department for Digital, Culture, Media & Sport to be a part of its assurance forum for the Commonwealth Games and would therefore be well placed to report back to this committee on any issues related to this at future meetings.

(c) CIPFA Treasury Management Guidance

The Chair informed the committee of changes relating to accounting recommendations whereby it would now have responsibility for review, commentary and consideration of the treasury management strategy before approval was sought at WMCA Board.

200. Matters Arising

(a) Whistleblowing

The Monitoring Officer advised the committee of a whistleblowing notification received since the last meeting. However, upon investigation, this was determined to be an internal matter and would be resolved through internal processes. The Chair confirmed he has been advised of this incident.

201. Forward Plan

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

Resolved:

The items of business to be reported at future meetings be noted.

202. WMCA Assurance Overview January 2020

The committee considered a report updating it on project and programme assurance and Arms' Length Companies. The report sought a deferral of a summary of Arm's Length Companies compliance with a pre-agreed checklist until April 2020, due to the information requiring validation.

The committee also considered information on a newly develop toolkit to enable objective assessment of project performance throughout the project lifecycle. It was noted that the development of the new toolkit mean that the Programme Assurance team would in a transitional phase, and therefore an implication of this would be that information previously held of project performance may not directly be translatable into the new assurance reporting. Therefore, the Chair requested that an update was provided on whether there might be any trend risks which might be missed because of the break in historical data at its meeting on 21 April. Sean Farnell suggested that during the transitional phase both systems should be run in parallel.

Recommended to the WMCA Board:

- (1) The reporting capability from a refreshed Programme Assurance toolkit be noted and the recommendations in the summary section relating to future trend analysis reporting of project/programme performance information be approved.
- (2) The capability an Integrated Assurance and Approval Plan would give the WMCA in focussing assurance activities across a 'three lines of defence' model, taking into consideration the spectrum of risk, be noted.
- (3) The report on the compliance of Arms' Length Companies with the WMCA's pre-agreed checklist be deferred until the meeting of the committee being held on 21 April 2020.

203. Internal Audit Update

The committee considered a report updating it on the work completed by Internal Audit and noted the amendments to the Internal Audit Plan 2019-20 related to an additional review being undertaken on Accessible Transport Group (Ring & Ride) and the Mayoral Election 2020 Preparedness. The committee was provided with a brief overview of the Governance Arrangements 2018-19 audit, appended to the report, and the recommendation relating to this committee producing an annual report detailing the work it had undertaken.

In relation to the follow up audit reports for both National Fraud Initiative 2017- 18 and IR35 2017-18, Sean Farnell highlighted his concern at the outstanding 'amber' recommendations and sought clarity as to when those recommendations would be implemented. The Director of Finance clarified the reasons for the delay in implementing these recommendations and stated, as the Responsible Officer for ensuring implementation, she was comfortable with the position of these recommendations. The Chair requested that a short briefing note be circulated to members to confirm that those 'amber' recommendations had been implemented ahead of the meeting on 21 April 2020.

Resolved:

The contents of the latest Internal Audit Update report be noted.

204. Draft Internal Audit Plan 2020-21

The committee considered the draft internal audit plan for 2020-21. The report outlined the methodology behind the proposals of the draft internal audit plan, being based on high risk areas to the organisation and ensuring that coverage across all service areas of the organisation was considered. It was noted that the Senior Leadership Team had been consulted as part of the development of the draft risk-based internal audit plan, and the Monitoring Officer confirmed that good engagement had taken place with all the directors ensuring their requirements were considered within the proposals. The Chair also confirmed that he had been involved in the development of the draft internal audit plan.

The Chair noted that after the mayoral election in May, the draft internal plan 2020-21 would be reviewed due to any potential changes and to ensure it remained valid and appropriate. Any proposed changes would be brought back to committee for review, comment and consideration. To ensure that internal audit plan was kept current and up to date, the Head of Audit confirmed that the strategic risk register was regularly considered in relation to the internal audit plan which might be amended as appropriate.

Resolved:

The draft Internal Audit Plan for 2020-21 be noted prior to its approval at the meeting of this committee on 21 April 2020.

205. External Audit Plan and Informing the Audit Risk Assessment 2019/20 for West Midlands Combined Authority

The committee considered Grant Thornton's proposed external audit plan. The committee also received the Informing the Audit Risk Assessment report. Grant Patterson advised the committee of a change to the audit team in that Helen Lillington was taking over from Nicola Coombe as audit manager.

In relation to the external audit plan, ARAC were reminded that the West Midlands Integrated Transport Authority Pension Fund would no longer be audited separately, and therefore the 19/20 Plan presented focused on the combined authority and group accounts. The Chair requested that the Director of Finance include a narrative referencing the work undertaken to cover risk during the period of uncertainty within the annual accounts.

Grant Patterson indicated that the purpose of the report was to ensure that there was an effective two-way communication between the West Midlands Combined Authority's external auditors and its Audit, Risk & Assurance Committee. It was agreed that the Chair would take responsibility to go through the report in detail and sign it off, reporting back to committee on any issues that may arise.

Resolved:

- (1) The external audit plan for the year ending 31 March 2020 presented by Grant Thornton be noted.

- (2) The 'informing the audit risk assessment 2019/20' report presented by Grant Thornton be noted.

206. Performance Management and Reporting

The committee considered a report from the Director of Strategy providing an overview of the various elements of the performance management and reporting arrangement within the WMCA. She also highlighted factors impacting the WMCA, including Brexit, the Budget, Spending Review and Government changes. The report also referenced the various performance monitoring and reporting frameworks, along with planned improvements and potential developments to future reports.

Further to Sean Farnell's request, the Director of Strategy confirmed that it was still the intention to shared Key Performance Indicator scorecards with the committee at future meetings. In terms of upcoming opportunities for the WMCA, the committee raised questions as to whether resources were being made available to pursue these and to ensure that those opportunities being sought through the pre-election period would not be used by mayoral candidates to benefit their campaign. The Monitoring Officer assured the committee that any activity being sought through the pre-election period would be judged on appropriateness to move forward. The Chair requested that an updated accountability model be shared with the committee as its next meeting.

Resolved:

- (1) The contents of the reported be noted.
- (2) The proposed developments and improvements planned be noted.

207. Corporate Service Review

The Monitoring Officer provided the committee with an update on the position of the Corporate Service Review, which had now been completed. Various improvement plans had been implemented for key Corporate Service areas which Senior Leadership Team would continue to monitor to ensure that the improvement committed to was implemented. Two areas continue to be outstanding related to ICT service (which was due to an external review being undertaken) and the implementation of the establishment of a new Strategic Hub. However, both of these outstanding areas were being progressed appropriately.

Resolved:

That the update be noted.

208. Addressing the West Midlands Climate Crisis

The committee received a presentation from the Head of Environment, outlining the WMCA's proposals to achieve net zero CO2 emissions by 2041. A green paper would be submitted to the WMCA Board at its meeting on 17 January 2020 which would give further consideration as to how this target might be best achieved. The Chair asked the Head of Audit to propose how and when internal audit would review the delivery of the Combined Authority's plan objectives over what is a long period. ARAC should see these dates built into the long term Internal Audit plan amendable only with ARAC's agreement.

Resolved:

(1) That the update be noted.

(2) The Head of Audit would produce a review plan for this critical area.

209. WMCA's Investment and Commercial Activities Update

The committee received a presentation from the Director of Investment & Commercial Activities, outlining his role, responsibilities, accountability, initial thoughts of investment activity and the WMCA's investment and commercial capability.

Resolved:

That the update be noted.

210. Exclusion of the Public and Press

In accordance with s100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business as it was likely to involve the disclosure of exempt information relating to the financial or business affairs of any particular person (including the authority holding that information).

211. Audit Capacity

The committee considered a report from the Monitoring Officer providing it with an overview of Internal and External Audit activity and to provide assurance on the deliverability of the Internal Audit plan for 2020-21. The audit service provided to the WMCA was in accordance with the Local Government Act 1972, the Accounts and Audit Regulations Act and the Public Sector Internal Audit Standards. The report referenced the both internal and external audit activity and detailed the increase in the number of audit days between the financial years. The Chair noted that this resource allocation is unlikely to have reached a steady state yet and would almost certainly need to be reviewed for appropriateness in Spring 2021.

Resolved:

The overview information on Internal and External Audit activity across financial years 2018/19, 2019/20 and 2020/21, and the resources available to the service, be noted.

212. Date of Next Meeting
Tuesday 21 April 2020 at 10.00am

The meeting ended at 12.05 pm.

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West Midlands
Combined Authority

Housing & Land Delivery Board

Wednesday 15 January 2020 at 10.00 am

Minutes

Present

Councillor Mike Bird (Chair)
Sarah Middleton

Councillor Peter Bilson
Marc Liddeth
Karl Tupling
Councillor David Humphreys
Councillor Joanne Hadley
Councillor Ian Courts
Councillor Andy Mackiewicz
Councillor Daren Pemberton
Councillor David Wright
Kevin Rodgers

Walsall Metropolitan Borough Council
Black Country Local Enterprise
Partnership
City of Wolverhampton Council
Environment Agency
Homes England
North Warwickshire Borough Council
Sandwell Metropolitan Borough Council
Solihull Metropolitan Borough Council
Solihull Metropolitan Borough Council
Stratford on Avon District Council
Telford and Wrekin Council
West Midlands Housing Association
Partnership

In Attendance

Richard Lawrence
Deborah Ward
Simon Tranter
Rachel-Ann Atterbury
Gareth Bradford
Colin Clinton
Carl Craney
Rob Lamond
Patricia Willoughby

City of Wolverhampton Council
Homes England
Walsall Metropolitan Borough Council
West Midlands Combined Authority
West Midlands Combined Authority

Item Title No.

27. Apologies for Absence (if any)

Apologies for absence had been received from Councillor Sharon Thompson (Birmingham City Council), Councillor George Adamson (Cannock Chase District Council), Councillor Tariq Khan (Coventry City Council), Councillor Angus Lees (Dudley Metropolitan Borough Council), Simon Marks (Greater Birmingham and Solihull Local Enterprise Partnership), Councillor Julie Jackson (Nuneaton and Bedworth Borough Council) and Councillor Robert Macey (Shropshire Council).

28. Chair's Remarks

The Chair referred to a number of incidents Members of the Board had encountered in gaining access to the car park at the building despite reservations having been made. He asked the Officers to look into this matter and to seek to ensure that the difficulties were addressed.

He also referred to the absence of Councillor Robert Macey, the representative from Shropshire Council as he had hoped to speak with him regarding recent press reports on the proposed development at Tong.

29. Notification of Substitutes (if any)

No notification of Substitute Members had been received. Councillor Ian Courts reported that he had invited his Substitute, Councillor Andy Mackiewicz to join him at this meeting.

30. Declarations of Interests (if any)

No declarations of interests were made relative to items under consideration at the meeting.

31. Minutes of last meeting

Resolved:

That the minutes of the meeting held on 4 November 2019 be confirmed as a correct record and signed by the Chair.

32. Affordable Housing Policy

Gareth Bradford and Rob Lamond presented a report which provided an update on the implementation of the regional approach to housing affordability and which sought the agreement of the Board to the principles of the proposed definition as set out in Section 5 of the report and its application through the Single Commissioning Framework (SCF).

The Chair highlighted that the house price to earnings ratio in 2018 for the Redditch Borough Council and Stratford on Avon District Council areas were considerably higher than other areas in the region and, indeed, above the England average. He also referred to the difficulties faced by those who could afford to rent private properties but struggled to raise the initial deposit required. Gareth Bradford advised that there were a number of initiatives to assist those encountering such difficulties including 'Rent to Own'. He reminded the Board that under the SCF, any developers seeking financial support were required to provide a minimum of 20% of affordable houses on any development above 200 units. To date, this had been successful in delivering an increase in the number of affordable units and was having an impact on the market.

Councillor Peter Bilson queried whether other funding partners, especially Homes England, supported this approach. Gareth Bradford confirmed this to be the case. Councillor Joanne Hadley commented that an increase in the number of social housing units as well as affordable units were required. Rob Lamond explained that provision for such units were included within the definition of 'Affordable Housing'.

The Chair referred to the need for appropriate accommodation to be provided for 'Key Workers' in areas close to, for example, hospitals. He referred to a concept where additional car parking could be provided at such sites with residential accommodation provided by it. He suggested that such a concept would work easily as well adjacent to railway stations and transport hubs and requested the Officers to investigate this matter further. Gareth Bradford reported on an approach from a local NHS Trust for such an initiative and this was being investigated currently by the One Public Estate Board. He offered to arrange for a report on this matter to be submitted to a future meeting. He advised that the WMCA was also considering the suitability of its assets (car parks, bus stations etc.) for such initiatives.

Councillor Daren Pemberton commented that this was far from a new idea as a similar principle had been used for the development of Bourneville. He acknowledged the issue with affordability in the Stratford on Avon District and advised that the Council had a policy requiring 35% of affordable units to be provided on all developments. This was challenged consistently by potential developers who referred to the 20% requirement under the SCF. He requested the assistance of the WMCA in challenging arguments on the viability of developments. Councillor Ian Courts commented that there was no easy answer to the problem but that local authorities needed to adopt a consistent approach.

In response to a further comment by Councillor Ian Courts, Gareth Bradford assured the Board that the suggested definition had been confirmed by the Ministry of Housing, Communities and Local Government to be in compliance with Planning Policy Guidance and the National Planning Policy Framework.

Karl Tupling reported that Homes England financial support was not available for developments funded through Section 106 Agreements other than in exceptional circumstances. He offered to make Homes England viability model available to Gareth Bradford.

Councillor Peter Bilson reminded the Board that other development models, including the establishment of 'Local Housing Companies' were available. He acknowledged that this particular option would not be suitable for some local authorities but commended its consideration.

Gareth Bradford offered to circulate a list of examples and case studies where the WMCA had been successful in acquiring land at a significantly lower level than the initial valuation. He invited Homes England to provide examples of interventions it had been involved in. Karl Tupling agreed to make such examples available but advised that these would need to be anonymised in order to protect commercial confidentiality.

Gareth Bradford reported that an approach had been made to H M Government in July 2019 for grant funding of £300 million for affordable housing shovel ready schemes. He suggested that a similar request be made to the 'new' Government.

Resolved:

1. That the proposed regional definition of housing affordability to secure an increase in the delivery and accessibility of genuinely affordable homes in the region that meet local needs be endorsed;
2. That the application of the proposed regional approach through the Single Commissioning Framework process, in order for the WMCA's housing and land investments and acquisitions to drive a more bespoke and locally informed approach that enabled increased supply of affordable homes be approved;
3. That the excellent support and engagement received by the WMCA from a number of local authorities across the region in developing the above approach be noted;
4. That the One Public Estate Board be requested to submit a report to a future meeting of this Board on the provision of housing / car parking schemes adjacent to hospitals / transport hubs etc.;
5. That a list of examples and case studies where the WMCA had had been successful in acquiring land at a significantly lower level than the initial valuation be circulated to the Board;
6. That Homes England be requested to provide a list of anonymised examples of interventions it had been involved in for circulation to the Board;
7. That a further request be made to H M Government for £300 million of funding for affordable housing shovel ready schemes;
8. That a report on the current position with the Local Housing Companies established by Birmingham City Council and the City of Wolverhampton Council be submitted to a future meeting.

33. Inclusive Growth Corridors - Update on Delivery and Investment Plans

Pat Willoughby presented a report which advised on the work undertaken by the WMCA in collaboration with its local authority partners, had embarked upon regarding a programme of development and investment opportunities focussed on a number of inclusive growth corridors across the West Midlands. For two of these corridors, this Board was managing a programme of preparing a Delivery and Investment Plan. It was anticipated that these Plans would be finalised in Quarter 1 of 2020. The report explained the background to and progress with the preparation of the Delivery and Investment Plans and a PowerPoint presentation was given to provide additional information.

Resolved:

1. That the current progress on the emerging Delivery and Investment Plans being prepared for the Walsall to Wolverhampton and West Bromwich to Dudley Corridors be noted;
2. That the programme for Delivery and Investment plans in 2020 – namely key milestones and timescales to ensure that the plans were approved and published in final form before the end of Quarter 1 in 2020 be noted;
3. That the final iterations of the Delivery and Investment Plans be submitted to the next meeting for consideration and approval.

34. Town Centres - Update on Delivery and Investment Plans

Pat Willoughby presented a report which advised on the work undertaken by the WMCA in collaboration with its local authority and business partners in relation to town centre regeneration and revitalisation. For an identified set of pilot town centres (Wave 1), this Board was managing a programme of preparing Delivery and Investment Plans. It was anticipated that each Plan would be finalised during Quarter 1 of 2020. The report explained the background to and progress on the preparation of the Delivery and Investment Plans. The Board received a PowerPoint presentation which provided additional information.

Councillor Joanne Hadley reminded the Board that H M Government had identified West Bromwich High Street for attention and questioned whether the work proposed would link to these initiatives. Pat Willoughby reminded the Board that the WMCA Town Centre Programme had commenced in October 2019 with H M Government's Task Force starting subsequently. The latter was focussed on the theory behind the difficulties experienced but the former was concentrating upon delivery. She confirmed that the work of the Government Task Force would be aligned with work of the West Midlands Regional Town Centres Task Force. Councillor Joanne Hadley commented that whilst all town centres had experienced similar and different problems a common concern related to public safety. Pat Willoughby advised that the West Midlands Police was an active Member of the Regional Task Force.

Councillor Peter Bilson commented that the fear of crime was often greater than actual crime. He asked whether local businesses were involved with the Task Forces and suggested that Community Groups could be established to consider issues of community safety. He opined that improved street lighting and public transport would also assist in addressing a number of concerns. Furthermore, the impact of media reporting of incidents, however isolated, could not be ignored.

Gareth Bradford reported that the Officers had been asked by the Regional Town Centres Task Force to prepare a formal briefing paper on all offers of support and funding opportunities. Once the Delivery and Investment Plans were approved a strong communications campaign would commence. He gave an example of an intervention in Bull Street, West Bromwich as an indication of the work supported by the Task Force. He also assured the Board that Wave 2 of the Town Centres Programme would be led by 'Lessons Learnt' from Phase 1.

Councillor Daren Pemberton commended the work undertaken to date but suggested that each town centre required a 'Unique Selling Point'. Councillor Ian Courts queried what interventions were possible and advised that he would be unable to support any initiatives to support failing businesses. He supported the suggestion that Wave 2 schemes would benefit from identifying which interventions had been successful in Wave 1 of the programme. He supported the suggestion of 'Unique Selling Points' but was of the view that it was unlikely that the respective town centres actually competed against one another.

Councillor David Wright asked as to information mapping as he understood that Government funding was available for such an exercise. He suggested that the Board should concentrate on the main transport corridors in selecting the town centres for Phase 2 of the programme. He requested additional information on the type of interventions made to date and any others which were available. Gareth Bradford advised that a corridor mapping exercise was underway as part of the programme. The wider benefits of investment needed to be considered including measures relating to community safety. He explained that some interventions would need to be above market value and stressed the need to deliver on the agreed proposals.

Resolved:

1. That the current progress on the emerging Delivery and Investment Plans which were being prepared for the 'Wave 1' town centres be noted;
2. That the programme for Delivery and Investment Plans in 2020 – namely the key milestones and timescales to ensure that the plans were approved in final form before the end of Quarter 1 of 2020 be noted;
3. That the final iterations of the Delivery and Investment Plans be submitted to the next meeting for consideration and approval.

35. Advanced Methods of Construction (AMC) Strategy

Gareth Bradford presented a report which updated the Board on progress in implementing its decisions made on 30 September 2019 to secure additional expert Modern Methods of Construction (MMC) resource and to move towards mainstreaming MMC on sites coming through the Single Commissioning Framework (SCF). The report also proposed a series of principles intended to guide the development of a future MMC strategy. He commented that the proposed move to MMC was also linked closely to energy efficiency measures and that the preferred reference to MMC was now AMC (Advanced Manufacturing in Construction).

Councillor Ian Courts welcomed the report but reminded the Board that the issue was not solely confined to the reduction of carbon emissions but also, inter alia, with the reduction of waste. This comment was supported by the Chair who gave an example of an MMC/AMC development site in the Walsall area where only one skip had been required in the duration of the works. Marc Lidderth reminded the Board of the need to consider recycling, water use and re-use and the wider environmental considerations which should be included in any final strategy. He also referred to the need to aim for zero carbon emissions and to aspire to sustainability and legacy considerations in developments associated with hosting the Commonwealth Games.

Councillor Andy Mackiewicz advised that innovative measures could be expensive if they were introduced hastily and advised that the construction industry needed sufficient lead-in time to prepare and adapt.

Gareth Bradford stressed to the Board that without the use of MMC / AMC the target housing numbers would not be met and that delays in supply should not be contemplated.

Sarah Middleton commented on the need to link this workstream with the Industrial Strategy and the work of the Innovation Board.

Resolved:

1. That the progress to date in delivering the WMCA's vision, route map and strategy for a Modern Methods of Construction Programme (MMC) to be implemented across the region, including key milestones and decision points be noted;
2. That the proposed incremental approach to developing the MMC Strategy, to be prepared using a process of wide-ranging engagement with industry experts and practitioners to enable the final strategy to benefit from such input be noted;
3. That the adoption of 'Advanced Manufacturing in Construction' (AMC) as the term used to describe the WMCA's strategy and desired products be approved;
4. That the principles detailed in the report be approved as the basis of the WMCA's future AMC strategy

36. Housing Delivery Numbers - Update

The Board considered a report which provided an update on the latest housing delivery data as published by the Ministry of Housing, Communities and Local Government.

Resolved:

That the report be received and noted.

The meeting ended at 11.35 am.

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Young Combined Authority

Round up of Young Combined Authority (YCA) Meetings, January 2020

Minutes from YCA Meeting, January 2020

The YCA's fourth meeting on Wednesday 15 January saw the launch of their project with Aston University to develop a youth manifesto for the West Midlands.

Watch this summary of the YCA's meeting:

<https://twitter.com/wmyoungboard/status/1220042365727014914>

The YCA considered possibilities for the future for each of their 5 priority areas: Environment, Inclusive Communities, Skills, Wellbeing and Youth Justice.



The YCA identified 5 key ideas to take forward and develop:

1. **Environment:** we need to be able to make greener choices when it comes to travelling around the region!
2. **Inclusive Communities:** The Commonwealth Games 2022 is a once-in-a-lifetime opportunity. Young people should be given the chance to get involved!
3. **Skills:** young people need to be equipped for life after education!
4. **Wellbeing:** Mental Health is a challenge for many young people, and more should be done to help them stay well!
5. **Youth Justice:** more needs to be done to prevent youth violence – and this should mean helping young people to develop and belong!

Next Steps for developing a YCA 'manifesto'...

YCA members were asked to think about the role they each wanted to have in creating the manifesto. Ideas included:

- Research (speaking to experts, learning more)
- Developing a survey to consult young people
- Engaging with other youth councils/ groups, and with young people on social media
- Writing up the manifesto & deciding how its designed (zine, poetry, film)

The intention is to present the manifesto as a set of priorities to WMCA Board on 20 March, and possibly candidates that are standing for the Mayoral Election 2020.

Recap of other YCA Activity

The YCA took part in a workshop with the WMCA Skills team to review the developing work experience platform, 15 January.

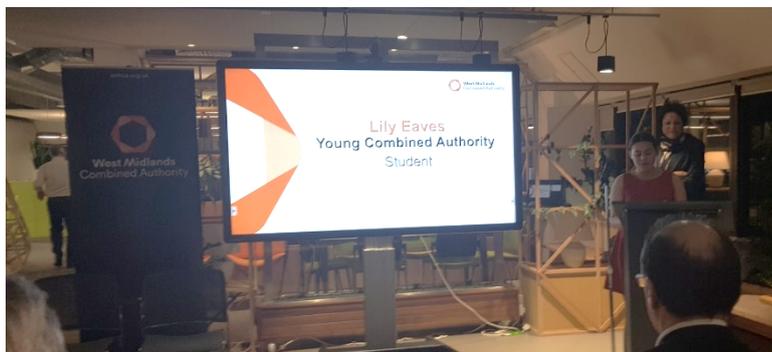
Kashmire Hawker and Avtar Purewal became the first YCA reps to speak at WMCA Board, 17 January.

YCA member Lily Eaves spoke on the panel at the launch of the WMCA's new climate change strategy #WM2041, 23 January.

Some YCA members joined TfWM's Youth Forum, for their workshop on the Commonwealth Games, 1 February.

Dion Fanthom successfully launched her Mindful Monday's initiative in Wolverhampton on 3 February, tickets to attend the next session are available here:

<https://t.co/PHTCaYdC56?amp=1>



Keep up
to date!

- Tweet the YCA @wmyoungboard
- Or email us with any questions via Lucy.Gosling@wmca.org.uk



**West Midlands
Combined Authority**

Investment Board

Monday 20 January 2020 at 10.00 am

Minutes

Present

Councillor Bob Sleight (Chair)
Nick Abell

Councillor Mike Bird
Councillor Tristan Chatfield
Councillor Steve Clark
Councillor Karen Grinsell
Councillor Matt Jennings
Councillor Jim O'Boyle

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
Non-Constituent Authorities
Coventry City Council

Item Title No.

92. Apologies for Absence

Apologies for absence were received from Councillor Harman Banger (Wolverhampton), Councillor Tony Jefferson (no-constituent authorities) and Sue Summers (West Midlands Development Capital).

93. Notification of Substitutes

Councillor Matt Jennings indicated that he was substituting for Councillor Tony Jefferson as the non-constituent authorities' representative on the board.

94. Minutes - 16 December 2019

The minutes of the meeting held on 16 December 2019 were agreed as a correct record, subject to an amendment to minute no. 80 ('WMCA Brownfield Land & Property Development Fund Dashboard') to indicate that the funding commitments made by organisations to date in respect of the Commonwealth Games 2022 had resulted in a smaller funding gap than was previously expected.

95. West Midlands Innovation Programme - Phase 1

The board considered a report from the Director of Strategy requesting approval of £2.96m for operational innovation support and ecosystem development for the West Midlands Innovation Programme for its first three years.

Pam Waddell reported that the West Midlands Innovation Programme was a five-year plan to drive up levels of demand-led business innovation across all areas of the region. This board had previously considered the matter at its meeting on 24 June 2019 and had agreed the funding for phase 1 of the project, subject to a review after 10% of the funding had been used. Phase 1 was intended to establish the means of delivering phase 2, as well as delivering aspects of the Local Industrial Strategy innovation plans with tangible outcomes and outputs.

Nick Abell sought assurances that the proposed innovation programme aligned with work already being done in this field by the region's universities, Local Enterprise Partnerships and Growth Hubs. James Elliott confirmed that these organisations were represented on the Innovation Board, which had responsibility for overseeing the work of the West Midlands Innovation Programme.

Ian Martin confirmed that the funding agreement with the West Midlands Innovation Programme would be overseen by himself.

Resolved:

- (1) The approval of £2.96m funding for the first three years of the West Midlands Innovation Programme operational costs (Phase 1) be confirmed.
- (2) The additional detail on the anticipated outputs/outcomes, structure and planned activity of the West Midlands Innovation Programme Phase 1 be approved.
- (3) The progress made in the planning and preparation phase since the Investment Board approval on 24 June 2019 in establishing the structure and initiating delivery of the West Midlands Innovation Programme Phase 1 be noted.

96. Investment Programme Update

The board considered a report from the Director of Investments & Commercial Activities setting out the status of the Investment Programme to help set the context for the investment decisions being made by the board.

Linda Horne reported that there had been no significant changes since the last report to the board. Following a decision by the Mayor and constituent authority leaders in September 2019, only those schemes included within the capped £801m Investment Programme were currently progressing. Ian Martin noted that this was the first meeting to be presented with the reformatted dashboard, and the Chair welcomed the greater clarity this provided to members.

Councillor Jim O'Boyle noted that the Coventry City Centre First project was highlighted 'red' against its forecast start date even though he understood work had already commenced. Ian Martin indicated that he would check on this further and report back to the next meeting. In addition, Councillor Jim O'Boyle also indicated that he was content with the progress being made by the Coventry City Centre South and Coventry Friargate Business District Phase 1 projects.

Resolved:

The status of the Investment Programme delivery be noted.

[NB. Councillor Bob Sleight declared an interest in this item in respect of him being a board member of UK Central Urban Growth Company.]

97. WMCA Collective Investment Fund Dashboard

The board considered a report on the Collective Investment Fund as at 1 January 2020. Kieran Turner-Owen reported that there had been no significant changes to the fund since the last meeting of the board.

The Chair suggested that it would be helpful for the Investment Advisory Group to review those schemes where a Legal Agreement had not been concluded six months after they had been approved by this board so as to ensure adequate progress was being made.

Resolved:

- (1) The report be noted.
- (2) Where Legal Agreement had yet to be concluded six months from the approval by this board, it be agreed that the Investment Advisory Group be requested to review schemes to ensure that adequate progress was being made in drawing down the approved funding and that no new risks had emerged.

98. WMCA Brownfield Land & Property Development Fund Dashboard

The board considered a report on the Brownfield Land & Property Development Fund. Kieran Turner-Owen reported that there had been no significant changes to the dashboard since the last meeting.

Councillor Mike Bird noted that Telford & Wrekin Council had not yet drawn down any of the £3m allocated to it under this fund. Gareth Bradford explained that the council had recently come forward with a number of suggested schemes that would be funded from this allocation and the WMCA was currently assessing these schemes' eligibility.

Resolved:

The report be noted.

99. WMCA Revolving Investment Fund Dashboard

The board considered a report on the Revolving Investment Fund as at 1 January 2020. Kieran Turner-Owen indicated that Parkes Homes had recently repaid the first part of its £1.12m loan.

Resolved:

The report be noted.

100. Black Country Land & Property Investment Fund Dashboard

The board considered a report on the Black Country Land & Property Investment Fund dashboard.

Resolved:

(1) The report be noted.

(2) It be noted that Walsall Metropolitan Borough Council was now the accountable body for the Black Country Land & Property Investment Fund, and that the management costs associated with this would be carried into 2021/22 rather than accounted for in 2020/21.

101. Exclusion of the Public and Press

Resolved:

That in accordance with s100(A) of the Local Government Act 1972, the public and press be excluded from the meeting during the consideration of the following items of business as they involved the likely disclosure of exempt information relating to the business affairs of any particular person (including the authority holding that information).

102. Very Light Rail - Transforming Connectivity in the West Midlands

The board considered a report seeking approval of a change request to reprofile the WMCA's allocation for Very Light Rail.

The Very Light Rail - Transforming Connectivity in the West Midlands programme was promoted by Coventry City Council, Dudley Metropolitan Borough Council and Transport for West Midlands and was focussed on the delivery of Very Light Rail technology within the region. The WMCA's financial contribution to this programme was first agreed in 2017, but this change request was required to support research and development workstreams and to maintain the momentum within the programme of works.

Councillor Mike Bird suggested it would be useful if the board was to receive a briefing that set out the key components of Very Light Rail and where it might be considered advantageous over developing a new metro line. The Chair agreed with this and requested a presentation to a future meeting.

Resolved:

- (1) The change request to re-profile the WMCA's allocation to the Very Light Rail programme, as detailed within the report, be approved.
- (2) It be agreed that a presentation be provided at a future meeting of the board on the principles of Very Light Rail and the advantages of this mode of transport.

103. Midland Metro - Birmingham Eastside Extension

The board considered a report from Metro Finance & Commercial Director on the progress in delivering the Birmingham Eastside extension and seeking funding in order to achieve the opening of this extension by the end of 2025.

The Birmingham Eastside extension would connect with Midland Metro Line 1 at Bull Street and run along Albert Street to HS2 Curzon Street station and then along New Canal Street/Meriden Street to High Street Deritend, Digbeth. The route would provide 1.7km of new twin track tramway, four additional stops and would integrate with HS2 Curzon Street station and Digbeth coach station. The board was informed that the Transport & Works Act Order permitting the construction works to go ahead was granted by the Department for Transport on 16 January.

Resolved:

- (1) The progress being made on delivering the Birmingham Eastside Extension be noted.
- (2) The increase in the estimated outturn cost for the project, as set out in the report, which delivered a Benefit Cost Ratio of 3:1, calculated in accordance with WebTAG, be noted.
- (3) The Final Business Case for the Birmingham Eastside Extension scheme be recommended for approval by the WMCA Board.
- (4) The commitment of funding be approved, in particular:
 - (a) The commitment from the WMCA Investment Programme (HS2 Connectivity), as set out in the report, for HS2 utility diversions (previously approved in October 2017); and
 - (b) The WMCA Board be recommended to confirm approval for Prudential Borrowing, as set out in the report, to be financed from Metro revenues for the Birmingham Eastside extension.
- (5) Authority be delegated to the Managing Director of Transport for West Midlands and the Director of Finance, as set out in the report.

104. Sprint: A34 Walsall - Birmingham and A45 Birmingham - Airport & Solihull Full Business Cases Submission

The board considered a report from the Director of Programme Development & Delivery seeking the approval of the Full Business Cases of the A34 Walsall - Birmingham and A45 Birmingham - Airport & Solihull Sprint schemes for consideration and full approval by the WMCA Board at its meeting on 14 February.

The two schemes were intended to provide a major uplift in public transport provision, linking key residential and employment destinations and supporting the Commonwealth Games 2022 by improving access to Alexander Stadium, the athletes' village in Perry Barr, Birmingham Airport and the NEC. Both schemes were included within the West Midlands Strategic Transport Plan and supported the key strategic aim of improving connectivity.

Whilst supporting the proposals, members of the board were keen to ensure that there was a clear confirmation of the intent to deliver both phases of the schemes, and that the operator of the Sprint services would purchase zero-emission articulated vehicles to run on the routes. Commitments to these issues would ensure that residents within Solihull and Walsall would receive the full benefits of Sprint services within their communities.

Resolved:

- (1) The A34 Walsall - Birmingham and A45 Birmingham - Airport & Solihull Full Business Cases, detailing the first stage of delivery for 2022, including bus priority interventions, signal upgrades, shelter enhancements, ticket machines, utility diversions, and resurfacing, be endorsed for consideration and full approval by the WMCA Board.
- (2) The recommendation that WMCA Board approve the Investment Programme allocation for the delivery of the A34 Walsall - Birmingham and A45 Birmingham - Airport & Solihull Sprint schemes, as detailed in the report, be supported.
- (3) Resolutions (1) and (2) above be only approved subject to assurances being provided to the WMCA Board prior to 14 February 2020 as follows:
 - (a) confirmation of the intent to fully deliver both phase 1 *and* phase 2 of the schemes, so as to maximise the full benefits of these Sprint schemes to residents within Solihull and Walsall; and
 - (b) confirmation that the operator of the Sprint services would purchase zero-emission articulated vehicles to run on the routes so as to maximise the benefits to passengers of Sprint.
- (4) It be noted that no contracts or financial liabilities would be committed until all necessary funding agreements were executed.

- (5) The delivery of the second stage of A34 Walsall - Birmingham and A45 Birmingham - Airport & Solihull Sprint schemes when further funding was available and allocated be supported.
- (6) The submission of the A45 Birmingham - Airport & Solihull Sprint Full Business Case to the Department for Transport be endorsed.
- (7) It be noted that as construction and utility costs for the scheme were not yet finalised, the project team might need to flexibly manage the scope of the scheme in order to maintain the overall budget, which would be managed in a way that ensured the benefits were not materially affected and that appropriate change control processes were implemented to manage any changes.

105. WMCA Collective Investment Fund Dashboard

The board considered a report on the Collective Investment Fund dashboard as at 1 January 2020.

Resolved:

The report was noted.

106. WMCA Brownfield Land & Property Development Fund Dashboard

The board considered a report on the Brownfield Land & Property Development Fund dashboard as at 1 January 2020.

Resolved:

- (1) The report be noted.
- (2) It be noted that the Steelhouse Lane, Wolverhampton scheme was now to be funded from the Land Fund rather than the Brownfield Land & Property Development Fund.

107. WMCA Revolving Investment Fund Dashboard

The board considered a report on the Revolving Investment Fund dashboard as at 1 January 2020.

Resolved:

The report be noted.

The meeting ended at 11.25 am.

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**West Midlands
Combined Authority**

Wellbeing Board

Friday 24 January 2020 at 10.00 am

Minutes

Present

Councillor Izzi Seccombe (Chair)	WMCA Wellbeing Portfolio Holder
Councillor Paulette Hamilton (Vice-Chair)	Birmingham City Council
Councillor Karen Grinsell	Solihull Metropolitan Borough Council
Sean Russell	Director of Implementation for Mental Health, Wellbeing & Radical Prevention
Lina Martino	Public Health England
Steve Vincent	West Midlands Fire Service

In Attendance

Liz Gaulton	Coventry City Council
Sue Frossell	Coventry City Council
Tracey Richards	Coventry City Council
Lynne Bowers	New NHS Alliance
Hannah Dayan	Transport for the West Midlands
Simon Hall	WMCA
Julie Nugent	WMCA

Item No.

24. Apologies for Absence

Apologies for absence had been received from Councillors Beaumont, Barlow, Caborn, Craddock, Jaspal, Shaeen and Ben Brook, Guy Daly, Andy Hardy, Sue Ibbotson, Paul Jennings and Alison Tonge.

25. Nomination of Substitutes

The following substitutes had been received :

Steve Vincent for Ben Brook.

26. Chair's Remarks

The Chair welcomed everyone to the first meeting of 2020 and thanked colleagues for showing their support for 'Blue Monday' on 20 January.

27. Minutes of the last meeting

The minutes of the meeting held 24 October 2020 were agreed as a true record.

28. Matters Arising

In relation to minute no. *17 Chair's Remarks (viii) Local Authorities input into future Wellbeing Board meetings* and an enquiry from Councillor Grinsell regarding input from Solihull into these meetings as she was unable to attend the last meeting, Sean Russell advised that the mechanism for local area feedback was split across geographical boundaries, the Black Country, Birmingham and Solihull and, Coventry and Warwickshire. He would like Solihull to report to the next meeting on 3 April in conjunction with Birmingham.

29. Coventry - A Marmot City

The board considered a report of Liz Gaulton, Director of Public Health and Wellbeing, Coventry City Council that provided a briefing on Coventry as a Marmot City.

Liz Gaulton presented the key highlights of the report supported by her colleagues Sue Frossell and Tracey Richards, Coventry City Council.

The presentation set out the background, progress and impact of delivering the Marmot City approach in Coventry to date, including its key achievements and impacts in improving health inequalities in Coventry. Liz Gaulton also outlined the key priorities for the future and next steps.

The board considered that Coventry City of Culture 2021 and Birmingham Commonwealth Games 2022 could build on wellbeing by utilising the six 'Marmot Principles' to influence the legacy for healthy, sustainable places and communities.

Julie Nugent, Director of Productivity and Skills, WMCA reported that she was still developing proposals for the Birmingham Commonwealth Games and would welcome a conversation with colleagues as to how to obtain the best long-term benefits for communities.

The Chair thanked Liz Gaulton, Sue Frossell and Tracey Richards for their informative presentation and report.

Resolved: That the briefing on Coventry as a Marmot City be noted.

30. Population Intelligence Hub Update

The board discussed the need to agree three key wellbeing priority areas the WMCA should be focusing on and to consider where the WMCA could add value to the work already being undertaken by public health bodies within local authorities.

Councillor Hamilton reported of the need to look at the top three priorities identified by local authorities and to consider how the WMCA could provide added value.

Councillor Grinsell reported of the need to link the priorities to those of the STPs.

The Implementation Director Wellbeing, Sean Russell, reported that he would be looking at priorities with Directors of Public Health at a meeting scheduled for 3 February and he would report back with the assessment for a full discussion at a future meeting.

The board considered areas of focus for the priorities should include obesity/healthy outcomes and young people/readiness for school and noted the need for the wellbeing agenda to be linked with the other agendas of the WMCA such as transport, skills, the environment and housing.

Lina Martino, PHE/WMCA Consultant in Public Health provided an update on progress on intelligence projects to date and outlined events planned which included a symposium event for March and an inclusive growth workshop for aligning agendas across the WMCA and with partners.

Resolved: That the update be noted.

31. West Midlands Thrive Update

The Implementation Director Wellbeing, Sean Russell provided an update on progress of the key programmes of work within the Thrive West Midlands Mental Health Commission Action Plan.

The Implementation Director Wellbeing, highlighted progress being undertaken on the Wellbeing Premium Trial, Thrive Into Work and Community Sentence Treatment Requirements programmes as well as reporting on progress on work areas including 'This is Me', mental health literacy and healthy weight region.

The Implementation Director Wellbeing also reminded colleagues of forthcoming events including the Mental Health Star Awards on 29 January and 'Walk Out of Darkness' on Sunday, 17 May. In relation to the 'Walk Out of Darkness' event to support the Zero Suicide Ambition, Sean Russell reported that it would be really good to have as many people attend the walk as possible and that colleagues could contact him if they required more information.

The Chair conveyed her congratulations to Sean Russell for the number of people securing employment as a result of the Thrive into Work programme and reported that she was looking forward to hearing more progress at future meetings.

Resolved: That the update on West Midlands Thrive be noted.

32. West Midlands on The Move

The board considered a report of the Physical Activity Policy and Delivery Lead that provided an update on progress and the next steps in the delivery of the WMCA's West Midlands on the Move Strategic Framework.

The Physical Activity Policy and Delivery Lead, Simon Hall, outlined the report which reported on progress on the West Midlands physical activity sector collaborative engagement programme, Include Me West Midlands, Black Country Place Based Fund, mental health through sport, Goodgym Coventry, Solihull and Warwickshire, walking and cycling and WM Violence Reduction Unit and next steps.

In relation to walking and cycling, the Cycling and Walking Development Officer, Hannah Dayan provided an update on the walking and cycling programmes which included information on the Network Wide Cycle Parking Programme and on the Better Streets Community Fund.

In relation to the Better Streets Community Fund and the successful projects for 2019/20 listed in appendix 1 of the report, Councillor Grinsell reported that she had some reservations about one of the projects in Solihull that was in her ward and asked if she could be provided with further information with regard to the grant allocation and what is planned.

The Chair asked that the details of funding and delivery dates for the Better Streets Community Fund projects be circulated to the board via email.

Resolved:

1. That progress in the delivery of current priorities be noted and
2. That the strategy refresh by Summer 2020 be approved.

33. Date of next meeting - 3 April 2020

The meeting ended at 12.10 pm.

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

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