

Public Document Pack



West Midlands Combined Authority

WMCA Board

Date: Friday 24 July 2020

Time: 11.00 am **Public meeting** Yes

Venue: This meeting will be conducted virtually using Microsoft Teams
[Click here to view the meeting.](#)

Membership

Constituent Members

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

Councillor Adrian Andrew
Councillor Mike Bird
Councillor Ian Brookfield
Councillor Ian Courts
Councillor Maria Crompton
Councillor George Duggins
Councillor Patrick Harley
Councillor Brigid Jones
Councillor Abdul Khan
Councillor Syeda Khatun
Councillor Ian Ward
Councillor Qadar Zada

Appointing Authority

Mayor of the West Midlands Combined Authority
Solihull Metropolitan Borough Council

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

Non-Constituent Members

Nick Abell

Councillor George Adamson
Councillor Shaun Davies
Councillor Matthew Dormer
Councillor Julie Jackson
Councillor Tony Jefferson
Councillor Sebastian Lowe
Councillor Peter Nutting
Councillor Jeremy Oates
Tim Pile

Councillor Izzi Seccombe
Tom Westley
Councillor David A Wright

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

Observers Awaiting Membership

Councillor Andrew Day
Councillor David Hitchiner
Mandy Thorn

Warwick District Council
Herefordshire Council
The Marches Local Enterprise Partnership

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

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

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

Contact Dan Essex, Governance Services Manager
Telephone 0121 214 7505
Email dan.essex@wmca.org.uk

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 - 5 June 2020	Chair	1 - 10
4.	Forward Plan	Chair	11 - 14
5.	Chair's Remarks (if any)	Chair	None
Economy and Innovation			
6.	Economic Recovery in the West Midlands	Councillor Ian Brookfield	15 - 106
Finance			
7.	Financial Monitoring Report 2020/21	Councillor Bob Sleigh	107 - 132
8.	Adoption of a Revised Single Assurance Framework	Councillor Bob Sleigh	133 - 198
Inclusive Communities			
9.	Equalities Update	Councillor Bridget Jones	199 - 212
Transport			
10.	A Transport System Fit to Tackle Climate Change? - Reviewing the West Midlands Local Transport Plan to Support a Greener, Fairer, Healthier Recovery	Councillor Ian Ward	213 - 248
11.	West Midlands Bike Share Scheme	Councillor Ian Ward	249 - 258
12.	University Station Full Business Case - Revised Submission	Councillor Ian Ward	259 - 266

Minutes			
13.	Strategic Economic Development Board - 20 May 2020	Tim Pile	267 - 272
14.	Transport Delivery Committee - 8 June 2020	Councillor Kath Hartley	273 - 280
15.	Investment Board - 15 June 2020	Councillor Bob Sleigh	281 - 290
16.	Overview & Scrutiny Committee - 15 June 2020	Councillor Lisa Trickett	291 - 294
17.	Strategic Economic Development Board Minutes - 17 June 2020	Tim Pile	295 - 302
18.	Environment Board - 25 June 2020	Councillor Ian Courts	303 - 308
19.	Housing & Land Delivery Board - 6 July 2020	Councillor Mike Bird	309 - 316
20.	Overview & Scrutiny Committee - 13 July 2020	Councillor Lisa Trickett	317 - 322
21.	Young Combined Authority Minutes	YCA Representative	323 - 324
22.	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 is likely to involve the disclosure of exempt information as specified in paragraph 3 of the Act.]	Chair	None
Private Business			
Transport			
23.	University Station Full Business Case - Revised Submission Confidential appendix to be considered in relation to agenda item no. 12.	Councillor Ian Ward	325 - 330
Date of Next Meeting			
24.	Friday 18 September 2020 at 11.00am	Chair	None



WMCA Board

Friday 5 June 2020 at 11.00am

Minutes

Constituent Members

Andy Street (Chair)
Councillor Bob Sleigh (Vice-Chair)
Councillor Mike Bird
Councillor Ian Brookfield
Councillor Ian Courts
Councillor Yvonne Davies
Councillor George Duggins
Councillor Patrick Harley
Councillor Brigid Jones
Councillor Abdul Khan
Councillor Ian Ward

Mayor of the West Midlands
Solihull Metropolitan Borough Council
Walsall Metropolitan Borough Council
City of Wolverhampton Council
Solihull Metropolitan Borough Council
Sandwell Metropolitan Borough Council
Coventry City Council
Dudley Metropolitan Borough Council
Birmingham City Council
Coventry City Council
Birmingham City Council

Non-Constituent Members

Nick Abell

Councillor George Adamson
Councillor Matt Dormer
Councillor Julie Jackson
Councillor Sebastian Lowe
Councillor Alex Phillips
Tim Pile

Councillor Izzi Seccombe
Tom Westley

Coventry & Warwickshire Local Enterprise Partnership
Cannock Chase District Council
Redditch Borough Council
Nuneaton & Bedworth Borough Council
Rugby Borough Council
Shropshire Council
Greater Birmingham & Solihull Local Enterprise Partnership
Warwickshire County Council
Black Country Local Enterprise Partnership

Observer Members

David Jamieson
Mandy Thorn

West Midlands Police & Crime Commissioner
The Marches Local Enterprise Partnership

In Attendance

Councillor Cathy Bayton
Councillor Kath Hartley
Kashmire Hawker
David Lane
Eman Mowatt
Councillor Lisa Trickett

Overview & Scrutiny Committee
Transport Delivery Committee
Young Combined Authority
Audit, Risk & Assurance Committee
Young Combined Authority
Overview & Scrutiny Committee

This meeting was held in accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020. The meeting was conducted using Microsoft Teams video conferencing software and all participants took part in the meeting remotely.

1. Apologies for Absence

An apology for absence was received from Councillor David Hitchiner (Herefordshire).

2. Minutes - 14 February 2020

The minutes of the meeting held on 14 February 2020 were agreed as a correct record.

3. Forward Plan

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

4. Chair's Remarks

(a) Councillor Peter Bilson

The Chair noted that Councillor Peter Bilson, Deputy Leader of the City of Wolverhampton Council and member of the WMCA Board had sadly died in February. He paid tribute to Councillor Bilson's exemplary public service during his 37 years as a councillor.

5. COVID-19: Actions taken by the WMCA

The board considered a report from the Head of Governance, Clerk and Monitoring Officer and the Director of Finance on how the WMCA had approached decision making processes since the introduction of social distancing measures in response to the outbreak of the COVID-19 pandemic.

The report set out the action taken since mid-March in response to the COVID-19 pandemic, included staff based at Summer Lane transferring to an almost entirely homebased operation, the WMCA playing its part in the regional emergency resilience arrangements by being a member of the Strategic Co-ordination Group for the Local Resilience Forum areas of the West Midlands and Warwickshire, and the decisions taken by the Chief Executive using emergency powers contained within the constitution.

Resolved:

The actions taken under delegated powers in response to the current public health emergency be noted and endorsed.

6. Annual Planning: Review of 2019/20 Delivery and Update on 2020/21 Planning

The board considered a report from the Director of Strategy presenting the review of the Annual Plan 2019/20 and an update on the development of a plan for 2020/21 in light of the COVID-19 pandemic.

The report provided a comprehensive summary of WMCA delivery and enabling activity in 2019/20 which achieved and supported transport services and improvements, the building of key infrastructure, support to the most vulnerable within communities and growth in the regional economy.

The outbreak of COVID-19 had significant implications for the 2020/21 planning process. The mayoral election was postponed for one year and the WMCA, its local authority partners and other stakeholder organisations had also needed to adjust their immediate priorities to respond to the pandemic. There was consequently a need to reassess the deliverables originally agreed for 2020/21 and to also review WMCA's activity, strategic aims and planning processes in the context of the region's recovery. That work was currently on-going, with a focus on the immediate activity and support required to help the emergency response to the pandemic.

Resolved:

- (1) The review of the WMCA Annual Plan 2019/20 be noted.
- (2) The current position regarding a WMCA Annual Plan for 2020/21 be noted and the need to align WMCA delivery, support and influence to the region's recovery priorities be endorsed.
- (3) The proposed approach to the publication of the annual 'State of the Region' report be noted and endorsed.

7. Application from Warwick District Council to become 'Observer' Members of the WMCA

The board considered a report from the Head of Governance, Clerk and Monitoring Officer on a request from Warwick District Council to become 'Observer' members of the WMCA with immediate effect.

At a meeting in February, Warwick District Council formally resolved to seek Observer status of the WMCA for the remainder of this year, and then to determine whether it should request formal Non-Constituent member status from January 2021. Warwick District Council was currently the only one of Warwickshire's five borough/district councils not to be a Non-Constituent member of the WMCA.

Resolved:

- (1) The request from Warwick District Council to seek WMCA Observer member status with immediate effect be approved.
- (2) It be noted that Warwick District Council intended to review its position by the end of 2020 and either withdraw future participation or request formal Non-Constituent member status.

8. Overview & Scrutiny Committee - Annual Report 2019/20

The board considered a report from the Head of Governance, Clerk and Monitoring Officer highlighting the work programme and key achievements of the Overview & Scrutiny Committee during 2019/20.

Overview & Scrutiny was a statutory requirement for the WMCA to undertake. The committee had the responsibility to review the work of the Mayor and the WMCA, to make recommendations to the WMCA Board and its committees and call-in decisions that had already been made for further scrutiny. This was the second time the Overview & Scrutiny Committee had produced an annual report, which was intended to set out clearly and succinctly the work of the committee over the last 12 months. The annual report helped demonstrate the WMCA's commitment to critical self-assessment and transparency in its decision making.

Councillor Lisa Trickett drew attention to the three key themes that ran through the work of the committee during the last year: accountability, connectivity and investment. The annual report set out the scrutiny work that had been undertaken to constructively challenge and hold the WMCA's political leadership to account as it focused on how it would make a difference to the communities across the region, how investment decisions would improve people's lives and ensuring that aspirational ideas were followed up with identifiable actions. The Chair thanked the members of Overview & Scrutiny Committee for the valuable work they had undertaken during the last 12 months.

Resolved:

The Overview & Scrutiny Committee 2019/20 annual report be noted.

9. Economic Recovery - Emerging Employment and Skills Proposals and Adult Education Budget 2019/20 and 2020/21

The board considered a report from the Director of Productivity & Skills on emerging proposals on employment and skills related activities intended to support and enhance existing local and regional recovery activities.

Proposals had been developed with local authority and local enterprise partnership officers, and set out where further activity and resource was needed to build on existing infrastructure. Any new support would need to deliver what the local economy needed and be targeted at those who would be hardest hit. It should give those without work the ability to maintain their work readiness and gain new skills to get a better job and help to deliver a workforce for the future high-skilled economy.

Councillor George Duggins noted the disproportionate impact of COVID-19 on young people and stressed the importance of Government funding being made available to the WMCA and local authorities to help meet these challenges. David Jamieson supported these comments, noting that his recently published 'A Future Generations Deal' report highlighted the challenges facing younger people and the risks of them being drawn into unemployment and crime. He urged all public authorities to co-ordinate measures, including working closely with small and medium sized enterprises, to provide the employment opportunities that the region needed for its younger people. Councillor Bob Sleigh noted that many smaller business would themselves be struggling with liquidity issues and urged lobbying of the Government to provide support where necessary.

Resolved:

- (1) The ongoing work across the WMCA, local authorities, and local enterprise partnerships to develop clear proposals for enhanced employment and skills activities to support local and regional recovery plans be noted.
- (2) Authority be delegated to the Director of Productivity & Skills, in consultation with the Portfolio Lead for Productivity & Skills, the Director of Finance and the Monitoring Officer, to develop proposals and businesses cases as part of the wider regional recovery work.
- (3) It be noted that, in view of the need to move at pace and in line with delegated authority, a further progress report would be brought at the appropriate time to inform the WMCA Board of activity.

10. Financial Monitoring Report 2019/20

The board considered a report from the Director of Finance providing an update on WMCA finances as at the end of March 2020, subject to external audit.

A summary of the final outturn of both the revenue and capital spend against the approved budget and forecast was set out within the report, as well as a summary of the Investment Programme along with current commitments. The balance sheet and Treasury Management was also reported.

Councillor Bob Sleigh confirmed that the 2019/20 annual accounts would be submitted to the meeting of the Audit, Risk & Assurance Committee on 14 July.

Resolved:

The financial outturn position as at the end of March 2020 be noted.

11. Match Funding for the Tourism, Trade and Investment Programme

The board considered a report from the Director of Strategy seeking approval of £2.6m WMCA match funding connected with a funding request to Government for £21.3m supporting a Tourism, Trade and Investment Programme to maximise the opportunities offered by the Commonwealth Games.

In 2019 the WMCA identified an opportunity to secure Government funding for a regional Tourism, Trade and Investment Programme on the back of the 2022 Commonwealth Games. The West Midlands Growth Company developed a bid on behalf of the WMCA and successfully secured a £21.3m commitment from the March budget. To secure Government funding, the region needed to provide £2.6m of match funding, which had been negotiated down from an original 50:50 programme split. Confirmation of match funding had to be provided to the Department for Digital, Culture, Media & Sport by June, ahead of its Finance Committee meeting on 13 July which was considering the Outline Business Case. This would release around £500,000 of project development funding to WMCA.

The programme was forecast to deliver the following additional outputs for the region beyond what was expected to be achieved by the Commonwealth Games themselves:

- 36 additional Foreign Direct Investment projects
- Over 600 new jobs
- £43m Gross Value Added uplift
- £21m additional leisure tourism expenditure
- £6.5m additional conference and sporting expenditure
- Up to £4m of private sector sponsorship

The Chair thanked the West Midlands Growth Company for the work it had undertaken supporting this programme.

Resolved:

The £2.6m of match funding for the Tourism, Trade and Investment Programme to unlock £21.3m of Government funding be approved.

12. WM2041: A Programme for Implementing an Environmental Recovery

The board considered a report from the Director of Public Service Reform and the Head of Environment on the feedback received from the consultation on the WM2041 plan, as well as the next steps that should be taken.

The responses to the consultation drew attention to several cross-cutting issues around finance, engagement, behaviour change, communications, monitoring and reporting. These issues would be picked up in different ways, such as:

- The WMCA would explore options for financing green infrastructure projects through products like green bonds.
- Engagement and behaviour change considerations would be built into the programmes developed in the five-year plans. There also needed to be consideration of the channels that were used for generic engagement and providing support and advice on what people could do to have a positive impact on climate change. This needed to be a collaborative effort working with local authorities, communities and national government.
- Communications campaigns would be a central part of the delivery of WM2041. This would consider regional-level initiatives as well as how the West Midlands could be represented at national and international events, for example COP26.
- Monitoring and reporting were key for transparency around emissions reduction. The WMCA had committed to disclosing carbon emissions through the Carbon Disclosure Project. This information would be publicly available.

Each of the main actions in the programme would have a working group/ taskforce established that brought together the necessary stakeholders for delivery. The governance proposed for this work was for the Environment Board to receive the updates on programme activity and progress, as well as to make decisions on the work on behalf of the WMCA Board.

Councillor Ian Brookfield supported the proposals contained within the report, recognising it as one of the key work areas for the WMCA in the coming years. Kashmire Hawker reported that the Young Combined Authority was following this matter closely and stressed the importance of keeping younger people engaged with the work being undertaken.

Resolved:

- (1) The summary of the consultation feedback on WM2041 be received.
- (2) It be agreed that the recovery from the COVID-19 pandemic should be one that supported the ambition for a fairer, greener, healthier West Midlands and built on those aspects of the crisis that prefigured a low carbon economy.
- (3) The programme of activity identified in report, including the key priorities to be developed in the coming 12 months alongside the development of a Five-Year #WM2041 Delivery Plan be approved.
- (4) The need for a co-ordinated approach around tackling climate change and an effective approach to governance be approved.

13. Recovering the Transport Network - Towards a New Normal

The board considered a report from the Director of Policy, Strategy & Innovation, Transport for West Midlands, on the action taken to recover the region's transport network following the COVID-19 pandemic.

Working with transport operators, the Local Resilience Forum and Government, Transport for West Midlands co-ordinated service changes to maintain a reduced transport network ensuring a comprehensive network of public transport for critical and key workers such as the NHS, carers, food and distribution workers etc. This network was specifically enhanced for those that needed it most. This was accompanied by a national and regional communication plan to discourage travel, with the key message to stay at home in line with the Government restrictions that were in place at the time.

The lockdown resulted in significant changes to the transport system. Demand for travel reduced significantly and the UK public transport network was currently being publicly funded in its entirety as it could not operate commercially at this time. The significantly reduced demand and capacity of the public transport system meant this financial pressure was likely to remain for an extended period. There were consequent public and private sector risks arising from this and a likely impact of increased transport demand on other modes as a recovery from the pandemic took place.

Councillor Ian Ward expressed his thanks to the staff within Transport for West Midlands for their hard work during the last 12 weeks in managing the region's public transport network. As lockdown restrictions were beginning to be eased, work was now focused on providing reassurance that public transport was safe to use. Councillor Cathy Bayton expressed disappointment that care workers had not been included in the free public transport use offered to NHS workers. Councillor Ian Ward shared this disappointment, but indicated that it had not been possible to reach agreement with all parties to enable free travel to be offered more widely.

Resolved:

- (1) The terms of reference for the multi-agency Local Resilience Forum Transport Cell, established as a temporary and evolving measure to co-ordinate the collective response to managing the transport network through the COVID-19 crisis be approved.
- (2) The outline of the Transport for West Midlands COVID-19 recovery action plan which would remain under development be approved.
- (3) The approach to the co-ordination and administration of the Emergency Active Travel Funding from the Department for Transport, and the delegations set out in the report, be approved.
- (4) The partnership approach and associated delegations for responding to the Department for Transport's proposed call for national e-scooter trials be approved.
- (5) The longer-term impacts and challenges for the West Midlands transport system in responding to the unprecedented nature of the COVID-19 impact, as well as tackling pre-existing strategic issues such as climate change, be noted.
- (6) The potential need for Transport for West Midlands to manage its financial resources to ensure priorities were delivered be noted, subject to Transport for West Midlands gaining the necessary supplementary approvals to do so.

14. Strategic Economic Development Board - 8 January 2020

The board received the minutes of the Strategic Economic Development Board meeting held on 8 January.

Resolved:

The minutes of the meeting held on 8 January 2020 be noted.

15. Transport Delivery Committee - 10 February 2020

The board received the minutes of the Transport Delivery Committee meeting held on 10 February.

Councillor Kath Hartley confirmed that Transport for West Midlands was now meeting bus operators on a weekly basis to help manage developments and implications arising from COVID-19.

Resolved:

The minutes of the meeting held on 10 February 2020 be noted.

16. Mayor's Question Time: Connectivity - 13 February 2020

The board considered a report of the Overview & Scrutiny Committee on the Mayoral question time held on 13 February on 'connectivity' related issues.

Councillor Lisa Trickett noted the seven key conclusions arising out of the Question Time, which would now be subject to a formal response from the Mayor. Members of the Overview & Scrutiny Committee were clear that modern and innovative solutions were required to tackle the structural problems that existed within the public transport network, and encouraged the Mayor and members of the WMCA Board to be bold in their thinking on these matters.

Resolved:

The report be noted, and the Mayor formally respond to the Overview & Scrutiny Committee on this issues it had raised.

17. Investment Board - 17 February 2020

The board received the minutes of the Investment Board meeting held on 17 February.

Resolved:

The minutes of the meeting held on 17 February 2020 be noted.

18. Environment Board - 27 February 2020

The board received the minutes of the Environment Board meeting held on 27 February.

Resolved:

The minutes of the meeting held on 27 February 2020 be noted.

19. Public Service Reform Board - 5 March 2020

The board received the minutes of the Public Service Reform Board meeting held on 5 March.

Resolved:

The minutes of the meeting held on 5 March 2020 be noted.

20. Overview & Scrutiny Committee - 9 March 2020

The board considered the minutes of the inquorate meeting of the Overview & Scrutiny Committee meeting held on 9 March.

Resolved:

The minutes of the meeting held on 9 March 2020 be approved.

21. Transport Delivery Committee - 16 March 2020

The board received the minutes of the Transport Delivery Committee meeting held on 16 March.

Resolved:

The minutes of the meeting held on 16 March 2020 be noted.

22. Investment Board - 20 April 2020

The board received the minutes of the Investment Board meeting held on 20 April.

Resolved:

The minutes of the meeting held on 20 April 2020 be noted.

23. Housing & Land Delivery Board - 27 April 2020

The board received the minutes of the Housing & Land Delivery Board meeting held on 27 April.

In respect of minute no. 45 ('Delivery and Investment Plans: Town Centre and Inclusive Growth Corridors - Progress and Next Steps'), Councillor Mike Bird indicated that he had asked for a report to be considered at the next meeting of the board on town centre living in a post-COVID-19 age.

Resolved:

The minutes of the meeting held on 27 April 2020 be noted.

24. Young Combined Authority

The board considered a report of the Young Combined Authority meetings held during March - June 2020.

Eman Mowatt and Kashmire Hawker summarised the issues being considered by the Young Combined Authority, including the impact of COVID-19 on younger people, activity during Mental Health Awareness Week and engagement in the 'Black Lives Matter' debate, including the lack of diversity amongst the membership of the WMCA Board. Councillor Brigid Jones welcomed the report and stressed the importance of political leadership across the region properly facing up to the challenge of increasing diversity amongst itself.

Resolved:

The report be noted.

25. Date of Next Meeting

Friday 24 July 2020 at 11.00am.

The meeting ended at 12.30pm



WEST MIDLANDS COMBINED AUTHORITY FORWARD PLAN: SEPTEMBER 2020 - MARCH 2021

Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
Financial Monitoring Report 2020/21	To consider the latest financial position.	18 September 2020	No	Cllr Bob Sleigh	Linda Horne	No	Finance
Revised Terms of Reference for Thematic Boards	To consider proposals to revise terms of reference for boards.	18 September 2020	Yes	n/a	Tim Martin	No	Governance
Update on Annual Planning and Delivery 2020/21	To provide an update on the planned WMCA delivery, enabling and influencing activity for 2020/21.	18 September 2020	No	n/a	Julia Goldsworthy	No	Policy
Bus Byelaws	To consider an update on this issue.	18 September 2020	No	Cllr Ian Ward	Laura Shoaf	No	Transport
Perry Barr Station Full Business Case	To approve the full business case for this project.	18 September 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
Financial Monitoring Report 2020/21	To consider the latest financial position.	13 November 2020	No	Cllr Bob Sleigh	Linda Horne	No	Finance
Regional Health Impacts of COVID-19	To provide further information on this issue.	13 November 2021	No	Cllr Izzi Seccombe	Ed Cox	No	Wellbeing
Buy Before You Board - Byelaws Penalties	To consider proposals on this issue.	13 November 2020	Yes	Cllr Ian Ward	Laura Shoaf	No	Transport
Road Safety	To consider an update on this issue.	13 November 2020	Yes	Cllr Ian Ward	Laura Shoaf	No	Transport
WMCA Draft Budget 2021/22	To approve in draft the WMCA budget for 2021/22.	15 January 2021	Yes	Cllr Bob Sleigh	Linda Horne	No	Finance
Financial Monitoring Report 2020/21	To consider the latest financial position.	15 January 2021	No	Cllr Bob Sleigh	Linda Horne	No	Finance



Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
Rail - Package 1 Full Business Case	To consider an update on this issue.	15 January 2021	Yes	Cllr Ian Ward	Laura Shoaf	No	Transport
Rail - Package 2 Full Business Case	To consider an update on this issue.	15 January 2021	Yes	Cllr Ian Ward	Laura Shoaf	No	Transport
WMCA Final Budget 2021/22	To approve the final WMCA budget for 2021/22.	12 February 2021	Yes	Cllr Bob Sleigh	Linda Horne	No	Finance
Financial Monitoring Report 2020/21	To consider the latest financial position.	19 March 2021	No	Cllr Bob Sleigh	Linda Horne	No	Finance
Adult Education Budget	To provide an update on the allocation process and outcomes of the AEB.	19 March 2021	Yes	Cllr George Duggins	Julie Nugent	No	Productivity & Skills

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WMCA Board

Date	24 July 2020
Report title	Economic Recovery in the West Midlands
Portfolio Lead	Economy & Innovation - Councillor Ian Brookfield
Accountable Chief Executive	Deborah Cadman, West Midlands Combined Authority email: deborah.cadman@wmca.org.uk tel: (0121) 214 7200
Accountable Employee	Julia Goldsworthy, Director of Strategy email: julia.goldsworthy@wmca.org.uk tel: 07813 648227
Report has been considered by	Programme Board Economic Recovery Steering Group - 10 July 2020 Strategic Economic Development Board (by correspondence) Overview & Scrutiny Committee - 13 July 2020

Recommendations for action or decision:

WMCA Board is recommended to:

- (1) Note the executive summary of “State of the Region” report (Appendix 1) and the principal challenges identified for the region.
- (2) Endorse the role of the Mayoral Combined Authorities in leading the regional approach to economic recovery, in line with correspondence from the Minister for Regional Growth & Local Government (Appendix 2).
- (3) Adopt the proposed regional approach to economic recovery, and the mission to help recharge the West Midlands economy and forge a greener and more inclusive region.

- (4) Endorse 'Recharge the West Midlands' (Appendix 3), the investment case developed at pace by partners across the region to support rapid economic recovery. This was submitted to Government on 22 June 2020 using the WMCA Chief Executive's delegated authority, following discussion by the Recovery Forum and partners.
- (5) Note the implications for the West Midlands of announcements by the Prime Minister and Chancellor, and the approach to the 'shovel ready' local fund (Appendix 4).
- (6) Agree the elements of the economic recovery roadmap which helps the region deliver the 'Recharge' projects and sets the basis for local authorities, LEPs, the Combined Authority, universities and other partners to refresh the region's policy framework.
- (7) Reaffirm the importance of public, private and community sectors working together, guided by the 10 priority outcomes agreed in early May.

1. Purpose

- 1.1 In addition to its devastating human impact, the Covid-19 pandemic has caused a severe global economic shock. Together, the region's civic and business leaders have responded to the economic emergency, put the region on the front-foot to support and accelerate economic recovery and set the direction to reshape the region's economic strategy to drive inclusive and green growth.
- 1.2 This report:
 - 1.2.1 Provides an overview of the 'State of the Region' and the particular challenges inferred from the evidence.
 - 1.2.2 Summarises the action taken by civic and business leaders to secure emergency economic support and ensure businesses have been able to restart safely and effectively after lockdown.
 - 1.2.3 Highlights the region's bold proposition for government support to kickstart the economic recovery with immediate, distinctively West Midlands asks.
 - 1.2.4 Explains the implications for the West Midlands of major announcements by the Prime Minister and Chancellor about economic support. This includes an injection of funding to support 'shovel ready' local projects, where the region is invited to respond.
 - 1.2.5 Provides the foundation for partners to refresh the region's economic strategy, setting a strong framework to capitalise on new global megatrends and further embedding inclusive and green growth in all policies and programmes.

2. 'State of the Region' and economic context

- 2.1 The 'State of the Region' report (**Appendix 1**) provides a thorough analysis of the region's economic strengths, weaknesses, opportunities and threats. It describes how, in the past 12 months, the West Midlands region broke through the £100bn GVA barrier and had been bucking the national trend on a host of economic indicators, such as enterprise and employment growth. All this was powered by a young workforce, increasing its skills and moving to the region. However, underlying this growth there were significant issues with inequality, poverty, youth unemployment, low skills, poor health and school performance.
- 2.2 Since the turn of the year, the economic impact of the COVID-19 pandemic has been severe. First quarter UK GDP fell dropped 20% compared to last year, manufacturing PMI hit an all-time low and 496,000 people across the 3 LEP area are on furlough. The overall claimant count has gone up by a third and youth claimants have doubled. Sectors where we have previously seen growth and expansion are now hardest hit, such as construction and the expanding higher education sector which makes our 3 cities, Birmingham, Coventry and Wolverhampton vulnerable. WM-Redi (with support of and in collaboration of the ODA) continue to produce weekly Economic Monitors¹, which are shared and discussed with the Economic Impact Group and local authority/LEP economy directors.

¹ For past issues of the WM-Redi Weekly Monitor, see: <https://blog.bham.ac.uk/cityredi/back-issues-of-the-west-midlands-weekly-economic-impact-monitor/>

- 2.3 Economic models consistently show the West Midlands to be hit hardest by the economic crisis. This is because of our industrial and demographic mix, with some local economies among the most vulnerable in the UK (e.g. Stratford upon Avon, Tamworth and Dudley). Those same models also show relatively strong regional growth in 2021, but this depends on assumptions about health conditions, future market demand and international trade agreements. The point is that the stakes are high everywhere, but particularly so in the West Midlands.
- 2.4 However, our economic performance over the last 10 years since the last recession, should give us confidence that with the appropriate support from Government, we can return to growth rapidly, as was the case with our recovery to the 2008 recession.
- 2.5 The evidence base on the impact of Covid-19 illustrates several policy challenges, which either threaten our strengths or further stress structural issues within the regional economy:

- | |
|--|
| <p>A. Good health & wellbeing – The pandemic has highlighted the West Midlands' relatively poor health outcomes. The major challenge is to drive greater physical activity and better ensure research and commercial strengths in data driven healthcare and life sciences result in improvements in population health.</p> |
| <p>B. Reduced inequalities – The pandemic has highlighted significant inequalities across national and regional economies. Whether about the nature of work and households' financial resilience, or access to digital infrastructure and safe housing conditions, the region's civic and business leaders aim for a recovery that is inclusive and works for everyone, across all the region's towns, cities and rural areas. The major challenge is being able to target support effectively and understand the distributional benefits as outcomes are levelled-up across the West Midlands and the UK.</p> |
| <p>C. Sustainable communities – Less commuting and more homeworking has meant people spend more time in their neighbourhoods, which has illustrated the importance of strong local businesses and community infrastructure, like parks and high streets, to communities. The major challenge is to understand the long-term implications of these changing commercial and societal trends and help towns, cities and rural areas adapt.</p> |
| <p>D. Decent work & economic growth – Decent work improves wellbeing as well as providing income. The pandemic has also demonstrated the importance of jobs in the foundational economy – essential shopworkers, carers, logistics and utilities workers. The region had underlying issues with people unable to access good employment because of their lack of qualifications, but demand for labour had been strong. The pandemic has dramatically reduced that demand, particularly in hospitality, retail and culture, which employ high numbers of young people. There is also evidence about long-term scarring that can come from un- or under-employment. The major challenges are stimulating demand for labour and ensuring everyone has the support to develop their skills and find secure work.</p> |

E. Industry, innovation & infrastructure – The sectoral assessments highlight the region's distinctive strengths, but they can act as breaks as well as catalysts of growth. Experience from previous recoveries shows that our main tradeable assets can boost a quick recovery, so it is vital they are protected. The region's universities are also at risk, which help drive innovation, high-level skills and business investment in R&D. HS2, the Commonwealth Games and the City of Culture are distinctive strengths that provide the West Midlands with a global platform. The major policy challenge is to mitigate harm to key sectors while ensuring that local people benefit from game-changing investments.

F. Clean & affordable energy – people have valued a cleaner environment and better air quality. #WM2041 sets out both the scale of the challenge and the opportunity, with new technology and the need for safe, secure energy creating demand for new forms of mobility and electrification. The West Midlands has major innovation assets in energy and electric vehicle manufacturing providing jobs in one of our biggest sectors, along with potential for large scale retrofit programmes to improve the efficiency of the region's housing stock.

3. Emergency economic response

3.1 The emergency economic response comprised complementary activity at national local and regional level:

- **National measures** taken by government, including furloughing 496,000 workers across the three-LEP area at a cost of around £1.3 billion so far, new business grant and loan schemes, support for self-employed workers and supporting local authorities. The Bank of England has also injected a further £200 billion of quantitative easing and cut interest rates to a historic low of 0.1%.
- **Local measures** delivered by local authorities. This includes paying £459 million to 38,938 West Midlands business, administering hardship funds to residents, administering business rate holidays, providing free parking and making the public realm safe by, for example, widening pavements. Government has also paid £177.4 million in emergency funding to the seven constituent members of the WMCA, although Covid-19 related financial pressures are significantly larger, and there is a need to establish sustainable funding for local public services.
- **Regional and sub-regional measures**, including Growth Hubs increasing business support and information in the face of huge demand, flexing existing programmes, and introducing new measures like the Rapid Recruitment Service, which helped redeploy key workers to firms seeking new workers.

3.2 The region's civic and business leaders acted quickly, recognising the need to understand the impact of emergency economic support measures. The Covid-19 economic impact was formed, bringing together over 40 of the region's business, political, university and trade union leaders who have met weekly over the last 20 weeks. They have acted to identify and lobby government to address gaps in support to mid-sized firms, self-employed people. More recently, they have helped share vital insight across major businesses from different sectors about how the transition from lockdown is supporting business recovery.

4. Economic recovery

- 4.1 The region has been proactive to shape, rather than react to, the economic curve. Evidence from previous economic crises shows the importance of both mitigating economic harm to communities and businesses and stimulating growth in new industries to accelerate recovery. This period of significant economic change will also precipitate new global megatrends and opportunity to further embed the region's aims for a green and inclusive economy.
- 4.2 The Minister for Regional Growth and Local Government has written to the Mayor (**Appendix 2**) asking Mayoral Combined Authorities lead economic recovery planning in their regions, emphasising the need to continue to develop evidence-led thinking and collaborate closely with Local Enterprise Partnerships and other local partners.
- 4.3 The region's Strategic Economic Development (SED) Board, Recovery Forum and EIG have all helped guide an approach to economic recovery that is agile, where the right interventions are delivered at the right moment to meet economic and social needs. This means recognising the phases of economic recovery are dynamic and subject to the linked issues of:
- Public health conditions and the speed and effectiveness of a vaccine / treatment
 - Effectiveness of global and national economic support
 - Business and consumer confidence and new megatrends around behaviours, technologies and trade.
- 4.4 The region's approach is guided by four principles:
- Acting quickly and based on high-quality evidence, with economic recovery planning beginning in mid-April.
 - Emphasis to not just return to the old economy but use the change to embed the region's ambitious aims to create an inclusive, net zero carbon economy.
 - To work collaboratively on agreed priority outcomes that reflect the different economic priorities across the region, with interventions being delivered at the most local level.
 - Embedding a strong and ongoing business voice in economic activity.
- 4.5 The region's overall economic recovery plan has several components. Work is underway on all, but they each result specific products at different times, reflecting the different phases of the economic crisis. The components, products and approval points are shown below:

Components of the regional economic recovery	Status
1. Overview and 10-point plan	Agreed by Leaders on 7 May
2. Intelligence and analysis <ul style="list-style-type: none"> • regional assets • impact of Covid-19 • sector impacts • new global megatrends and implications for West Midlands 	State of the Region report (Appendix 1)
3. Immediate investment case to government <ul style="list-style-type: none"> • recovery drivers • enablers • business support and public services • responding to calls from government departments 	'Recharge the West Midlands' submitted to government on 22 June (Appendix 3)
4. Long-term reset of economic strategy <ul style="list-style-type: none"> • outcomes framework identifying the main measures of success for recovery • policy priorities <ul style="list-style-type: none"> ◦ foundations ◦ sector plans ◦ sub-regional plans • ways of working within the region (e.g. business engagement, institutions) • ways of working with Government (powers and resources and Local Recovery and Devolution White Paper) 	For input and design over summer Submission to Local Recovery and Devolution White Paper (expected autumn) Submission to Autumn Budget and possible Spending Review (expected September)

4.6 The region's Mayor, local authority leaders, LEP Chairs, trade unions and Growth Company signalled their priorities for economic recovery on 7 May and how it would benefit the region's communities, businesses and places:



5. Recharge the West Midlands: An investment case to government

- 5.1 Given economic conditions, the region's political and business leaders were confident that there would be an opportunity in July for government to support projects that can stimulate immediate economic demand and underpin business and consumer confidence. This will be followed in autumn 2020 with a Budget and possibly a Spending Review, providing further opportunity for public investment.
- 5.2 Partners across the region have worked intensively to produce '***Recharge the West Midlands. Kickstarting the West Midlands Economy: Our investment case to government***'. This represented a £3.2 billion proposition to government to create or safeguard 135,800 jobs, support 154,400 young people and workers and build 35,000 more homes in the region.
- 5.3 The list of asks has deliberately been ambitious to secure as much additional investment as possible. As the largest region outside London, generating £105bn of GVA and 5.5% of the UK's economic output, the West Midlands should be a substantial part of the government's plans for national economic recovery. We have already leveraged substantial investments for our proposals from both private and public sector partners, and this proposition provides an opportunity to accelerate and amplify those impacts, with projects that can be delivered quickly.
- 5.4 The proposition is structured upon seven packages, with the document also emphasising the importance of properly funded public services. Together, these packages represent the ambitious scaling up of existing plans and new programmes and projects to tackle the problems which are specific to the region's economic needs, exposed as a result of the post Covid-19 context:
- Creating green manufacturing jobs
 - Maximising job opportunities from HS2, City of Culture and the Commonwealth Games for local people
 - Investing in healthcare innovation
 - Building better transport and digital links
 - Regenerating brownfield land and building more homes
 - Getting people back into work
 - Backing our region's businesses
- 5.5 The work was overseen by a Steering Committee of WMCA Portfolio Holder for the Economy and Innovation, Councillor Ian Brookfield, SED Board Chair Tim Pile, Mayor Andy Street and WMCA Chief Executive Deborah Cadman, with regular updates and opportunities for input provided to the Mayor/Leaders Forum as the work has developed. Additional external capacity was engaged to support the WMCA with the economic analysis and programme management of this short piece of urgent work.
- 5.6 Over 160 projects from local authorities, LEPs, universities and previous WMCA Budget materials formed the basis of the original pipeline. This was then refined in conjunction with LEPs based on scale and regional impact, being able to mobilise quickly and alignment to regional and central government priorities, for example:

- Drives a sustainable and rapid recovery from the Covid-19 economic shock
- Alignment to levelling-up agenda
- Alignment to net zero ambitions
- Alignment to post-Covid behaviour and market changes
- Value for money requirements
- Broad-based regional support

5.7 The overall narrative and mix of programmes and projects embed key regional priorities:

- Focus on inclusive growth
- Balance across the whole region
- The West Midlands' #2041 green ambitions
- Investments that can mobilise quickly and support jobs
- Will deliver on the government's levelling up agenda
- That will support the region's longer-term economic ambitions.

5.8 'Recharge the West Midlands' has been built collaboratively and depends on a range of partners to secure investment and deliver. During its rapid development, the shape of the proposition was tested with business leaders and local authorities, including a roundtable of senior business leaders convened by Liv Garfield, chief executive of Severn Trent plc. Post-submission, there has been a powerful effort to champion the region's proposals, including:

- A letter of support to the Chancellor signed by 610 business leaders, coordinated by the three Chambers of Commerce, LEPs and business groups.
- Enlisting the support of West Midlands MPs at the West Midlands APPG on Tuesday 23 June.
- Op-eds by prominent regional leaders in several specialist journals highlighting the overall proposition and impact in the West Midlands.
- Supportive press and social media campaigns across the WMCA and partners.

5.9 Any proposals which do not secure funding immediately will continue to be reviewed and developed, forming the pipeline of new projects, ahead of future fiscal events. Section 7 describes the practical steps to secure and oversee the delivery of 'Recharge the West Midlands'.

6. Government announcements and funding for local growth

6.1 On 30 June, the Prime Minister made a major speech in Dudley to champion 'build, build, build' as a way of stimulating economic demand by accelerating capital/infrastructure projects. The announcement included:

- a. **£1.5bn** for hospital building, maintenance and improving A&E capacity
- b. **£100m** for 29 road network projects across England,
- c. **£900m** for "Get Britain Building" with shovel ready local projects in England this year and in 2021
- d. **£0.5m - £1m** for each area in the towns fund to spend on improvements to parks, high street and transport
- e. A **£12bn** affordable homes programme
- f. **£560m and £200m** for repairs and upgrades to schools and Further Education (FE) colleges respectively this year
- g. Over **£1bn** to fund 50 new schools

h. **Policy and institutional measures**, including:

- i. A new Infrastructure Delivery Taskforce, named ‘Project Speed’ and led by the Chancellor.
- ii. A major review of the planning system to facilitate faster development
- iii. A Local Recovery and Devolution White Paper
- iv. Launch of the National Infrastructure Plan later this year
- v. A new Science Funding agency

6.2 The West Midlands specific details include:

- £83 million of the Brownfield Fund to support the building of up to 7,500 new homes.
- 4 of the road projects are in Coventry, Solihull, Sandwell and Wolverhampton, with a combined value of £15 million.
- Investment into Bloxwich, Dudley, Rowley Regis, Smethwick, Walsall, West Bromwich and Wolverhampton via the Towns Fund.
- Support for the CA’s plan to build a gigafactory to the region, with the Prime Minister committing: “*We will back that vision. This government will back that vision*”.
- On additional funds, such as FE capital and affordable housing monies, we await further detail about what this will mean for the region.

6.3 Ministers have written to the Mayor and LEP Chairs with further details about the “Get Britain Building” local infrastructure fund (**Appendix 4**). This will see £66 million invested in projects in the WMCA area, with a further £8.1m invested in Warwickshire, coordinated by the Coventry and Warwickshire LEP. These projects will be completed by January 2022 and drive up economic growth and jobs and supporting green recovery. Town and city centre modernisation, physical and digital connectivity, innovation ecosystems and improving human capital are all highlighted as important departmental aims. The WMCA and LEPs are preparing a response on behalf of the region, due for submission on 17 July following a collaborative process that used:

- Original ‘long-lists’ developed by LEPs and the WMCA, drawn from established project pipelines. This totalled 137 projects.
- A rigorous test of deliverability to be confident of delivery by January 2022 and alignment with national and regional priorities.
- A collaborative prioritisation process, including striking a balance between transformative proposals and the need to strike a balance of activity across the region.

6.4 The Chancellor’s ‘summer statement’ on 8 July was designed as a plan for jobs. This focused on skills and labour market support measures, including initiatives to stimulate demand in the hospitality and housing markets. The plan consisted of national policy solutions, where major elements were:

- i. **Job Retention Bonus** - £1,000 to be paid to businesses that retain furlough staff from November 2020 to January 2021, staff must be paid £520 per month at minimum. This could equate to up £9bn in payments.
- ii. **Boosting worksearch, skills and apprenticeships:**
- iii. **Kickstart Scheme** – £2bn work experience programme for 16-24 year olds that have been unemployed for more than six months.

- a. New payment of £2,000 to employers in England for each new apprentice they hire aged under 25, and a £1,500 payment for each new apprentice they hire aged 25 and over.
 - b. £111m extra will be added to the traineeship budget, employers will be paid £1,000 per trainee.
 - c. £100m for more places on level 2 and 3 courses.
 - d. £32m over two years for the National Careers Service to fund careers advice for 269,000 more people.
 - e. £17m to expand sector-based work academies, tripling places.
- iv. **Reduced rate of VAT for hospitality, accommodation and attractions -**
Temporary cut to VAT on food, accommodation and attractions from 20% to 5% for six months
- v. **Eat Out to Help Out** - vouchers that will give diners 50% off their meals out for August.
- vi. **Public sector and social housing decarbonisation** – £1bn to improve energy efficiency of public buildings
- vii. **Green Homes Grant** - A £2bn "green homes grant" to help make homes more energy efficient. This would provide at least £2 for every £1 homeowners and landlords spend to make their homes more energy efficient, up to £5,000 per household.
- viii. **Stamp Duty Land Tax temporary cut** - Temporary cut to stamp- increasing the 0% band threshold to £500,000 until March 2021.
- 6.5 The Chancellor explained: "*the plan for jobs will not be the last action – it is merely the next - in our fight to recover and rebuild after coronavirus*". Future milestones include:
- Potential further short-term departmental announcements - such as the £1.57 billion package for the cultural and creative industries announced on 5 July²
 - Publication of the National Infrastructure Plan, Local Recovery and Devolution White Paper and 'Operation Birch' with support for strategically important firms.
 - Major future fiscal events, including the Autumn Budget and Spending Review.

7. Next steps

7.1 The region has two crucial next steps:

- 7.1.1 **Delivering "Recharge the West Midlands"**: this means further developing robust business cases for the projects and promoting with decision-makers across government. Where funding is secured, projects must mobilise quickly and if projects do not secure investment immediately, they will be incorporated into the integrated regional pipeline.

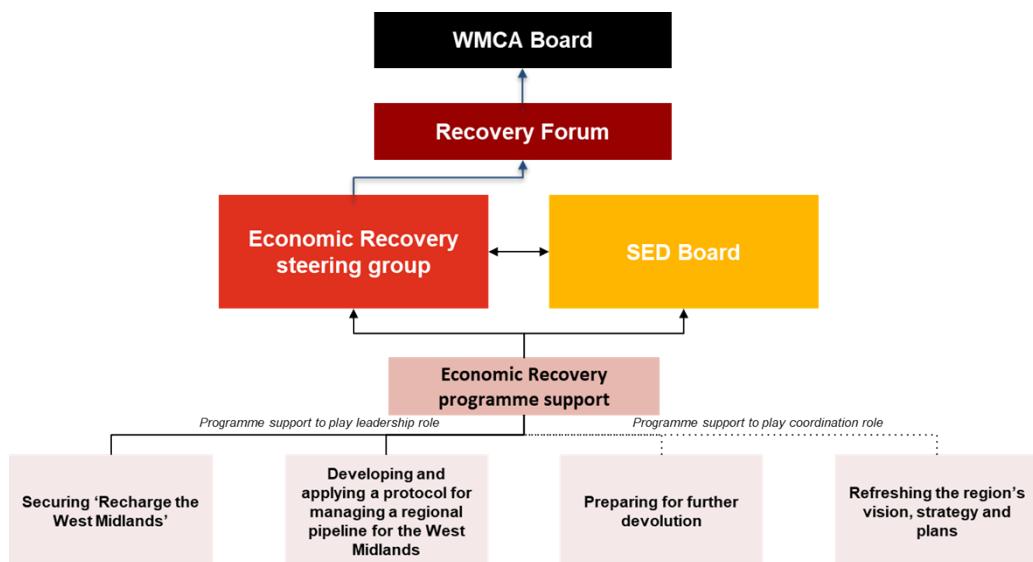
² See <https://www.gov.uk/government/news/157-billion-investment-to-protect-britains-world-class-cultural-arts-and-heritage-institutions>

7.1.2 Agreeing to refresh the region's vision, strategy and plans: while the region's recovery work is rooted in its existing agreed strategies and plans, such as the Local Industrial Strategy, Strategic Economic Plan, Regional Skills Plan, Strategic Transport Plan and Housing Deal, we know that the Covid-19 pandemic will fundamentally change the way businesses and communities operate. There, is therefore, a clear need to refresh the region's economic policies to take account of the Covid-19 changes, further embed green and inclusive growth and ensure that they are agile to be able to adapt to future economic conditions.

7.2 This will be supported by four vital underpinning actions:

- 7.2.1 Agreeing the principle of maintaining an integrated regional pipeline of projects: that is owned by the WMCA, local authorities and LEPs and is kept continuously up to date. This ensures the region is on the front-foot to put forward a compelling proposition for the Autumn Budget and Spending Review. As well as capital projects, this pipeline can also incorporate national policy asks or better coordinated activities across the region.
- 7.2.2 Continuing to develop ambitious proposals for further devolution: the Local Recovery and Devolution White Paper provides an opportunity to further the transfer of powers and resources to the most local level possible in order to drive economic recovery from the pandemic.
- 7.2.3 Direction and oversight: with the Combined Authority Board providing decision-making, and the Recovery Forum giving the region's democratically-accountable leaders power to shape the region's economic recovery, working in conjunction with business leaders and the SED Board. See figure 1 below.

Figure 1:



- 7.2.4 Instigating economic recovery programme support, bringing together capacity and expertise from across the WMCA, local authorities and LEPs to focus on the two next steps above.

7.3 These elements will be driven forward over the summer and will report back to the WMCA Board in September.

8. Financial Implications

8.1 There are no direct budgetary or expenditure implications arising from this report.

8.2 Requests to Government totalling £3.2 billion have been submitted to help stimulate the local economy of the West Midlands and should Government agree to support some or all of these initiatives, more detailed proposals will be submitted to the WMCA Board on a case by case basis as investments obtain approval through the relevant assurance and approval processes.

9. Legal Implications

9.1 The legal implications in this case mirror the observations made in section 8 above in that they will flow from the shape and nature of the successful award following this process. Many of these proposals will require detailed legal input at the appropriate stage and if necessary, further consideration of the best way to deliver in the light of the Combined Authority's powers. There will be resource implications around capacity in order to deliver at pace.

10. Inclusive Growth Implications

10.1 We have deliberately put inclusive growth at the heart of our economic recovery plans. We know that those who were worse off before the Covid-19 pandemic are likely to be harder hit by the economic impact. This package of investment proposals to Government will bring direct and immediate benefits to people who have been hit hardest by the crisis. Our Investment Case to Government is specifically designed to:

- Unlock a huge programme of employment and skills support, helping unemployed people into work, retraining and young people make the transition to employment.
- Focus on sectors which create large numbers of jobs at low- and middle-income levels (£20-35k): green retrofit, Gigafactory, manufacturing advisory service.
- R&D programmes to ensure long-term sustainability of large numbers of middle-income jobs in the region: R&D lifeboat, Life Sciences Park, ReSCue life sciences supply chain.

10.2 We will escalate our work to improve the health and productivity of our residents through providing rapid access to screening and accessible diagnostic health provision and innovations to address health inequalities:

- Our housing programme will focus on developing proposals for affordable and social housing, including a new £50m programme providing affordable homes for keyworkers with local people actively trained and supported into the construction jobs created.
- We will create construction jobs in brownfield remediation and housebuilding and 26,000 construction jobs across the whole economic recovery programme.

- We will accelerate programmes to connect people into work through investment in improved transport connections to less affluent areas of the West Midlands e.g. Sandwell, Dudley, Walsall, Wolverhampton, East Birmingham and enhanced accessibility through broadband and 5G.
 - Keeping businesses afloat to keep people in their jobs.
- 10.3 In designing business cases, project promoters will examine how they can target those groups that are particularly vulnerable, and we are continuing to develop new initiatives over the coming months targeting BAME communities, graduates and others particularly affected by the Covid-19 crisis. In particular we are committed to helping young people, who may lose opportunities as a result of this recession. We will work with partners across the region - local authorities, JobCentres, FE Colleges and training providers, the voluntary sector, West Midlands Police and the Police and Crime Commissioner - to support young people at this challenging time.

11. Geographical area of report's implications

- 11.1 Working with LEPs and local authorities, the various programmes have been developed to address local economic need and ensure a good balance across the Combined Authority area.

12. Schedule of Background Papers

Appendix 1 – State of the Region 2020 – Executive Summary

Appendix 2 – Letter from Minister Simon Clarke to the Mayor of the West Midlands

Appendix 3 – ‘Recharge the West Midlands: Investment Case to Government’

Appendix 4 – Letter from Secretary of State Robert Jenrick MP on the “Get Britain Building” fund for local infrastructure projects

West Midlands

State of the Region 2020

Executive Summary

Prepared by the
West Midlands Regional Economic Development Institute Partnership
(WMREDI)
July 2020

for the



West Midlands
Combined Authority

About WMREDI

WMCA along with other regional partners have given support to a recently funded research institute in the region. WM-REDI will be a catalyst for a step-change in regional collaboration. Alongside funding from UKRI's Research England and the matching funds from the University of Birmingham, we have secured matched funding from the leading regional stakeholders involved in planning and delivering growth policies. This will be a shared collaborative approach to research and evidence in the region, as such all partners can utilise the structure to deliver research and data activities.

Key partners are:

- West Midlands Combined Authority (WMCA)
- GBS Chamber of Commerce
- Business and Professional Services consortium (BPS)
- West Midlands Growth Company (WMGC)
- Greater Birmingham and Solihull Local Enterprise Partnership (GBS LEP)
- The Black Country Consortium Ltd.
- The Coventry and Warwickshire Local Enterprise Partnership (C&WLEP)
- Aston University
- Birmingham City University (BCU)
- Other partners include Birmingham City Council and the other local authorities in the West Midlands metropolitan area, the Midlands Engine and the University of Warwick.

With special Thanks to the Black Country Consortium Economic Intelligence Unit for their significant contribution to this work



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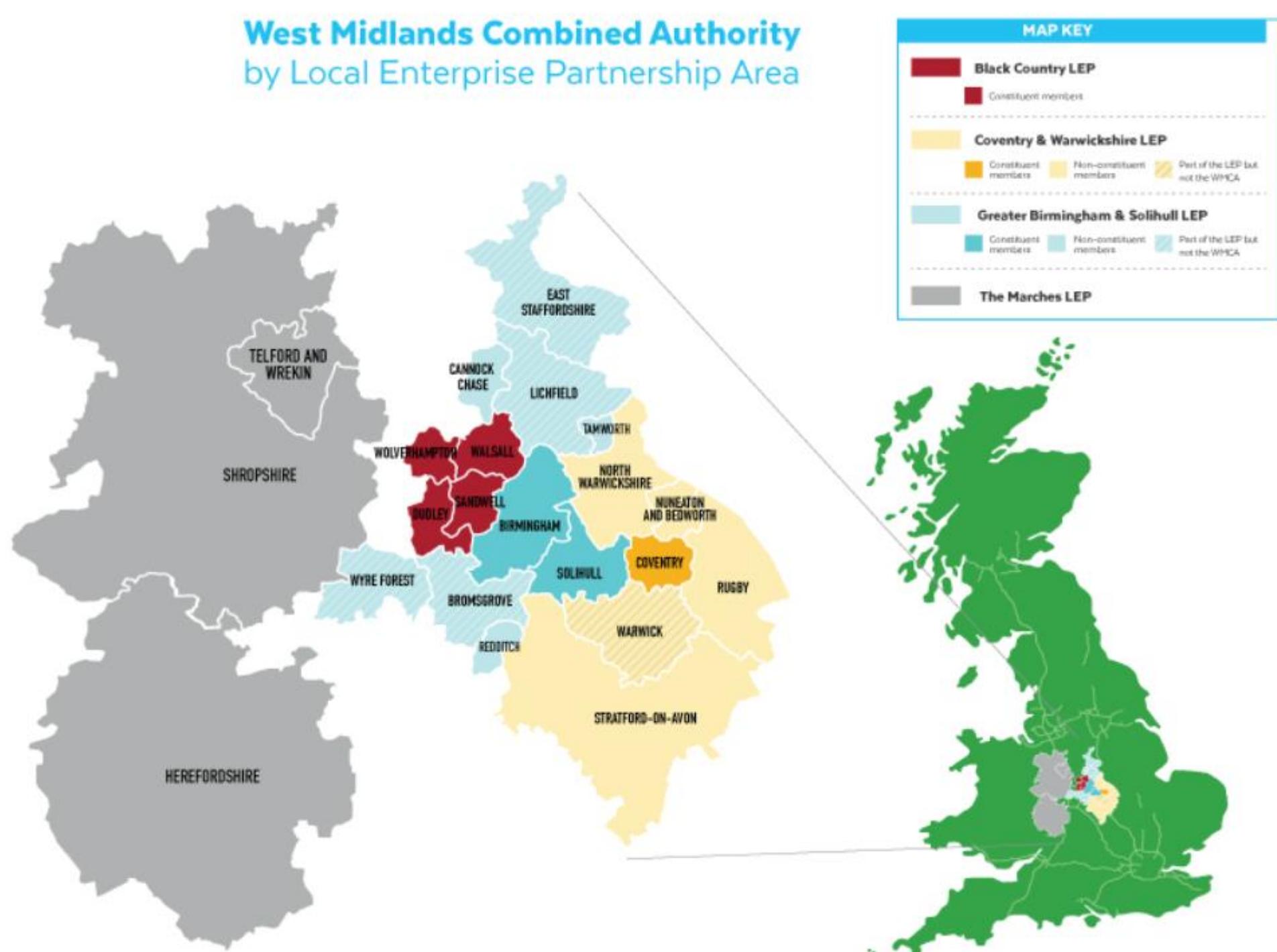
Welcome to State of the Region 2020 – the fourth annual review of performance across the West Midlands. In this edition we had already begun the process of moving to a wider analysis focussing on alignment to monitoring the Sustainable Development Goals (SDGs). This report is written on behalf of the West Midlands Combined Authority and all its partners, it should be seen as a stocktake of where the region stands, it's a snapshot on where we are doing well and where we need to work together to improve the region. But this year it is produced in extraordinary circumstances it's a call to action for everyone invested in the West Midlands.

It endeavours to be an honest reflection of the current regional condition, highlighting the challenges we face. However, we are not attempting to suggest what the solutions are; this lies within strategies and action plans the WMCA and partners own and deliver. It highlights how we are driving our evidence base for the future and continuing to build our understanding of the performance of the region. There are challenges to understanding this performance and how we change places for the better, not least understanding the causation and causality between action, output and outcomes. This document provides a balanced approach to regional monitoring and a useful tool understand the progress we are making through our combined action.

The statistics used in the performance monitoring section of the report predominantly cover periods prior to the current Coronavirus pandemic due the lagging nature of annual reporting.

The data used is accurate as at end of June 2020.

Unless otherwise stated the data relates to the West Midlands Combined Authority region covered by the 3 LEP geography.



Executive Summary

The West Midlands is one of the largest conurbations outside London, its central location puts it at the heart of the UK's transport networks and international connections. The region was one of the most prosperous areas of the UK until the 1970/80s, and in the last 5 years it has been experiencing a resurgence of that power on the back of the growth in the business and professional services sector; technology driven manufacturing and city centre construction growth; thriving city centre based international business and professional services sector which was driving high levels of business tourism; a manufacturing base becoming more productive and an automotive sector responding to the challenge of a carbon neutral future; high exports, foreign direct investment and strong international links, and the biggest higher education cluster outside London. The region broke through the £100bn GVA barrier and had been bucking the national trend on a host of economic indicators, such as enterprise and employment growth. All this was powered by a young workforce, increasing its skills and moving to the region. However, underlying this growth there were significant issues with inequality, poverty, youth unemployment, low skills, poor health and school performance.

The economic impact of the Covid-19 pandemic has been severe. First quarter UK GDP fell 20% compared to last year, manufacturing PMI hit an all-time low and 496,000 people across the 3 LEP area are on furlough in June 2020, the equivalent of all jobs in Birmingham. Despite the general stasis felt by the economy through furlough and lockdown, the overall claimant count has nearly doubled overall and for young people.

Sectors where we have previously seen growth and expansion are now hardest hit, such as construction and the expanding higher education sector which makes our 3 cities, Birmingham, Coventry and Wolverhampton vulnerable. Our largest employment and GVA sector (professional, businesses and financial services) is still resilient and the sectors hardest hit through furlough (retail, hospitality and tourism) could bounce back providing consumer demand returns.

Economic forecasts consistently show the West Midlands to be one of the UK regions hit hardest by the economic crisis. This is because of our industrial and demographic mix, with some local economies among the most vulnerable in the UK in terms of their sectoral composition and health vulnerability. Those same models also show relatively strong regional growth in 2021, but this depends on assumptions about future market demand and international trade agreements. The stakes are high everywhere, but particularly so in the West Midlands.

However, our economic performance over the last 10 years since the last recession should give us confidence that with the appropriate support from Government, we can return to growth rapidly.

Executive Summary - SWOT

Pre-Covid-19 Strengths

Young and diverse population
BPFS sector and resilience
Private sector R&D and Innovation assets
Largest University sector outside London
Strong construction sector and portfolio of capital investment opportunities
Employment growth
Wage growth
Increase in high skills
Apprenticeship starts
Reducing number of young people not in education and training
Improving school attainment
Increasing numbers of active businesses
Increasing number of affordable homes
Business R&D investment
Strong levels of exporting and largest trade surplus
International Airport and close to a global city

Pre-Covid-19 weaknesses

High unemployment and youth unemployment
Unhealthy communities
Jobs growth
Survival rates of businesses
Significantly deprived areas and inequalities
Low usage of renewable energy
Numbers of residents with low qualifications
Higher unemployment

Threats created by Covid-19

Economic crash, social distancing and drop in consumer demand
Large scale unemployment
Long term scarring effects on young people
Apprenticeship availability
Trade and export drop and uncertainty
Negative impacts on international travel, education and tourism
Business investment and cash flow disrupted
R&D and innovation investment curtailed
Digital skills and infrastructure inequalities
Reduced take up and usage of public transport
A changing world which values technology, personalised interactions, flexibility which we may not be ready for
Large employer asset companies are starting to declare redundancies
Uncertainty over transition period and new trade and position

Opportunities post Covid-19

Sector mix ready for recovery and pick up
Strong healthcare and life sciences sector
Build on successful past growth in construction and business and professional services
Building on community spirit and growing community infrastructure
Adoption of technology and new business models
Growth in clean green mobility
Investing in strong local infrastructure which has responded well in the crisis
Greater investment in young people
Enhanced emphasis on lifelong learning, and adaptive flexible workforces

Executive Summary – Challenges Facing Policy

The evidence base on the impact of covid-19 highlights a number of policy challenges, which have acerbated underlying weaknesses in the regional ecosystem and also threaten our strengths:

Good health & wellbeing – The West Midlands already had poor health outcomes, the pandemic has highlighted this and improving the health of the population continues to be an issue. Driving improvement in physical activity and maximising the sectoral strengths the region such as the health sector, data driven healthcare and life sciences could improve the position.

Reduced Inequalities – The pandemic has highlighted how unequal society is, from the impacts on health and jobs at risk, through to the polarisation of communities. The pandemic has highlighted the role of key workers in underpinning society and the importance of roles in the foundational economy to vibrant, successful places. It has exposed how important it is to have access to digital infrastructure and the breadth of skills to utilise it. It has exposed need for good digital and safe physical connectivity to enable people to access jobs of the future.

Sustainable Cities & Communities – investing in community infrastructure is important for the future, as we have seen a return to hyper local living and investment in local businesses this creates an opportunity to build on changes the pandemic has brought to support SMEs and local high streets. The importance of open, green space to wellbeing, community support and reducing unnecessary travel are demand changes which could improve places in the long term. We have seen a change in the role of the home, and being able to access good broadband infrastructure and outside space could change the demands homeowners have and could change the face of city centres.

Decent work & economic growth – The pandemic has accelerated the need for investment in employability to protect workers affected by Covid-19 and to prepare for Brexit. The region already has underlying issues with people unable to access good employment because of their lack of qualifications. The rapid adoption of technology could leave many behind who do not have the advanced skills needed. The acceleration of youth unemployment and collapse of the industries they work in such as visitor economy, retail and culture, is of major concern everywhere, but in a region with internationally significant assets, these are also hit by the reduced global travel. The resilience of the education infrastructure under social distancing and the changing nature of future employment is an ongoing challenge to preparing people for the future. The impact of the pandemic makes addressing these issues even more important going forward and to equip them with the skills needs of the future.

Industry, Innovation & infrastructure – As can be seen in our sectoral assessments we have many assets and strengths in the region, but they are at risk. Forecasts demonstrate our assets can help us recover quicker, so it is vital we make the most of and protect our assets. There is a need to ensure people get the most out of our key companies, HS2, the Commonwealth Games and the City of Culture, and position ourselves as a global region. There is a potential risk to our higher education infrastructure as a driver of innovation and high level skills and business R&D investment, where we are a leader, is a key risk going forward.

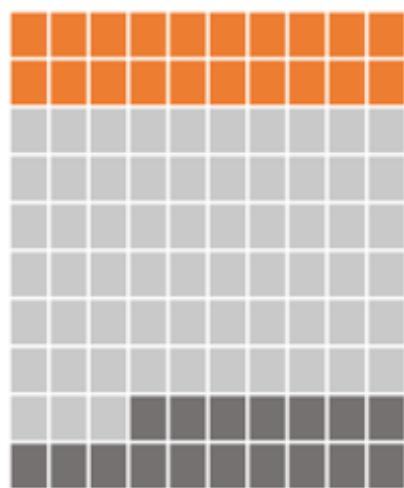
Affordable & Clean energy – the drive towards green, clean energy has accelerated with the impacts of Covid-19, as people experience the drop in pollution from reduced movement and the demand for different forms of safe transport rises. Along with the growth in technology and the drive for secure, safe energy this leads to a need for increased transport capacity, green growth and electrification. The West Midlands has major innovation assets in energy and electric vehicle manufacturing providing jobs in one of our biggest sectors, which is also most at risk of collapse post Covid-19. The need to future proof homes and businesses in terms of energy use was a key issue before the pandemic and continues to be, this is especially important as there may be greater use of homes in the future as workplaces, but opens up demand and opportunities for large scale retrofit programmes.

The West Midlands Combined Authority Area – summary data

The region has large differences between its towns and cities, with Birmingham dominating most statistics, as would be expected as the largest Local Authority. But there is a great variation in performance within the region (from last year's State of the Region):

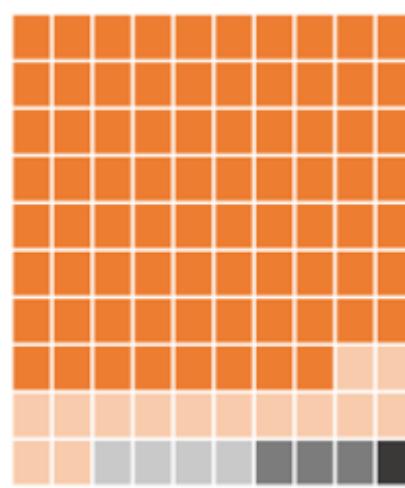
- There are 4m residents in the WMCA area. The Black Country has the highest **population** at 1.19m, followed by Birmingham at 1.1million and Coventry at 366k
- There were 32k **apprenticeship** starts across the WMCA region an increase of 8.7% double the national rate of 4.7%
- The number of people with **highest qualifications** at NVQ4 has increased by 4.4% to 860k compared to a UK increase of 2.9%. Meaning a third of the working age population is educated to degree level. The region needs another 173k to reach the national average.
- The number with **no qualifications** however have increased by 6,800 and increase of 2.4% compared to a UK decrease of -1.3%.
- The **employment** rate was 72.4% compared to 75.6% for the UK as a whole, a net increase of 25,500 more people in employment. The employment rate is highest in Warwick at 86%, Stratford-on-Avon at 85% and lowest in Birmingham at 65%
- The **unemployment** rate as 5.5% compared to 4% for the UK a net increase of 4,200
- The WMCA region has 1.8m **employees** and business, professional and financial services accounts for the highest percentage of jobs at just under 22% and the sector is increasing.
- Birmingham has 500k **jobs** followed by 450k in the Black Country, 162k in Coventry, with the lowest number of jobs in Tamworth 29k and Wyre Forest at 32k.
- Bromsgrove has the highest **earnings** at £34.4k only slightly above Solihull at £34.1k, lowest earnings are in Sandwell as £24.8k and Wolverhampton at £25.4k. However the gross domestic household income has far less disparity, with Coventry and Warwickshire at £21.6k, Birmingham and Solihull £17.9k and Black Country £15.6k
- Overall **deprivation** is high with 34.5% of local areas in the most deprived in the country. Birmingham has 41% of its neighbourhoods in the 10% most deprived, followed by Walsall at 26% and Wolverhampton at 21%.
- Birmingham **GVA** is £29bn, and the next highest was the Black Country at £21.2bn, Solihull at £9.8m, and Coventry at £9.5m. The lowest is in Wyre Forest at £1.4bn followed by Tamworth at £1.5bn. However GVA per employee is more balanced with narrower gaps demonstrating the greater numbers of "lower value" roles such as Birmingham at £56k, but the highest is Solihull at £80k, and Warwick at £73K to the lowest of £41k in Walsall.
- There were 170,475 active **enterprises**, and increase of 1.7%, where the UK experienced a decrease of 0.3%. Birmingham has 46.6k businesses, followed by the Black Country at 38.3k, Coventry 11.6k and Bromsgrove 11.5k, this order is replicated in the number of business starts. 18,805 enterprise births in 2013 in the WMCA (3 LEP), 42.1% (7,910) were still active in 2018. This is slightly below the UK survival rate of 42.4%
- Solihull has the best **school readiness** levels at 72.6% through to Sandwell at 66.8%. The average Progress 8 score in the West Midlands 7 Met. area has increased from -0.14 in 2018 to -0.08 in 2019. Birmingham was rated as 'Above Average'; both Solihull and Wolverhampton as 'Average'; while Coventry, Dudley, Sandwell and Walsall were deemed 'Below Average'. Solihull has the best school readiness levels at 72.6% through to Sandwell at 66.8%
- In the West Midlands region, the value of **exports** has decreased from £32.6bn in the year of 2019 Q1 to £30.6bn in the year 2020 Q1
- There are 1,735,709 **dwellings** in the WMCA (3 LEP) area in 2019, an increase of 16,615 dwellings since 2018

If the West Midlands was 100 people...



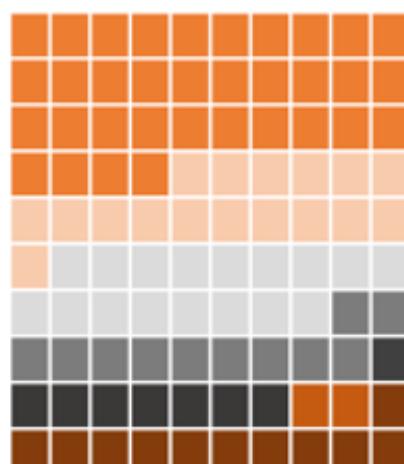
Age Band

Children
Working age adults
65 and over



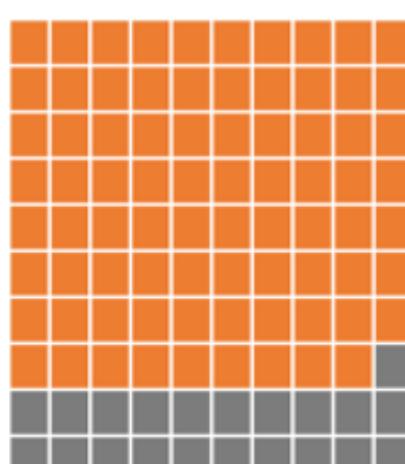
Ethnicity

White
Asian/Asian British
Black/Africa/Caribbean /Black British
Mixed/Multiple ethnic
Other



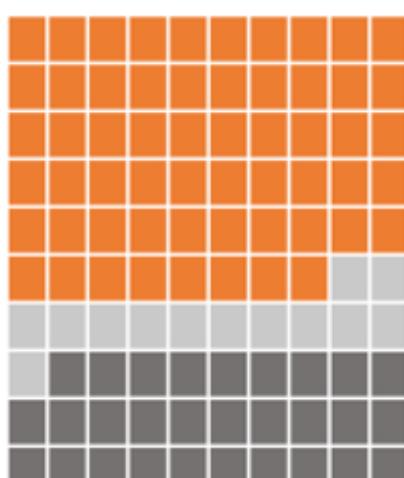
Qualifications

NVQ4 and above
NVQ 3 (only)
NVQ 2 (only)
NVQ 1 (only)
Other
Trade Apprenticeships
No Qualifications



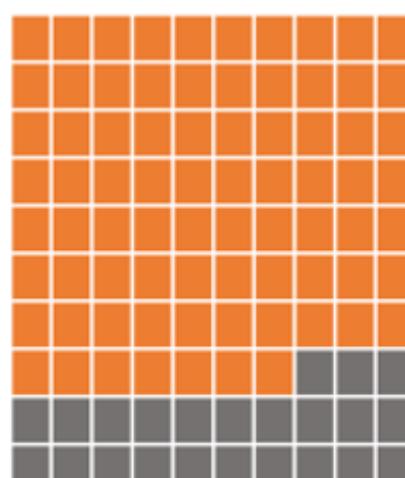
Minimum Wage

Earning above
Earning below



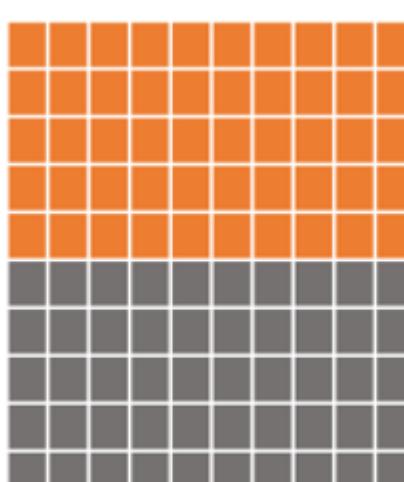
Physical Activity

Physically Active
Fairly active
Inactive



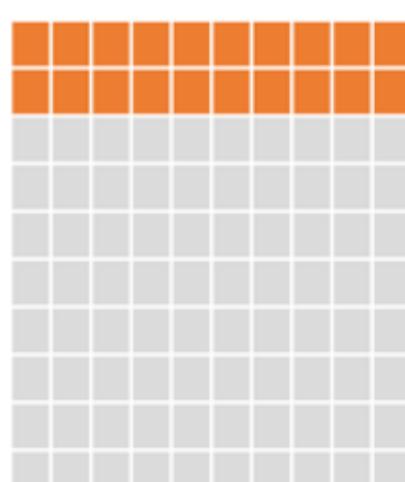
Employed

Working age and active
Working age and inactive



Gender

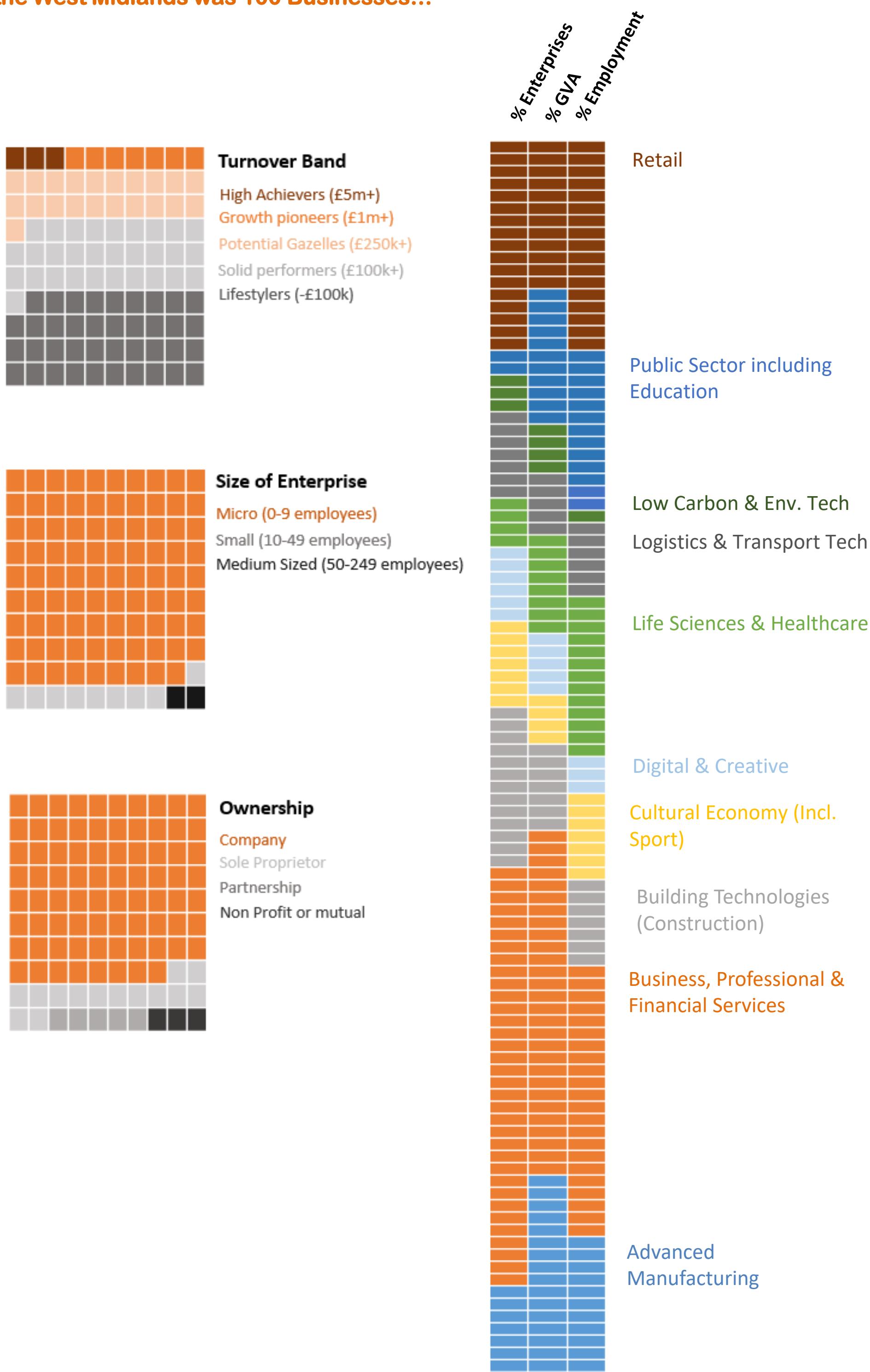
Female
Male



Deprivation

Residents living in 10% most deprived
Residents not living in 10% most deprived

If the West Midlands was 100 Businesses...



Key Past Trends Performance Indicators

The following indicators are the key ones identified across the previous State of the Region reports. All the green indicators are ones where the region has improved and got nearer to the target. Orange demonstrate we are going in the right direction but not as quickly as we would like. Red indicators are areas where we have stayed the same or have not progressed towards the target.

In general like many economies which grow rapidly, the focus shifts to ensuring that everyone can benefit from that growth and the progress of these indicators demonstrates the importance of that focus.

To note these data are largely precovid19 due to the lagging nature of the data.

Outperforming Indicators



Total GVA: £105.1bn
Increasing at a higher rate than the UK average at 4.0% vs 3.4% (2017-2018)
Target – to reach £153bn by 2030



GVA per Head: £25,183
+3.3% (+£801) growth compared to +2.7% UK (2017-2018)
Shortfall of £3,545 to the UK Average



Enterprise Births: 24,640
+1.7% (+410) growth compared to decrease of -0.3% for the UK (2017-2018)
59 Births per 10,000 population—above the UK (58).



Employment Rate: 72.6% (1,870,000 people)
+0.7pp (+25,500 people) compared to +0.6pp UK (2018-2019)
To reach the UK average of 75.6%, an additional 82,370 required to be employed



Resident Wages: £29,422
Increasing at the same rate as the UK since 2018 (+2.7%)
Still a shortfall of £931 to reach national level.



NVQ4+ Qualifications: 33.5% (861,700 people)
+4.4% (+36,200 people) compared to +2.7% UK (2018-2019)
To reach the UK average of 40.2%, an additional 173,249 need to be upskilled



Apprenticeship Starts: 31,700
+8.7% (+2,540 people) compared to +4.7% England (2017/18 - 2018/19)
84,000 Apprenticeship Starts Target: An additional 52,300 required



NEETs: 6.6% (WM 7 Met.)
decreasing at the same rate as England since 2018 (-0.5pp)
To reach the England average of 5.5%, would require 713 less NEETs



Progress 8: -0.08 (WM 7 Met.)
-0.06 decrease compared to an increase of +0.01 England
To reach the England average -0.03 requires an improvement of +0.05



Active Enterprises: 170,475
Increasing above the UK average: +3.3% (+5,430) vs +0.5% (2017-2018)
To be above the UK per 10,000 population 409 vs 442



Additional Affordable Rented Dwellings: 1,960
+13.8% (+238) compared to 8.0% England (2017/18 – 2018/19)
Increase the number of additional affordable rented dwellings



Output Gap: £14.8bn
A decrease of nearly £44m from 2018 Output Gap
The aim is to have no output gap

Maintaining our Position



Total Additional Affordable Dwellings: 3,822

Increasing at a slower rate than the England: 10.2% (+353) vs 22.0% (2017/18-2018/19)

Increase the number of additional affordable dwellings



Five Year Survival Rate: 42.1% (2013 births)

The five-year survival rate is below the UK average of 42.4% - however compared to the five-year survival for 2012 births is decreasing at a slower rate than the UK -1.4pp vs 1.7pp

Target: Be above the UK and decrease at a slower rate

Focus on Improvement



Total Jobs: 1.8m

-0.9% (-16,000) compared to an increase across England of +0.6%

To reach the Strategic Economic Plan target we need to achieve 2.4m jobs



Top 10% Most Deprived Areas: 19.2%

+0.3pp compared to 2015

Target: 10%



Renewable Electricity Generation: 736,150 MwH

A decrease of 7.5% (-60,044 MwH) since 2017 – the UK increased by 11.4%



No Qualifications: 11.3% (290,500 people)

+2.4% (+6,800 people) compared to a decrease of -1.3% UK (2018-2019)

To reach the UK average of 7.9%, an additional 87,115 need to gain one qualification



Male Healthy Life Expectancy: 59.6 Years (WM 7 Met.)

-0.3 years vs no change for the UK since 2015-17

3.5 years gap to UK average

Target: Reach UK average of 63.1 years



Female Healthy Life Expectancy: 59.8 Years (WM 7 Met.)

-0.3 years vs no change for the UK since 2015-17

3.8 years gap to UK average

Target: Reach UK average of 63.6 years



Unemployment Rate: 5.5% (109,500 people)

+0.1pp compared to a decrease of 0.3pp UK (2018-2019)

To reach the UK average of 4.0%, an additional 30,320 people need to be employed.

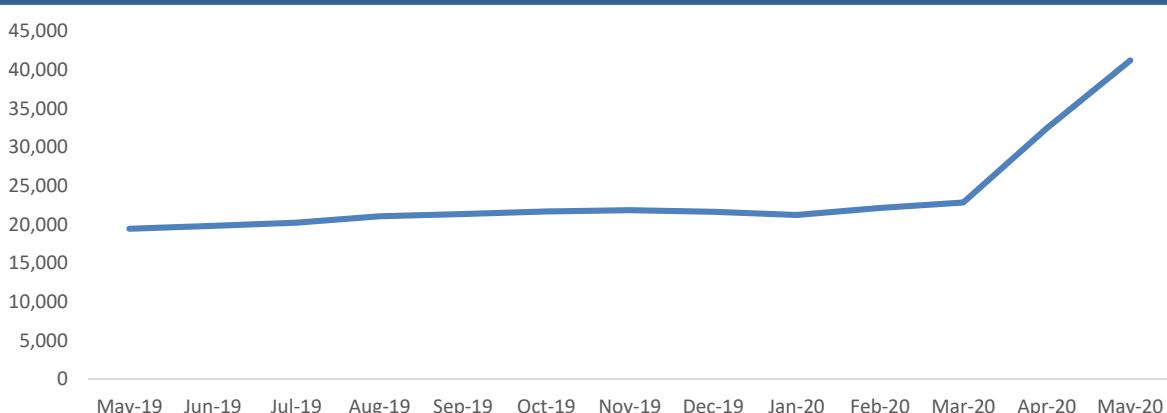
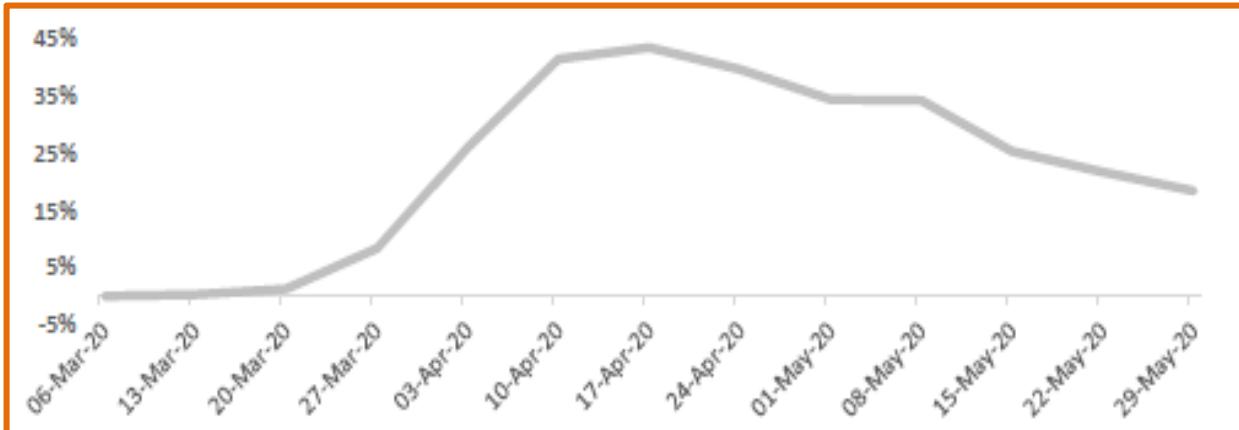
Impact of Covid-19 – Key Issues

Since the start of the pandemic the West Midlands performance has changed dramatically, as is the case everywhere throughout the UK and elsewhere. Key issues are:

- Forecasters are now coming to a general consensus that the **UK is looking at a sharp fall and slower recovery over at least 2 years, with some sectors taking longer to recover**. This relies on a post Brexit trade deal, no further lockdowns, a credible vaccine and return of consumer spending. The prolonged international lock down, lack of travel, and social distancing may change attitudes to what consumers value and need in the longer term, the effects of which we have yet to see emerge.
- The West Midlands may face the **largest economic decline of all regions at 9.2%** (fall in GDP), however it may see the largest growth in 2021 at 8.1%. This is based on having the largest number of temporary closures and an expectation of most reopening. This however is far from certain and will be affected by social distancing measures and the implications of a second wave and continued lockdowns. Businesses regionally feel there is limited expectation of a consumer bounce-back due to social distancing. Businesses have utilised spare cash and resources and are reluctant to take on debt.
- **The youth claimant count had risen to 41,225** by May 2020, 8.3% of the young population, nearly doubling youth unemployment. It now sits 5th amongst combined authority areas but the rate of increase was much higher than elsewhere. As a region with high numbers of young people, we have a population facing multiple impacts from the pandemic. Closure of sectors which employ them, education system changing rapidly to cope with social distancing and the loss of final term in schools weakens the transition points between school, further and higher education and employment.
- **Overall claimants stand at 208k**, which is 6.3% of the working age population a rise from 115,000 and 3.5% in February, however overall increase in claims has been slower than other areas. This is despite the extensive **furloughing which stands at 496k people** in the WMCA area, which equates to 26.9% of jobs and is seen by business as the most successful of interventions. Businesses are flagging that although this is an excellent policy approach, it may just be moving the redundancy problem down the road if consumer spend and business activity doesn't return and they aren't supported to adapt
- Headline analysis suggests that the **public sector (including higher education) and the visitor economy sector** will be the sectors most impacted from the Covid-19, followed by construction, manufacturing and retail. Analysis suggests that the life science and healthcare may be the only sector that will be relatively unscathed, but notably it is also one of main sectors that has took the brunt of the human impact from Covid-19.
- **Apprenticeships**: the CA has the highest level of available vacancies compared to other regions, 1,643, which is a positive for the region. However this has declined recently, and recent business surveys show a decline in training and apprenticeship opportunities
- The WMCA area had the **highest death rates** at the start of all CAs but dropped down the rankings in later months. Overall however the 3 LEP geography has had the most deaths at over 4000. The pandemic hits cities harder. Pandemics hit denser, poorer, urban populations more, as social distancing is harder and over crowding more common
- Purchasing Managers Index (PMI) show business activity has dropped from 51.2 (over 50 signals growth, under 50 signals contraction) to 10.9, the lowest levels ever and back to 27.9. To be expected in these extraordinary conditions. However the PMI future business activity is holding up rising from 55.9 to 62.1 (down from 72.3% signalling **businesses are positive about the future once lockdown ends**)

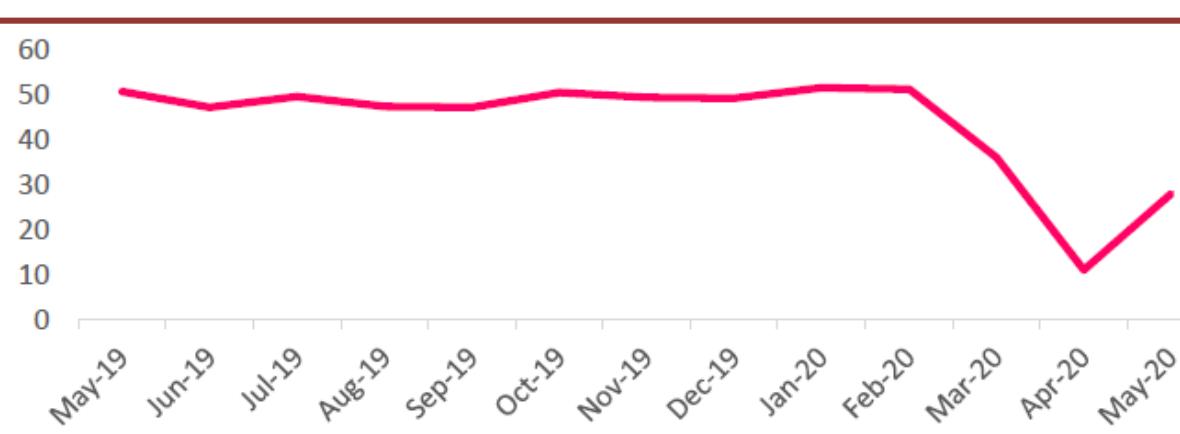
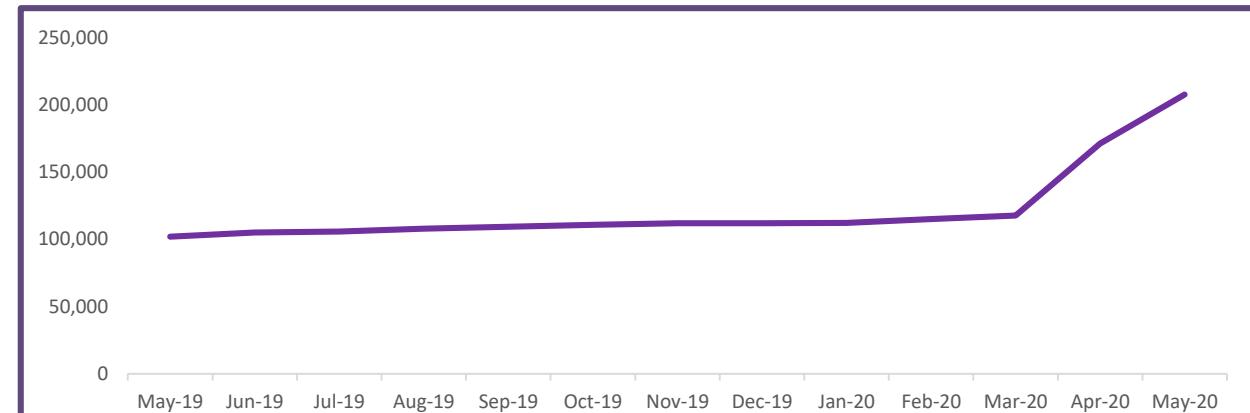
Impact of Covid-19 – Short Term Indicators

Week on week deaths from Covid-19 have dropped from **43%** in April to **18%** late May



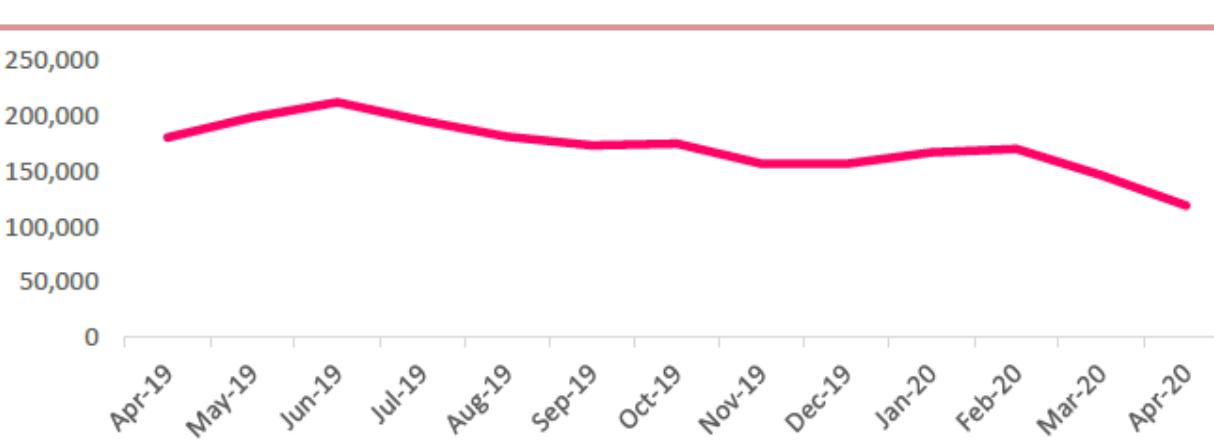
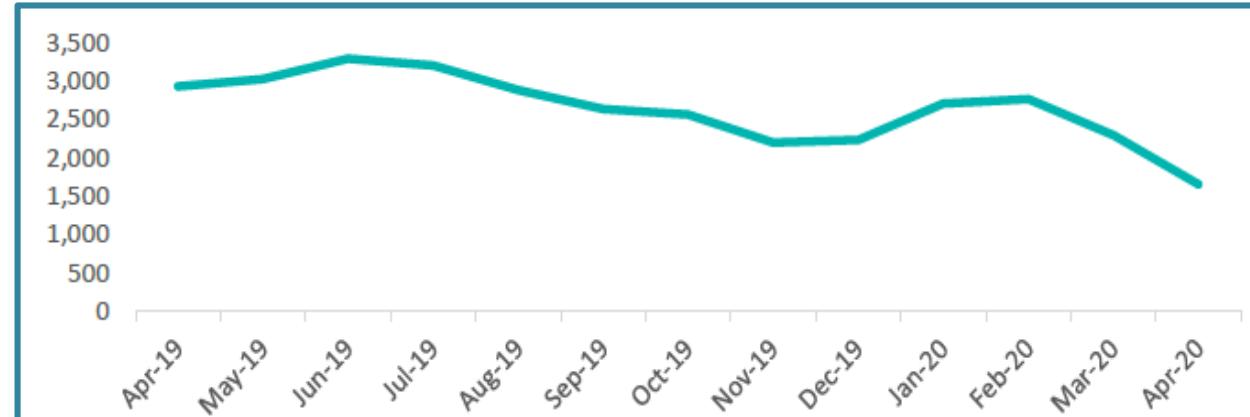
Youth Claimant Counts have increased by **10,000** between March and April 2020 to **41.2k**

Claimant Counts have increased to **208k (6.3%)** from **115k (3.5%)** in February 2020



Business Activity Index has dropped from **51.2** to **10.9** and now back to **27.9**

Apprenticeship Vacancies have dropped from **2,756** to **1,643**



The number of unique job postings has reduced from **170k** in February to **119k** April

Impact of Covid-19 - Overview

Reviewing the extensive monitoring we have carried out over the last three months there is cause for concern, but the focus now should be on recovery and protecting our assets. Businesses are ready for change and are already innovating, we have to ensure that local skills and employment policies ensure people, especially the young, women and Black and minority ethnics groups who have been hit hardest by the impacts can fit into this change. We may also need to prepare for economic restructuring which significantly changes the job structure in the region. We also need to support and promote a return to good spending and the financial resilience in businesses and households.

There are signs that businesses are adjusting their employment but remaining productive, if this pattern grows or remains in the long term it could point towards higher levels of structural unemployment but improved productivity (similar to other European countries). Since 2009 the UK has maintained / grown employment levels and protected the skilled workforce but the trend outlined above may signal the end of that pattern. Rather the emerging pattern may be more aligned to the structural changes in the 1980s. This would lead to high levels of unemployment once furlough ends.

Covid-19 could exacerbate our weaknesses and undermine our strengths. This means we need to protect our assets, such as the diversity of our population, entrepreneurial business base, our improving skills base, strong levels of exporting and international networks, high business investment and the growing employment base and wage growth.

There is a need to ensure our strong sectors survive and flagship companies that support supply chains can adapt, such as business and professional services, construction, automotive and university sector. All sectors currently under threat, and with a high volume of jobs to maintain and grow levels of quality jobs. Sectors which are expected to bounce back, such as retail, hospitality, tourism and culture and provide large numbers of jobs and are based on large numbers of SMEs need to be supported to open back up and adapt to the changes. There is a need to build recovery on a resilient infrastructure, which encourages diversifying and supporting local growth, employment and supply chains and moving to a greener future. At the same time we need to develop new ways of working internationally in a tech-based future.

Reviewing the 1918 pandemic for wider economic, social and longer term impacts, some key issues can be seen emerging now, most notably higher death rates in the poor, disadvantaged communities.

Variability at the time was attributed to inequalities of wealth and social status, bad diet, crowded living which created an environment where the poor, immigrants and ethnic minorities were more susceptible to infection. As a result cities were hit harder and it took 2 years to recover, with generally 3 peaks, the second more severe due to early lifting of lock down measures in some countries. These unequal impacts are being replicated today.

Impact of Covid-19 – Impact on our Health

Beyond the economic impact: COVID-19 and health inequalities

The conditions in which we are born, grow, live, work and age have important implications for our physical and mental health, as individuals and across wider society. The West Midlands Combined Authority (WMCA) sets out a vision for building a healthier, happier, better connected and more prosperous West Midlands, recognising the inextricable link between health and wealth.

COVID-19 has the potential to create and widen health inequalities, both through the direct impacts of the virus, and the indirect impacts of the control measures imposed. While underlying health conditions increase the risk of serious consequences from infection, the economic and social response to COVID-19 has the potential to exacerbate inequalities in physical and mental health.

Many of the frontline key workers who are most at risk of contracting the virus are in low paid, insecure employment. Where someone's home is not a place of safety, or when they do not have ready access to essentials such as food and medicine, being more isolated may place them at greater risk of harm. Social distancing and isolation can have a detrimental impact on mental health and wellbeing, including through harmful health behaviours and reducing access to services and support.

Crucially, the pandemic has highlighted existing socioeconomic inequalities that have underpinned poorer outcomes in already disadvantaged groups. A recent review by [Public Health England \(PHE\)](#) confirmed that the impact of COVID-19 has replicated existing health inequalities and, in some cases, has increased them.

Nationally, the largest disparity found was by age. Among people already diagnosed with COVID19, people who were 80 or older were seventy times more likely to die than those under 40. Risk of dying among those diagnosed with COVID-19 was also higher in males than females; those living in the more deprived areas than those living in the least deprived; and those in Black, Asian and Minority Ethnic (BAME) groups than in White ethnic groups.

It is important to note that these analyses did not take into account underlying health conditions or differences in occupational groups. However, a further review focusing specifically on [BAME groups](#) found that BAME individuals are more likely to work in occupations with a higher risk of COVID-19 exposure. In addition, the risks associated with COVID-19 transmission, morbidity, and mortality can be exacerbated by the housing challenges faced by some members of BAME groups.

Consultation with stakeholders also highlighted historic negative experiences of healthcare or at work may mean that individuals in BAME groups are less likely to seek care when needed or as NHS staff less likely to speak up when they have concerns about PPE or testing.

Socioeconomic inequalities have consistently been highlighted as key. BAME groups tend to have poorer socioeconomic circumstances which lead to poorer health outcomes; ONS data and PHE analysis confirmed the strong association between economic disadvantage and COVID-19 diagnoses, incidence and severe disease. Economic disadvantage is also strongly associated with the prevalence of smoking, obesity, diabetes, hypertension and their cardio-metabolic complications, which all increase the risk of disease severity.

While unpacking the relative contributions made by different social and economic factors is challenging as they often intersect and do not all act independently, it is clear that action is needed across the whole system to improve the wider determinants of health and actively reduce inequalities. This in line with the inclusive growth principles promoted by the WMCA, and reinforces the importance of building an inclusive economy where all citizens can benefit.

Impact of Covid-19 – Impact on our Health

What is happening in the West Midlands?

Aggregated data for the WMCA show that on average, local authority areas ranking higher for socioeconomic deprivation also have higher rates of COVID-19 related deaths. This demonstrates that there is a broad correlation between area deprivation and COVID-19 related deaths.

This should be interpreted with caution, as overall levels of deprivation within an area can mask more complex relationships and inequalities. However, we also know that the areas with higher levels of deprivation and higher rates of COVID-19 related deaths are also those where life expectancy and healthy life expectancy are generally lower, and where persisting health and socioeconomic inequalities are greater.

Those within the Black ethnic group may be most affected by exposure to infection as it has the largest population proportion of healthcare workers. The Pakistani ethnic group may be most affected due to an increased risk of infection through exposure to general public as having the largest population proportion of transport and storage workers. This group also be most affected by exposure to loss of income as having the largest population proportion of wholesale and retail trade workers along with the ‘other Asian ethnic group’ population also affected by exposure to loss of income as having the largest population proportion of accommodation and food services workers.

Impact of Covid-19 on our economy

Forecasters are now coming to a general consensus they the UK is looking at a sharp fall and slower recovery over at least 2 years, with some sectors longer. There is limited expectation of a consumer bounce back, as people have utilised spare cash and resources and are reluctant to take on debt. The prolonged international lock down may change attitudes to what consumers value and need in the longer term, the effects of which we have yet to see emerge.

It is expected that we will have the worst recession in history, with March 2020 seeing the biggest GDP fall since records began and IMF predicting a drop in GDP close to 6% and likely to take 2 years to recover. The OECD released its latest predictions and warns that the UK is likely to be hardest hit with a slump of 11.5%, 14% if there is a second wave. This is largely because of the reliance of the UK on the services sector and the warning that the furlough scheme may not offset effects on employment. Local intelligence would reflect this concern that furlough may just be deferring redundancy and company failure later in the year. ICAEW forecasts prepared by Oxford Economics say GDP dropped 2% in Q1 the largest drop since 2009 and is forecast to shrink by 8.3% rebounding by 7.8% next year. The West Midlands may face the largest decline of all regions at 9.2%, however it may see the largest growth in 2021 at 8.1%. This is based on having the largest number of temporary closures and an expectation of most reopening. This however is far from certain and will be affected by social distancing measures, a trade deal and the implications of a second wave with continued lockdowns.

More forecasts, reports and research are now being published, many of which say Birmingham will be one of the hardest hit places. Oxford Economics predict it will be the worst hit city in the EU. This is because of the dependency on automotive and education (Higher Education Institutions), a younger than average population and high levels of health issues.

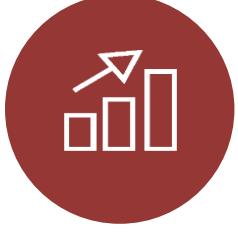
The Purchasing Managers Index (PMI), which tracks on a monthly basis business sentiment and thoughts about growth, has had a volatile ride in the last few months. PMI dropped to an all-time low in the region at 10.9 (growth would be above 50 and recession under 50). It is showing welcome signs of the economy picking back up for the West Midlands to 27.9 from its unprecedented low of 10.9 and the export climate index rose to 35.9 from the record low of 24.5 in April.

The pandemic makes it more likely that the UK will exit the EU without a trade deal, work by City-REDI estimated a risk (of no deal) to WMCA GDP of 12.2% and the whole NUTS1 region of 14.3% making it more exposed than the UK average. It is expected that any type of Brexit will exacerbate the negative impact of CV19. We are also nearing the closure of the EU programmes, 80% of which support recovery type activities and there has been no detail on replacement or shared prosperity funds.

Nationally a gradual lifting of lockdown is underway with non-essential retailers able to open from 15th June (contingent on the Covid-19 situation). From August employers will have to pay a quarter of the wages of furloughed staff. There are also reports that some large companies are seeking government bailouts.



UK likely to be the hardest hit region. WM face the largest decline of all regions at 9.2% with the largest growth at 8.1%. But risks are on the downside and on how well businesses recover and return to normal



PMI Business Activity Index in the region dropped to an all-time low of 10.9 and export climate dropped to a record low of 24.5

Impact of Covid-19 on our People

Resilient Communities

Some of the places hardest hit initially may not be the same places as those that struggle over the long run. This is because the initial economic hit is driven by sector concentration within local areas rather than underlying factors that support local resilience to economic shocks that we define as a high level of skills, low unemployment or a speedy recovery from a previous recession.

The West Midlands is projected to be hard hit initially (with only the East Midlands expected to suffer a greater decrease in GVA in 2020 Q2). This reflects the preponderance of local authorities in the Midlands with a larger than average manufacturing sector, and also a sizeable construction sector. Analysis by the Centre for Progressive Policy shows that treating all local authorities as being of equal importance economically (which is not realistic given variations in the size of local authorities in the vulnerable, moderate and resilient categories), after five years the West Midlands is expected to see an average 9.2% decrease in average GVA relative to the trend expected in the absence of the Covid-19 crisis. This is a greater decrease than the UK average, but slightly less than the average decreases expected for the North West (-9.5%), Yorkshire & the Humber (-10.5%), Northern Ireland (-11.6%) and the North East (-11.7%).

Relative to other regions, the West Midlands has a similar share of local authorities in the vulnerable category. However, the vulnerable category includes many of the large local authorities: Birmingham and the Black Country. The West Midlands has a greater than national average share of local authorities in the moderate category and a smaller than average share in the resilient category.

Other large regional cities in the UK are categorised as follows:

- *Vulnerable*: Birmingham, Manchester, Nottingham, Glasgow, Belfast
- *Moderate*: Leeds, Newcastle, Sheffield, Cardiff
- *Resilient*: Bristol, Liverpool

In the West Midlands only Coventry and Solihull are in the moderate category, with the remainder categorised as vulnerable.

Vulnerable	Moderate	Resilient
Birmingham	Cannock Chase	Bromsgrove
Dudley	Coventry	Lichfield
Sandwell	East Staffordshire	Malvern Hills
Tamworth	Herefordshire, County of	Warwick
Walsall	Newcastle-under-Lyme	
Wolverhampton	North Warwickshire	
Wyre Forest	Nuneaton and Bedworth	
	Redditch	
	Rugby	
	Shropshire	
	Solihull	
	South Staffordshire	
	Stafford	
	Staffordshire Moorlands	
	Stoke-on-Trent	
	Stratford-on-Avon	
	Telford and Wrekin	
	Worcester	
	Wychavon	

Impact of Covid-19 on our People

Jobs and Employment

There is a rising concern about redundancies with a rise from 2,400 in April to 5,500 in May, significant regional announcements include Rolls Royce, Aston Martin, Triumph, Churchill China and Forterra, with Intu Merry Hill putting administrators on standby. Also concerns about quarantine and its impact on international trade flows and activity, still no support for ltd company directors.

Across the WMCA (3 LEP) area, 496,200 people have been furloughed which accounts for approximately 26.9% of jobs. The Black Country LEP area has the highest levels of staff furloughed at 31.7% across the 3 LEP areas. Tamworth has the highest number per 10,000 WAP for the total number of employments furloughed at 2,508. While Wyre Forest has the highest percentage when proportioned to jobs at 41.9% significantly above England at 24.8%.

Latest unemployment (still not covering the whole pandemic period) tells a story of a labour market in stasis: the West Midlands region is now at 74.5% employment down only -0.7pp since last quarter, with unemployment up slightly to 4.8% and inactivity rates increasing to 21.7%. There were 207,635 claimants aged 16 years and over in May 2020 in the WMCA (3 LEP) – this is an increase of 36,390 claimants since April 2020. This increase equates to 21.3% for the WMCA (3 LEP) compared to 26.6% growth for the UK. There were 41,225 youth claimants in the WMCA (3 LEP) area in May 2020, this is an increase of 8,775 people compared to April 2020. This equates to an increase of 27.0% – while the UK saw an increase of 32.3%.

Comparing unemployment by ethnic groups in the West Midlands, as noted previously unemployment rates were stark, where 11% of ethnic minority groups are unemployed (albeit there are marked differences between ethnic groups) compared to 5% of white groups. Disparities in health outcomes, educational outcomes, crime, age, income and hostile immigration, all contribute to racial inequalities. CV19 is likely to worsen these issues. Although there is not recent data on claimants by ethnicity, preCV19 Black or Black British groups faced higher unemployment levels. Mapping where the increases in claimants are, these are largely in areas with high black populations and greater employment in sectors which are closed.

496k people have been furloughed accounting for 27% of employment in the region

Claimants have increased by **93k** since February

Universal Credit claims **7.3** times higher than same time last year

Significant redundancy announcements at key flagship companies, especially in automotive and aerospace
Rolls Royce, Aston Martin and Triumph

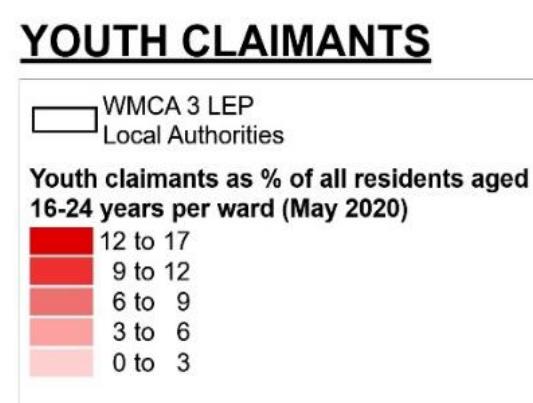
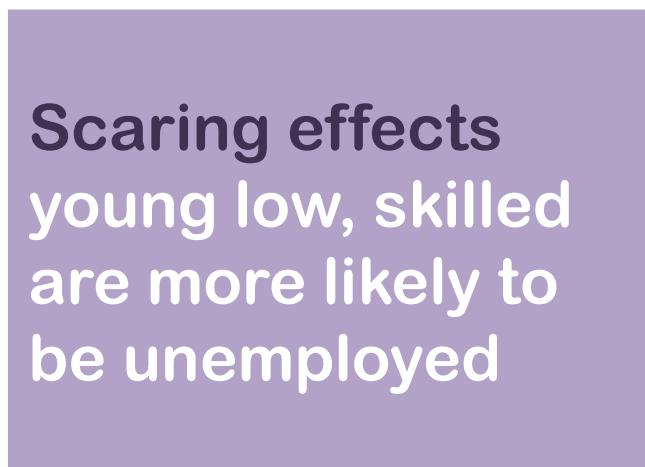
Impact of Covid-19 on our People

Jobs and Employment

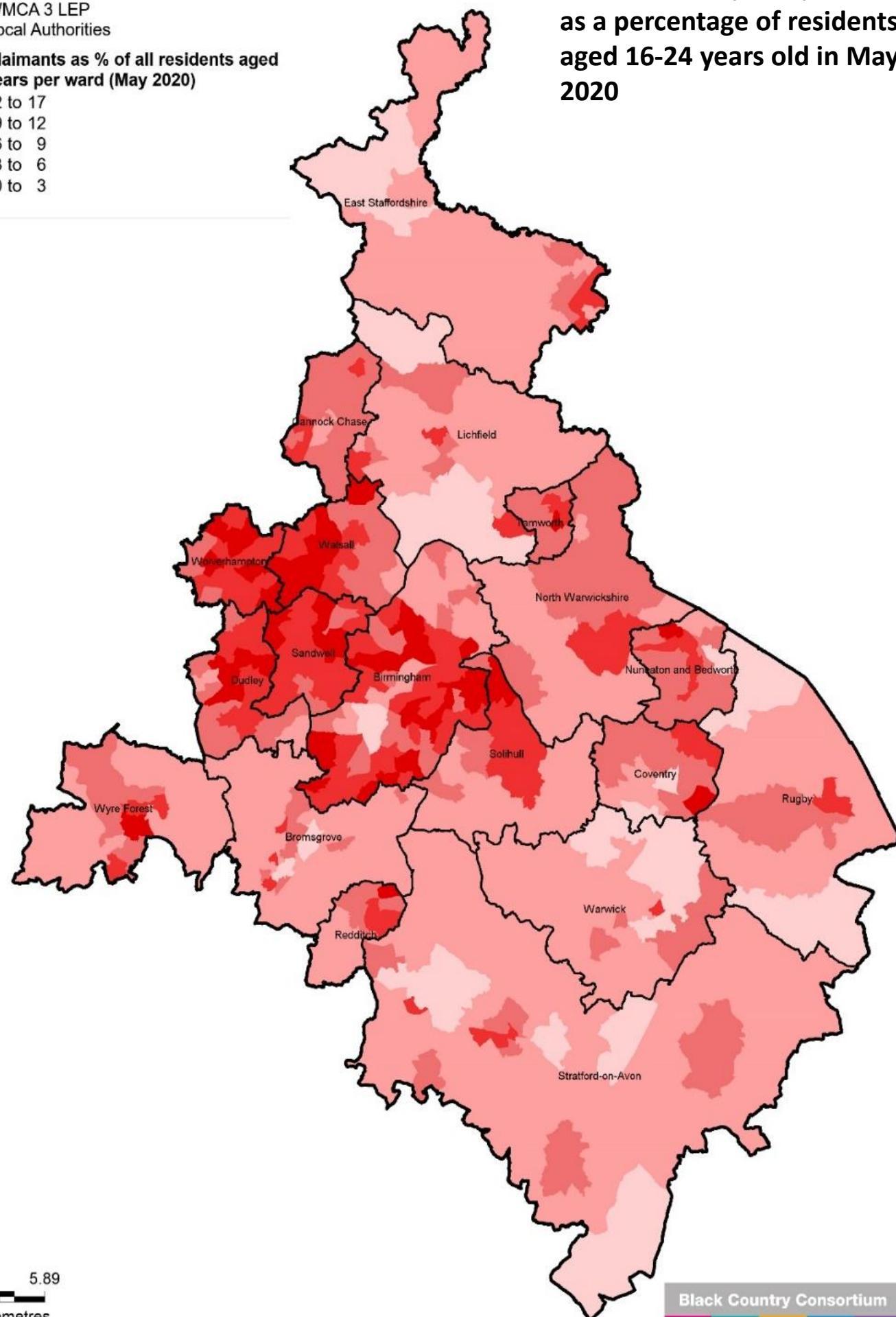
Inequality is likely to get worse, as in previous recession/pandemics. Employees aged under 25 years are about two and a half times as likely to work in a sector that is now shut down, as others, so raising the need for specific interventions to support them. Universal Credit (UC) in the last fortnight of March 2020 was 7.3 times higher than the same period a year earlier

We already have high youth unemployment in the region and low skills levels, which puts us at higher risk of longer term scaring effects on our young people, where they take longer to get into the job market and into good jobs. This will have a significant effect on areas already suffering deprivation and inequality. In economic downturns, young people tend to stay in education, but the disruption in the education sector due to closure may put many off this alternative. Therefore the region's young may be further disadvantaged.

The move to homeworking has exacerbated inequality the ability to work by housing tenure shows that 54% of social housing renters are unlikely to be able to work from home, compared to 33% of private renters and 27% of those with mortgage owned properties



The map shows at a ward level in the WMCA (3 LEP), claimants as a percentage of residents aged 16-24 years old in May 2020



Impact of Covid-19 on our People

Voluntary sector and support

A poll of voluntary sector organisations showed that the biggest concern for them currently is how to support vulnerable groups, 38% of organizations surveyed identified cash-flow as their biggest concern. Nationally the charity sector bodies have made initial estimates that charities will miss out on a minimum of £4.3bn of income over the pandemic period, though the figure could be far higher. Research finds that up to 9 in 10 BME led organizations are at risk of closure after three months, with a projected 15,000 to 20,000 users per week unable to access services. Across the UK, 1 in 4 groups aren't sure that they will still exist in 6 months' time. 1 in 4 groups aren't sure that participants will come back and 38% of group don't feel equipped to support participants when they come back. Most organisations delivering youth services (88%) indicated they are likely or very likely to reduce service provision to young people. 31% said that staff redundancies were likely, while 17% said permanent closure was likely.

800 potential and actual rough sleepers have secured accommodation in the WMCA region. Of those who have come in off the streets 10 have returned and a further 40 have refused offers of help. Of those accommodated close to 150 have no recourse to public funds

Food poverty has accelerated through the pandemic, The Trussell Trust saw a national rise of 81% and 122% rise in parcels going to children. This is on the back of a 23% rise in the 6 months to December 2019. The Independent Food network reported a rise 17 times the same period last year. The Trussell Trust have said current levels of provision are unsustainable. They published key finds of latest research which found:

- An 89% increase in the number of food parcels distributed in April – up from 81% in March
- 67% increase in household referrals- up from 48% in March
- 107% increase in the number of children needing support from the same time in 2019

Crime and disorder

Nationally crime has fallen by 28% since Britain was locked down to battle the Covid-19. Falls in crime recorded by locally by police in the four weeks up until 12 April included a 37% drop in burglary, a 27% drop in vehicle crime, serious assault and personal robbery. Reported rape offences fell by 37% and shoplifting fell by 54%, with non-essential stores closed. Regionally personal robbery accounts for 3% of usual Total Recorded Crime (TRC). Personal robbery offences have seen a significant reduction of 53.6% since schools were closed and restrictions put in place. Theft Shops & Stalls (TSS) usually accounts for 6% of usual TRC. TSS has reduced by 47.4% with almost all retail premises now closed, aside from supermarkets. Child Abuse accounts for 5% of usual TRC. With levels of school attendance being significantly lower than normal, referrals from partner agencies, especially those from education have been lower. Therefore, recorded child abuse has reduced by 47.7%. Hate crime accounts for 3%, and has reduced by 23.7% in the weeks since restricted movements began. Vehicle accounts for 11% of crime and it has reduced by 43% in the last six weeks and remain very low, most notably theft offences. The hypothesis remains that this is unlikely to change until restrictions are lifted. Domestic Abuse accounts for 17% of usual Total Recorded Crime. The weekly volume of Domestic Abuse has been stable since the beginning of March with a reduction of just 4% since restrictions in movement began. Offences would normally be in a period of seasonal reduction.

Food bank usage is 17 times higher than last year and a 107% increase in children needing support

Crime has dropped across the country
-54% in robbery
-47% in theft from shops
-4% domestic Abuse

1 in 4 charity support groups don't know if they will exist in 6 months

Impact of Covid-19 on our People

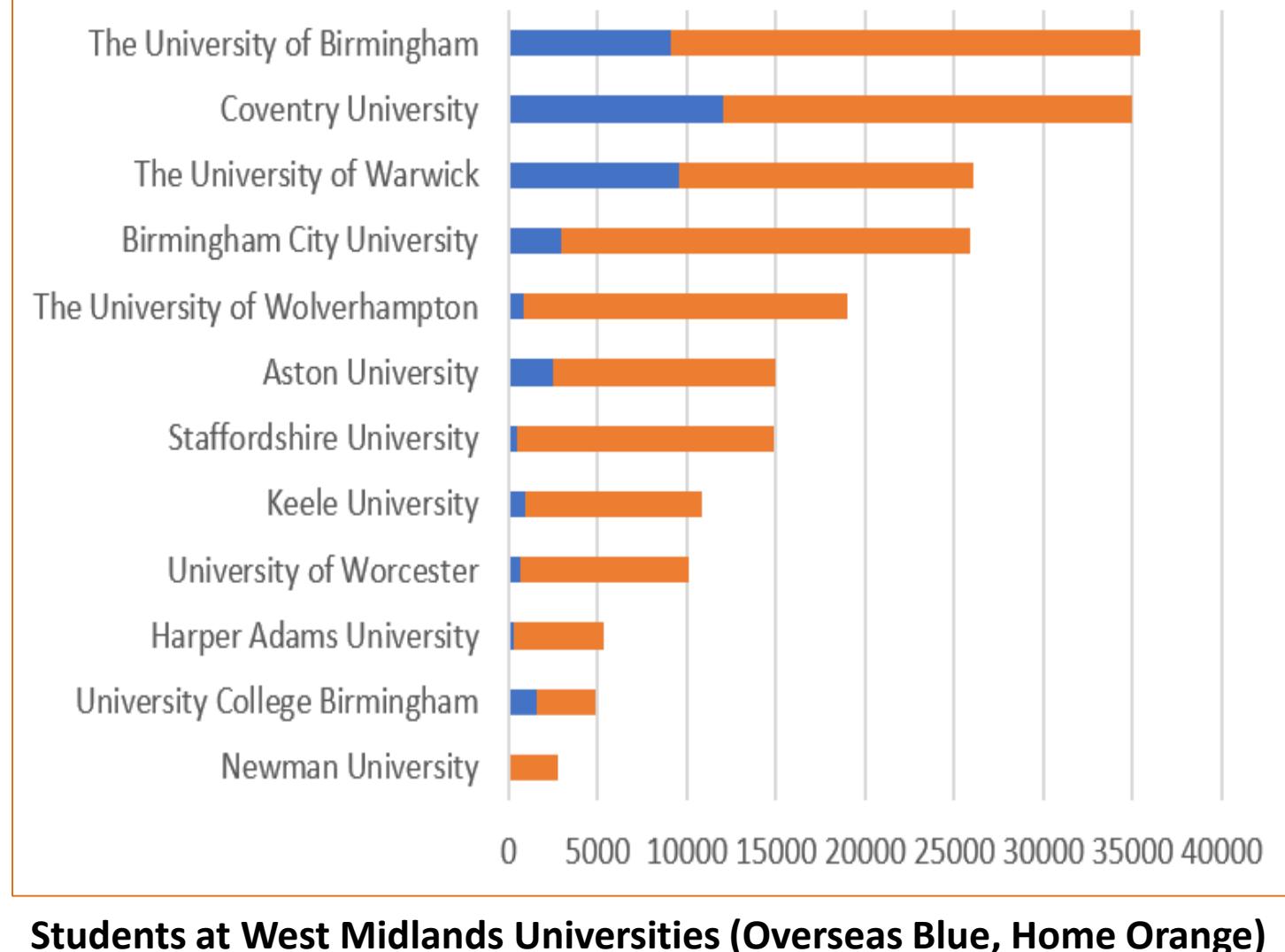
Skills and Education

With some schools reopening for some students from June, it is appropriate to reflect on the large literature indicating that school closures lead to slower progress or a reduction in learning outcomes for students. Despite moves to digital learning there remain concerns about disparities in access, with economically disadvantaged students most affected. There are also concerns about the development of skills that are more difficult to replicate online – including social and emotional skills that are prized by employers. Policy suggestions for overcoming educational disadvantage include extending vocational courses for young people by an additional year; greater flexibility in apprenticeships; extending maintenance loans and greater support for adult reskilling. Young people – especially those with no prior work experience – set to finish further education courses soon are likely to face particular challenges entering employment, with prospects set to be particularly limited for those taking courses in hospitality & catering, and in sports, leisure & recreation.

The university sector continues to be of high concern in the region due to the significant number of jobs and direct and indirect effects, this sector is also underpinning some of the dramatic drops in forecast performance. The instability of the university sector will also effect the future innovation capacity in the region and the support given to businesses to increase resilience as a result. All universities are impacted but the Universities of Birmingham, Coventry and Warwick are especially exposed to a contraction in international students, with important implications for local economies, given the importance of student spending.

Universities also face uncertainty about domestic recruitment and are seeing high levels of deferral. They have also lost income from commercial activities and rental accommodation. This is a particular issue to the West Midlands the region has more universities than anywhere else after London, they support 155k students and have a direct expenditure of £2.6bn in the region and £12bn indirect and supports 71,000 jobs, which puts GVA at £7.5bn (manufacturing worth £11bn). This sector is predicted to be one of the hardest hit due to international student numbers and impact on private sector investment in R&D. The region's universities can expect a serious hit in long-term revenues, resulting from greatly reduced enrolment of international students. This exposure varies across the region (as below); Warwick University is the most exposed with 37% international students, while the University of Wolverhampton is comparatively insulated at only 4% on this measure.

The region has 155k HE students and direct expenditure of £2.6bn and we have yet to see the impact of international travel on recruitment



Impact of Covid-19 on our Businesses

Across various business surveys the main messages are: cash reserves are being used and are rapidly depleting; workforces have stayed relatively stable but there has been a significant amount of furloughing; the threat of redundancies remains, low hours are reducing, there is drop in contract staff and significant homeworking (50% of workers).

Local businesses are facing the most significant economic shock of recent decades with domestic demand, export demand, investment in training & capex and cash flow positions falling to record lows. While businesses are continuing to, on balance, experience the negative impact of COVID-19 and related lockdown measures, it is likely that businesses felt the sharpest negative impact of Coronavirus related measures in the early weeks of lockdown (end of March to mid-April).

Regionally 90% manufacturers have continued to trade during the crisis but 25% plan to make redundancies in the next 6 months. 40% believe it could take more than 12 months to return to normal trading conditions. One fifth of manufacturers are operating between 25% and 50% of their full capacity and over 70% of manufacturers have seen a further decrease in orders and sales. A quarter of companies expect to be back to full operating levels by the start of 2021.

Previous record levels of growth in the West Midlands have been driven by construction, which has now stalled and manufacturing, especially automotive, has been hit hard due to a reduction in domestic and export demand. Work carried out by WMREDI highlights there are 21 large manufacturing firms in the automotive supply chain which are at high risk because they have relatively poor liquidity ratios. They employ 16k people and only 12 are eligible for the Covid-19 Business Interruption Loan Scheme (CBILS). Out of the 9 high-risk firms that do not qualify for the CBILS, 6 of these also have negative profit margins. The 21 firms that do not qualify for CBILS will rely heavily on the Covid-19 Job Retention Scheme (CJRS), which is only a temporary measure.

Contrary to forecasters' assessments, businesses do not expect to see a sharp recovery as lockdown measures ease with the majority predicting a fall in profitability and turnover over the next 12 months. Meanwhile, a number of significant Government support schemes and interventions are set to end over the coming months.

While, on balance, firms are decreasing headcount, and HR1 redundancy notices are seeing a sharp rise, the Coronavirus Job Retention Scheme is likely to be playing a significant role in limiting workforce reduction. Businesses are adapting to reduced demand by decreasing hours worked without decreasing headcount to the extent they otherwise may have done. However there is a change in business operations, with an increasing recognition that they can maintain operations on much lower numbers of employees, and the accelerated adoption of technology will drive this further. Maintaining headcount was an unusual pattern in the 2008 crash and has continued since, and this may now change as businesses can see gains from reducing the headcount. Therefore as the furlough scheme tapers down, it is likely that further redundancies will be made.

21 automotive sector companies are at high risk due to poor liquidity

25% of companies expect to be back to operating levels by 2021

90% of manufacturers have continued to trade but 25% plan to make redundancies in next 6 months

Impact of Covid-19 on our Businesses

HEADLINE ISSUES STILL OF CONCERN	
SECTOR	KEY CONCERNS
Cross Sectoral	<p>Social Distancing - Companies are concerned over the lack of clarity for the recommended social distance. With discussions of this being potentially reduced to 1m, some companies have already invested up to £100k to make their premises safe under the 2m rule, meaning there is no further funding to adapt this to 1m.</p> <p>Access to Finance and Cash flow - A number of SMEs continue to express concern about their ability to survive until the economy fully reopens due to cash flow. Most businesses in need of financial help in some way. Credit providers more cautious about who to lend to. Sales affected as buyers cannot always afford to pay. Companies do not want to borrow as they feel they are creating a problem, possibly larger, later on.</p> <p>Diversification - Many companies looking at what else they are able to do, to diversify. Some are moving very quickly and most are aware this is key to their survival.</p> <p>Job Retention Scheme & Furlough -Some confusion around the new rules of the Job Retention Scheme persists, particularly around the rules for part-time workers from July. Fears around the unknown in relation to furlough being decreased in August and then ceasing in October. Companies preparing for redundancies and assessing costs and those at risk. This has been ongoing since furlough started. Potential legal cases as some employees not prepared to go back to work face redundancy.</p>
Retail	<p>Return to Work - Many are keen to re-open and start their recovery process. However, others are confused and disheartened due to the decrease in sales and interactions they have been seeing since Feb/March. Most have concerns about how to ensure safety of staff and customers.</p> <p>New Business Models including Digitalisation - A lot of retail businesses have mentioned an increase in online orders and many have adopted ways to run the business digitally.</p> <p>Cross Theme - The retail sector is complex, and its performance during the pandemic has differed immensely by sub-sector, with some areas showing strong growth whilst other areas have collapsed. Many online shopping, supermarket, and local convenience markets have shown growth over the past three months, whilst most remaining retail markets have had to close, furlough staff, and struggle with shop unit and shopping centre rents.</p>
Business & Professional Services	<p>Cross Theme - Many starting to see business pick back up, however this is very much dependent on sub sector.</p> <p>Access to Finance and Cash flow - Some businesses still struggling due to not qualifying for the financial support offered.</p>
Construction	<p>Cross Theme - Starting to see work picking back up, but volume and value of orders is minimal to previous years. Some are suggesting that the impact has been minimal and they don't think the effects will be long-lasting. Some are looking to cut overhead costs.</p>
Manufacturing & Engineering	<p>Cross Theme - Research suggests this sector was one of the hardest hit during the lockdown. Starting to see work picking back up, but volume and value of orders is minimal to previous years. Some are suggesting that the impact has been minimal and they don't think the effects will be long-lasting.</p> <p>Trade Agreements - Export sales – which had already fallen in the previous two quarters – continued to plummet.</p> <p>Diversification - Businesses looking for funding to support diversification plans.</p>
Visitor Economy	<p>Access to Finance - Various businesses that have been closed throughout the lockdown period require support with financials having had no income.</p> <p>Loss of Sales - Many are struggling to engage with clients or diversify – a lot of what they do is based on face-to-face interactions; difficult to deliver to an online audience.</p>

Impact of Covid-19 on our Businesses

The closure of the hospitality, retail, tourism and cultural sectors has also taken a heavy toll, especially in rural and peripheral areas dependent on this as a large part of their economy. Latest WMGC data highlights 80% of businesses are now closed in the tourism sector. All have seen a drop in revenue of more than 50% and 60% are experiencing cash flow problems. Most businesses are worried that without additional support, they may not survive lockdown. Some 10% say they are contemplating permanent closure in the next few weeks and another 40% say they may be facing failure by the end of the summer. An audience survey by Indigo highlights only 17% of audience responses are booking for events, half of which are for events from November onwards and 35% are in Sept/October.

A significant proportion of firms report having applied for, or planning to apply for, finance through the Coronavirus Business Interruption Loan Scheme or Bounce Back Loan Scheme and 1 in 4 firms report pressure to increase prices arising from finance costs, indicating high levels of debt accruing within the business community. Going forward the burden of debt is significant; nationally it is forecast to be around £100bn. Payments are now being pushed back across the board, including public sector payments, which is creating a huge credit risk in supply chains. Businesses are understandably reluctant to take on debt they may not be able to pay back, and bank lending processes are still an issue due to the length of time taken and the decision making processes. The new bounce back loans seem to have a higher interest. The furlough scheme is working well and making a difference to businesses and whether they can withstand the current crisis.

Highlighted in purple, the following table shows the sectors where the WMCA (3 LEP area) has a higher percentage of jobs when compared to the England average – this includes advanced manufacturing and engineering (11.4% vs 8.0%), the public sector including education (13.1% vs 12.9%) and logistics and transport technologies (5.9% vs 4.9%) , life sciences and health care (13% v 12.7%) and retail (16.6% v 15.3%). In order to determine which sectors are currently most vulnerable we have applied the broad sector analysis from the Office for Budget Responsibility scenario to the 10 main sectors for the WMCA. The table also shows on a red - green shading scale which sectors will be potentially affected the most and how much that sector accounts for the overall total. This headline analysis suggests that the public sector (including education) and the visitor economy sector will be the sectors most impacted from the Covid-19. Analysis suggests that the life sciences and healthcare may be the only sector that will be unscathed, but notably also one of main sectors that has took the brunt of the human impact from Covid-19

Sector	WMCA (3 LEP) Jobs	% WMCA (3 LEP) Jobs	England Jobs	% of Total England Jobs
Advanced Manufacturing & Engineering	209,400	11.4%	2,083,450	8.0%
Business, Professional & Financial Services	402,040	21.8%	5,962,000	22.9%
Construction (Building Technologies)	121,000	6.6%	1,832,000	7.1%
Cultural Economy inc. Sports	135,150	7.3%	2,569,000	9.9%
Digital & Creative	49,320	2.7%	1,151,000	4.4%
Low Carbon & Environment Technologies	28,615	1.6%	471,850	1.8%
Life Sciences & Healthcare	239,000	13.0%	3,306,000	12.7%
Public Sector inc. Education	242,000	13.1%	3,342,000	12.9%
Retail	306,000	16.6%	3,983,000	15.3%
Logistics & Transport Technologies	109,355	5.9%	1,279,000	4.9%
Total	1,846,000		25,979,300	

Impact of Covid-19 on our Businesses

Furloughed Workers per Sector

HMRC released at a national level the number of workers furloughed by broad sectors. The broad sectors were grouped to largely align to the WMCA ten sectors to help further understand impacts to vulnerable sectors. Applying the national proportions of workers furloughed per sector to the WMCA (3 LEP) furlough numbers suggests the cultural economy, including the sports sector, will have the highest number of workers furloughed at an estimated number of 100,444 workers. This potentially accounts for 74.3% of jobs in the cultural economy, including the sports sector, in the WMCA (3 LEP).

This is followed by the retail sector with an estimated 91,856 workers furloughed in the WMCA (3 LEP) area. This potentially accounts for 30.0% of jobs in this sector the WMCA (3 LEP). Notably, when looking at the proportion of jobs per sector, the retail sector is higher than the national average (16.6% vs 15.3%).

The business, professional and financial services also has a potential high number of workers furloughed in the WMCA (3 LEP) area at 91,737 workers, which is an estimated 22.8% of jobs in this sector.

The sector with the lowest proportion of workers furloughed is low carbon and environment technologies, with an estimated number of 5,523 workers furloughed in this sector for the WMCA (3 LEP) area, however this may equate to 19.3% of jobs in the WMCA (3 LEP) area. The next lowest sector at an estimated 9,586 workers furloughed in the digital and creative sector which is around 19.4% of jobs.

The following table firstly shows the potential number of workers furloughed per sector which have been coloured red through to green depending on how heavily impacted and also in the table is the total number and proportion of jobs in the WMCA per sector, highlighted in blue demonstrates where the WMCA has a higher proportion of jobs when compared to national:

	% of National Furloughed	Estimated Number of WMCA Furloughed	WMCA Jobs (2018)	% of WMCA Workers Furloughed to Jobs	WMCA % of Jobs Total	England % of Jobs
Advanced Manufacturing	9.6%	47,417	209,400	22.6%	11.3%	8.0%
Business, Professional and Financial Services	18.5%	91,737	402,040	22.8%	21.8%	22.9%
Construction	7.8%	38,778	121,000	32.0%	6.6%	7.1%
Cultural Economy Inc. Sports	20.2%	100,444	135,150	74.3%	7.3%	9.9%
Digital and Creative	1.9%	9,586	49,320	19.4%	2.7%	4.4%
Life Sciences & Healthcare	3.8%	18,944	239,000	7.9%	12.9%	12.7%
Logistics & Transport Technologies	3.5%	17,307	109,355	15.8%	5.9%	4.9%
Low Carbon and Environment Technologies	1.1%	5,523	28,615	19.3%	1.6%	1.8%
Public Sector Inc. Education	2.5%	12,428	242,000	5.1%	13.1%	12.9%
Retail	18.5%	91,856	306,000	30.0%	16.6%	15.3%
Unknown/ Other	12.5%	62,025				
Total	100%	496,200	1,846,000	26.9%	100.0%	100.0%

Impact of Covid-19 on our Businesses

Retail footfall fell to 20% of its 2019 levels and remains below 40%, with the West Midlands and the North East seeing the highest falls between 74% and 76%, however the lowest fall is still significant at 68%.

Consumer spending data shows small towns geared around tourism are hardest hit. There is a significant localisation effect leading to inner city areas doing better than suburbs. Consumer spend in Coventry has seen a 47% drop, Birmingham saw a 42% drop and Wolverhampton and Walsall a 46% drop.

Consumer spend is down significantly, and opening businesses up will have no effect unless people buy the products and services. There has been significant behaviour change with a drop in spend of more than a third and latest data from Barclays says spending is far lower than the Bank of England are forecasting; as yet we do not know yet whether this change will become the norm. However people are clearing household debt greater than ever before £3.8bn has been paid off and savings have gone up by £13.1bn. The virus has accelerated recent trends, with online shopping increasing to 60% against an average of 8%. Businesses have responded with significant take up of online provision and technology transformation. Rebuilding customer experience and appealing to these changing values will be key for business success and revival.

All businesses will be impacted by the Covid-19 pandemic. Some sectors may benefit financially, while others will suffer huge losses. Those countries with more service-oriented economies, like the UK, will be more negatively affected and will suffer larger negative employment effects. The UK economy was not in great shape coming into the Covid-19 crisis, after experiencing years' of little growth and investment, due to the uncertainty of Brexit. While we await the official data to confirm that the UK is currently in recession it is becoming clear the Office of Budget Responsibility's (OBR) forecasted 35% downturn in economic output between April and June as a result of the Covid-19 crisis is likely to be realised.

The ONS Business Impact of Covid-19 Survey (BICS) found that 25% of businesses had closed temporarily and 0.4% had permanently closed. Researchers at the Enterprise Research Centre (ERC) have calculated that, as part of work for the British Business Bank, this could easily translate into the loss of 85,000 firms and 1.2m jobs by September 2020 pushing the unemployment and claimant count even higher than it is now. At the time of writing, 8m jobs in over 1m firms have been 'furloughed' under the Government's Job Retention Scheme with £11.1bn claimed so far, giving an indication of the size of the 'pause' button on the economy.

**Spend in
Coventry down 47%
Wolverhampton 46%
Birmingham 42%**

**Online shopping
has increased to
60% from an
average of 8%**

**Retail footfall
fell by up to 76%
in the West
Midlands**

**Nationally people are
clearing debt and saving
and increasing savings
more than ever before**

Impact of Covid-19 on our Environment and Infrastructure

In the West Midlands, of those expressing an opinion, 65% felt the bus operators' response to Covid-19 had been excellent/good. 61% held a similar opinion in respect of rail operators and 59% in respect of Metro. 43% of public transport users are extremely concerned about using public transport post lockdown. Increased cleaning patrols (88%), social distancing when queuing (82%) and when travelling (72%) are essential in renewing passenger confidence.

The top-3 things respondents wanted to see change/ learn lessons from were *cleaner air* (81%) and *reduced traffic on roads/ reduced car use* (75%), followed by a *better work/life balance* (67%).

The two things people are most likely to do when lockdown restrictions are lifted are *walk more* (47%) and *working from home more* (39%) – albeit not everybody is able to do this. The thing they are most like to do less of is *use public transport* (36%). Transport for West Midlands data shows that there were roughly c200,000 daily Swift Card commercial journeys being made in the region in early March, compared to just c15,000 in early May.

36% of respondents to the Covid-19 travel change survey said they were less likely to use public transport post lockdown. Cycling has increased and 17% of respondents to the Covid-19 travel change survey said they are likely to cycle more post lockdown and 47% intend to do more walking. Train station concourse dwelling area capacity could reduce by approximately 86% from 1 person per m² because of social distancing

Building sites across the UK have closed during lockdown (but are now opening). This brought work on 220,000 new homes to a standstill this is in line with qualitative information which suggests that 80% of building sites were closed in lockdown, with those remaining open running at approx. 20-30% capacity due to distancing and supply chain issues. 51% say they have noticed cleaner air, and 27% more wildlife, since the lockdown began. Daily carbon emissions in the UK to drop by 36% under the current lockdown measures. Regionally levels of road traffic have dramatically reduced, the key source of NO₂ in urban centres across the West Midlands – were roughly 30% of normal levels in early April. Nationally Covid-19 lockdown has seen Britain become overrun with tonnes of rubbish as the closure of tips leads to a 300 per cent fly-tipping increase. However more than 19 million (38%) say they are cooking more from scratch and 17 million are throwing away less food (33%).

Nationally 27% of environmental charities surveyed say they are either at high risk of becoming financially unviable in the coming months or financial reserves sufficient for four months or less. Almost half of those surveyed (47%) say their financial reserves are sufficient for six months or less. Of those that were able to provide details of expected financial losses the expected loss for just 23 organisations is

200k swift card journeys in March dropped to 15k in May

80% of building sites were closed in lockdown

65% think bus operators have responded well

Levels of NO₂ have reduced by 30% in urban centres

Impact of Covid-19 on our leisure, culture and tourism

93% of audiences are saying they are missing attending events, 55% look forward to supporting their local venue but only 17% are making bookings (50% of these past November). Only 19% would return to attending events just because venues reopen. 41% would not consider booking for events for at least 4 months and $\frac{3}{4}$ want to see some distancing measures. There are 30,418 arts, culture, heritage or science charities nationally, about 15% of charitable sector nationally. Majority have had to close, having a significant impact on ability to generate income and deliver social benefits within communities. Charities reported projected loss of 48% income. 98% of heritage organisations were impacted within the first three weeks and the remaining 2% expecting impact in the future. 69% reported lost income and 91% cancelled or postponed events. 82% of organisations reported high or moderate risk to the long-term viability and 46% could survive no more than 6 months. Regionally creative and cultural businesses have been hit harder than most sectors by Covid-19. Even the 80% salary support is insufficient for many to keep staff on as they are often facing cancellation of all of their current contracts with no idea when work will resume. The City of Culture events, which would have generated significant sectoral growth, have also been pushed back to May 2021.

30% of the UK's creative workforce are self-employed (vs national average 15%). Within wider creative industries, 42% of freelancers/self-employed predict an annual decrease in income of more than 75% during 2020, and 63% of organisations predict a decrease in annual turnover of more than 50%. 62% of freelancers/self-employed and 42% of all organisations estimate that their monthly income or turnover has decreased by 100% since the outbreak. Regionally, organisations/individuals concerned about income for next 6 months; 71% of organisations and 63% of individuals expecting to earn less than 25% compared with same period last year. 34% of organisations have no reserves with 23% having less than $\frac{1}{4}$ in next three months. 28% of individual respondents have no savings at all. 50% of organisations report refocused their priorities, 62% furloughing all or some of their workforce. Good levels of awareness of sector support measures but low take up due to uncertainties about eligibility. 22% of organisations expect to be trading again immediately once lockdown lifted, 25% confident trading within 3 months. 47% are somewhat confident that their business will recover within 12 months.

Tourism (many cultural & heritage organisations are also visitor attractions, with heritage-based tourism alone worth £20.2billion to the UK economy per annum.): 40% of businesses surveyed had closed/ceased trading and only 36% expect to be still open/trading at the end of April, with the figure falling to 32% at the end of June, 25% at the end of August and 20% at the end of September

In Birmingham all cultural sector events and festivals have been cancelled or postponed to later in the year of 2021. There will be a competition for dates and audiences and will also put pressure on available spaces for future events

In Birmingham, snapshot survey data at the end of March showed that between 18 organisations and 15 freelancers, an average of 75% of freelancer contracts were cancelled with total lost income £90k. Estimated losses for organisations were £5.3m (between 3-6 months) and value of cancelled freelance contracts £1.2m . In Coventry evidenced 31 freelancers reporting a total loss of just over £500k with average loss per member £16,657. Summer was also identified as the busiest time of the year with majority of income generated through this period. It is likely this is reflected in other parts of the region.

34% of creative businesses have no reserves and 1/5 of businesses say income has gone down by 100%

40% of tourism businesses have closed; and 75% of freelancer contracts have been cancelled

Impact of Covid-19 on our leisure, culture and tourism

West Midlands Growth Company has developed a series of post Covid forecast scenarios for the likely performance this year and next year for inward investment and tourism, they align with the general thinking across forecasters but apply directly to the West Midlands Economy.

Drivers and enablers	Potential outcomes
<p>Key markets for the region such as China, India, the US and Germany emerge strongly from lockdown</p> <p>The trend to near-shoring and localisation of supply chains to combat Covid-19 disruption continues, boosting in-bound investment in our critical transport technologies and advanced manufacturing clusters</p> <p>The UK emerges successfully from the lockdown in late summer</p> <p>The government negotiates an orderly exit from the EU with a trade deal at the end of 2020</p> <p>Air bridges are established with the region's key markets for tourism, trade and investment</p> <p>The UK government announces a budget for jobs and growth in the autumn</p>	<p>Strong bounce back</p> <p>A release of pent up demand in FDI and in-bound tourism from key source markets</p> <p>UK and WM business and consumer confidence bounces back</p> <p>The region's business conferences and events market begins to recover</p> <p>There is a boom in staycations, domestic day trips and city breaks in the region – facilitated by planned improvements to the transport infrastructure and Coventry City of Culture</p> <p>The Commonwealth Games Tourism Trade and Investment (CWG TTI) programme helps accelerate these trends, hitting all its targets for inward investment, capital investment, business and leisure tourism attraction</p>
<p>Global storm clouds gather with an escalation of geo-political tensions and trade wars - with hot spots in some of our key markets such as China, the US and the GEC</p> <p>No deal Brexit, WTO rules and tariffs</p> <p>The region's USP's and ability to compete in the market as a business, investment and tourism location are depleted</p>	<p>Sluggish recovery</p> <p>Sluggish growth in in-bound investment and tourism</p> <p>UK and WM business and consumer confidence is slow and reluctant to recover</p> <p>Tourism sector sees only limited, mainly local growth in demand – notably the VFR market</p> <p>The CWG TTI programme only partially hits its outcome targets</p>
<p>Lockdown re-imposed in the UK and in the region's key markets for trade, tourism and investment</p>	<p>Second wave</p> <p>Recovery in key in-bound markets delayed until H2 2021</p> <p>Tourism and investment in the region continues to flat-line until 2022 at the earliest. The pace and shape of recovery thereafter is uncertain</p>

Impact of Covid-19 on our leisure, culture and tourism

Inward Investment

Forecast for 2020-2021

A combination of Brexit uncertainties and the impact of Covid-19 restrictions meant that by March 2020 WMGC inward investment pipeline had shrunk by 9% from December 2019 and by 33% from March 2019. Many of the projects still within the pipeline, meanwhile, are on pause due to the challenging economic climate. For example:

- While commercial and legal processes relating to property acquisition are taking much longer, investors are also re-setting their space requirements as they adopt more agile and home working.
- There is no incentive for investors to progress projects until office occupation levels begin to increase current projections from Birmingham's BPFS sector practice heads, suggest that only 20% of their staff will be back in the office full time by January 2021.

In the face of these challenges WMGC have downgraded their forecast for projects landed in 2021-2022 from 36 to 12, jobs created from 1,570 to just under 530, GVA generated from £104m to £37m and business rate uplift from £8.3m to £2.9m.

2021-2022 and beyond

Under the WMGC **strong bounce back scenario** the region's investment pipeline would return to pre-Covid levels in H2 2021-2022, underpinned by:

- The emergence from lockdown of key source markets for the region
- An orderly exit from the EU with a trade deal at the end of 2020
- A UK government budget for jobs and growth in the Autumn
- The increased near-shoring and localisation of supply chains

41 new inward investment projects would be landed in 2021-2022 and another 54 would be landed in 2022-2023. So after achieving an outcome nearly 70% below target this year they would out-perform the previous forecast next year and the year after, allowing us to meet our three year target. As a result while projects landed will create less than 530 jobs this year (more than 1,000 below target) this would rise to more than 1,000 next year (nearly 200 above target) and more than 1,500 the year after (nearly 700 above target). This would lead to GVA generation of more than 120 million next year and more than 160 million next year and business rates uplift of nearly £10 million next year and more than £13 million the year after. 'Gear shift' projects involving the attraction of substantial, high value 'anchor' investments would account for just 4% of the total but account for two thirds of jobs created, GVA generated and business rates uplift. Our estimates for jobs, GVA and business rate uplift per project landed are based on WMGC average actual achievement over the last 3 years

Under our **sluggish recovery scenario** the region's investment pipeline would remain at below pre-Covid levels throughout the forecast period and new initiatives such as the Midlands Engine KAM Programme and the Commonwealth Games Tourism, Trade and Investment (TTI) Programme would not hit their outcome targets.

Just 25 new inward investment projects would be landed in 2021-2022 and another 32 would be landed in 2022-2023, with performance 36% below target over the forecast period. Less than 3,000 new jobs would be created over the 3 years, more than 1,700 below target. This would generate just £205m of GVA, more than £120m below target and create just £16m worth of business rate uplift, nearly £10m below target. Only 3 'gear shift' projects would be attracted to the region, creating just over 2,000 jobs.

Impact of Covid-19 on our leisure, culture and tourism

Visitor Economy

Forecast for 2020

While Covid-19 has created an unprecedented crisis for the region's business community, the tourism sector was the first to be affected and continuing to bearing the brunt. The regular survey of hotels, conference venues and attractions across the region run by WMGC's Research Team and Shakespeare's England indicates that:

- To date 80% of businesses have temporarily closed
- Many businesses are worried that, without additional support, they may not survive lockdown with 10% contemplating permanent closure in the next few weeks and another 40% believing that they may be facing failure by the end of the summer.

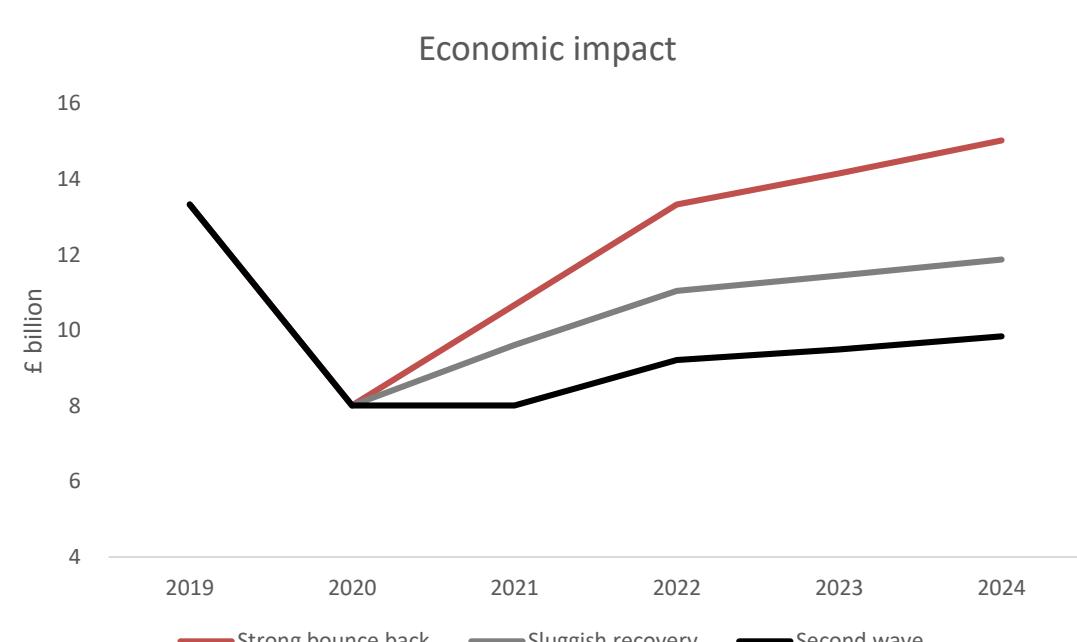
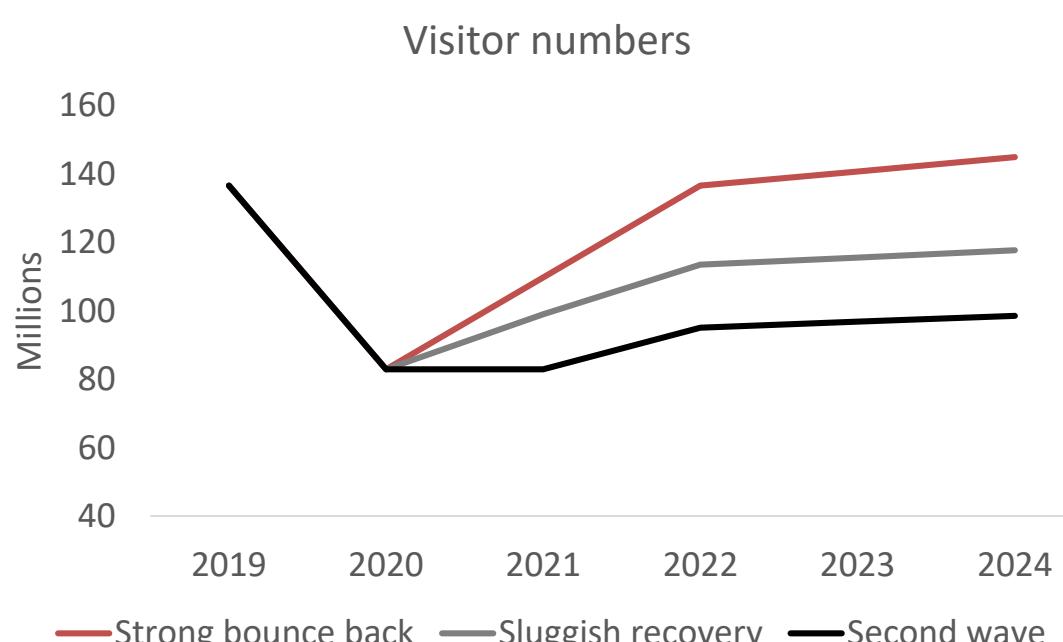
Based on impact modelling carried out by Global Tourism Solutions, the consultants who provide our STEAM tourism and value model, we are forecasting a fall in visitor numbers of 37% and in associated economic impact of 36% between 2018 (latest data available) and 2020. Based on the assumption that the sector continued to grow in line with recent trends in 2019, meanwhile, we estimate that while visitor numbers will fall from 137 million in 2019 to just 83 million in 2020, associated direct and multiplied expenditure will fall from 13 billion to just 8 billion.

Forecasts for 2021 and beyond

Under our **strong bounce back scenario** visitor volume will increase by around 32% in 2021 and around 24% 2022 and visitor value will increase by around 33% in 2021 and around 25% 2022, with both recovering to pre-Covid levels. This scenario assumes that, boosted by a UK government budget for jobs and growth in the autumn and the establishment of air bridges with the region's key overseas markets for tourism:

- UK and WM business and consumer confidence bounces back
- The region's business conferences and events market begins to recover
- There is a boom in staycations, domestic day trips and city breaks in the region
- The CWG TTI Programme helps stimulate a recovery in international visitor numbers

Under the **sluggish recovery scenario** consumer confidence is much slower to recover and the CWG TTI programme only partially hits its outcome targets. Visitor volume and value would rise by around 19% in 2021 and 15% in 2022, with visitor numbers 14% below pre-Covid levels and economic impact 11% below pre-Covid levels in 2024. Under the **second wave scenario** tourism activity continues to flat-line until 2022 at the earliest as lockdown is re-imposed the UK and the region's key overseas markets. Visitor numbers would be 28% below pre-Covid levels and economic impact 26% below pre-Covid levels in 2024.



Impact of Covid-19 on our Places – Covid-19 Risks to Place Assets

Tourism Assets

The [OECD](#) has stressed how the pandemic and measures to contain its spread are having a heavy impact on the tourism economy. Its analysis shows that depending on how long the crisis lasts, the potential shock could cause a 60-80% decline in the international tourism economy worldwide in 2020. Whilst Coventry and Warwickshire is less reliant on tourism than other parts of the national economy overall, certain areas are likely to be heavily hit in the short-term. This includes Stratford-upon-Avon which, according to estimates by Centre for Cities, is likely to suffer one of the largest declines in GVA in the West Midlands. If the crisis continues, the projected benefit from Coventry being UK City of Culture could also be threatened, although the start date has been pushed back to May 2021. The rise of virtual meetings during the pandemic raises questions over whether Birmingham will continue to see growth in its business tourism sector.

International Travel

If Coronavirus has a medium to long-term impact on air travel, being close to Birmingham International Airport would be less beneficial for the region than previously (i.e. the benefits of productivity would be less). Forecast growth in passenger numbers over the next decade may be impacted. Whilst the extent of the medium-long-term impact is as yet unclear, we know that traffic at the airport has fallen considerably since March, [declining by 90% in April](#). The Chief Executive of the airport [stated at the end of June](#) that they expect a passenger scenario for this financial year of 90 percent less than in 2019/20. We have already seen this start to negatively impact on jobs in the region, with the airport announcing [plans to cut up to 250 jobs](#) representing 27% of its workforce due to unsustainable income losses.

Young People

A concern across the West Midlands, but especially in Greater Birmingham and Solihull and the Black Country, where skills levels are lower and unemployment rates higher, is that recent progress in increasing skills and employment levels will be slowed or reversed as a result of the pandemic. Unless effective countervailing measures are introduced at a national level, it is likely that lockdown is reducing opportunities for young people to gain work experience and participate in work based learning. Although the number of apprenticeship starts across the West Midlands is increasing, numbers remain low, and the Covid-19 crisis is creating worries that there will be less appetite for recruiting apprentices in firms going forward. A survey by [Association of Employment and Learning Providers](#) found 60% of employers nationally have stopped recruiting apprentices. It is encouraging that the government has announced an "opportunity guarantee" to ensure every young person had the chance of an apprenticeship or placement. However, it is yet unclear if the placements will be paid and if a guaranteed interview will be available at the end of the placement. Evidence emphasises the importance of supporting out-of-work people, particularly young people and those over 50 to rapidly find work if they are to avoid long-term unemployment.

Life Sciences

Assets in the West Midlands likely to be strengthened rather than weakened by the Covid crisis include those linked to life sciences. Birmingham with its [Life Sciences Park](#) due to open in 2022 and associated well developed medical technology complex (including various hospitals, University of Birmingham Medical School, Birmingham Health Partners and the Institute of Translational Medicine) appears particularly well placed to be at forefront of developing this sector.

Impact of Covid-19 on our Places – Covid-19 Risks to Place Assets

Universities

The Coronavirus crisis is also having an impact on universities in the region. [City-REDI](#) research into the impact of student spending, paints a worrying picture for the West Midlands. It finds important variations across the UK by region in the benefits generated by student spending with the West Midlands hardest hit. The West Midlands (NUTS2) is the region that generates the largest multiplier for the UK economy with student spending generating over 4 billion pounds of output, 2 to 3 billion GVA and supporting between 44 and 55 thousand jobs. These figures suggest that student spending generates up to 4.2% of GVA in the West Midlands. Student expenditure directly supports to 4.2% of employment in the West Midlands compared to up to 2% nationally. This means that for each 3 to 5 students not starting in September 2020, a job is at risk. Universities also underpin the innovation assets across the three LEP areas, and the West Midlands is a leader in the business R&D which with reduced investment capacity in the private sector may be hit hard. Especially in the automotive, aerospace and manufacturing sectors

Transport

The drop in patronage of transport assets could reduce the available income for further investment, and the costs of running a much reduced infrastructure under social distancing and lockdown measures could make private and public sector delivery unsustainable. A drop in passenger numbers in the regional airport as highlighted earlier also threatens the integrated infrastructure which has made the West Midlands the heart of the transport network. Future proofing already in place in the region such as autonomous vehicles and electric vehicles could see demand accelerated because of the need for personal and safe transport options.

Digital and Technology

Coventry and Warwickshire is home to one of the country's largest digital gaming sectors and this sector has seen significant growth and demand under lockdown. Accelerated digitisation and application of technology has accelerated with increased homeworking and adoption by businesses of online sales. This presents an opportunity for the region to build and expand the skills and expertise.

Key companies

Many of the regions key companies are under significant pressures, with redundancies being announced and more expected. The companies most at risk are those that rely on face to face business, non food consumer demand and international supply chains. This puts many of our region's assets at sever risk, such as automotive, tourism and hospitality, retail, passenger transport, manufacturing and culture. Loss of major companies also reduces the investment they make in their supply chain, R&D, skills and supply chains.

Impact of Covid-19 on our Recovery

Nationally, according to the ONS weekly survey, people think the country is getting kinder, and generally wellbeing remains the same. But since the beginning of the survey people think the country is also becoming more unequal.

Businesses are understandably reluctant to take on debt they may not be able to pay back, and bank lending processes are still an issue due to the length of time taken and the decision making processes. The new bounce back loans seem to have a higher interest. The furlough scheme is working well and making a difference to businesses and whether they can withstand the current crisis.

Safety measures which need to be put in place to combat the virus and ensure social distancing are of significant concern to businesses as premises are often too small to accommodate the demands. Businesses are still concerned about getting staff back to work without transport and adapting to working from home on a longer basis, but for many industries, this isn't possible. Businesses are still reporting issues with accessing finance through the Covid-19 support schemes due to ineligibility. Quarantine requirements continue to scar businesses as they try and deal with high absence levels. There are also significant issues and implications of track and trace on the operations of businesses

Remaining issues are recovery planning where businesses need advice and support to rebuild. Work by the Enterprise Research Centre shows that sole traders are very exposed, especially female and young entrepreneurs, and this is an issue still being raised by business representative organisations, as often sole traders slip through the current support mechanisms

Although many immediate business issues highlighted over the pandemic period have been addressed, there is still an issue with sole traders operating as limited companies who fall through the cracks. Cash reserves are still being used extensively but this may run out.

Local lockdowns are of significant concern to businesses, especially the manner in which Leicester has been closed, with little warning. There is little understanding of what the lockdown might look like and how it might impact.

The rise in job losses and those claiming benefits points to the need for investment in lifelong learning, better skills development and utilisation; effective local partnerships; reducing skills mismatches and helping people take greater responsibility for their own learning and development. The potential levels of unemployment facing the region will call for significant scaling up of training at a time when providers are facing uncertainty driven by social distancing and individual choices about investment in skills. Significant changes are happening in working practices, such as homeworking and technology changes which are creating a polarisation in employment opportunity and could leave many behind. The importance of key workers to a thriving economy has also been exposed

“Social distancing is of serious concern”

“businesses need advice on adopting new business models”

Impact of Covid-19 on our Recovery

Businesses in the region need to diversify to be more resilient, evidence suggests that more diverse economies and businesses are better able to weather economic shock. Businesses are seeking greater support in how to do this, how they develop new products, services and markets and recovery planning should include funding to accelerate this.

A recent report by NESTA has identified the West Midlands ‘business-led innovation region’ where above average levels of business investment in R&D are not matched by public sector investment. This business led investment is under threat within the post Covid-19 economy and there is a need for a rebalance of the public sector investment. There needs to be a supercharged approach to backing the decisions of the private sector with additional public sector funding. Recommendations include: greater transparency of decisions making; regional devolution of innovation funding; new science and tech institutions outside the SE; UKRI to lead regional rebalancing; Strength in Places Fund developed and expanded

Innovation around business models is crucial to recovery but it is important to focus on individual resilience as well as business resilience. Analysis of the West Midlands Regional Entrepreneurship Ecosystem demonstrates that the weakest parts are around financing, innovation and skills. So financing prospects for potential entrepreneurs is an area of concern and investment in internationalisation is also a priority.

Generally business feedback is that government intervention is working. Businesses are also seeking clear guidance on how to return to work in a social distancing based economy. Businesses need to understand how they return to work. This includes access to PPE, implementing social distancing measures and dealing with their workforce wellbeing. There is a need for guidance and support in planning for recovery, including business diversification and operating in social distancing environments.

Levelling up is going to be a challenge, as London and the South East have a more resilient economy, and poorer areas are going to be hit harder. There needs to be clearer devolution, with powers and funding, to support local areas tackle the levelling up agenda.

Our ability to move around has been severely curtailed, this has impacted at all levels. Affected trade, education and tourism significantly which is driving most of the economic risks and downturn. Lack of public transport has impacted on the more vulnerable in society and continues to constrain businesses opening and customers returning. The lack of national and international mobility has changed our supply chains and is impacting on attitudes towards resilience.

“Businesses are reluctant to take on debt”

“Cash reserves are depleted”

Regional Outcome Indicators

The region continues to monitor change through the comprehensive list of monitoring indicators to help us understand the performance of the region

The following section provides the detail of those indicators and the how the region has faired. This data is largely pre covid-19

Appendix 1

Regional Outcome Indicators – full details

The Regional Outcome Indicators covered in this report provide a clear framework to monitor progress and the economic changes required to achieve our vision and the ambitions set out in the Strategic Economic Plan and further developed in the West Midlands Local Industrial Strategy. The Regional Outcome indicators are composed of a selection of strategic headline indicators, which measure the impact of all activity across the 3 LEP areas by all stakeholders. These indicators have been aligned to the 17 SDGs and those highlighted in pink are new additions to help towards monitoring progress.

The performance against these indicators are impacted by a number of factors including external factors like the global economy which are outside of the control of regional partners.

Work is ongoing to demonstrate the impact of investment and outputs on achieving our required outcomes and impact utilising logic chains

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge
1. No Poverty	Employment Rate	72.40%	+0.7 pp	+5.2 pp WMCA +4.4 pp UK	Employment rate 75.6% +82,370 People
	Income & Expenditure Balance	-£9.4bn	+1.2 bn	-£2.1bn (-17.9%) (-67.0%) UK	To achieve no fiscal gap
	Annual average earnings of full-time working residents	£29,422	£784	£3,155 +12.0% WMCA +12.4% Eng.	£931
	Youth Claimants Aged 18 - 24	32,245 (Apr. 2020)	13,170 69.00%	-2,305 -6.7% WMCA -6.1% UK	No Claimants
	Claimant Count Aged 18-64	169,850 (Apr. 2020)	70,010 70.10%	41,415 +32.2% WMCA +36.6% UK	No Claimants
	Percentage of employees earning above UK living wage	79.30%	+3.0pp	N/A	+0.6pp

Income and Expenditure - Please note these figures are not comparable with those reported in previous years as the methodology has been updated to be completely consistent with the ONS Country and Regional public sector finances. In previous years the analysis only focused on identifiable expenditure and the figures are now based on total managed expenditure which is made up of current expenditure (total non-identifiable/ total identifiable /total outside UK) and capital expenditure. The figures are produced by the ONS by region and these figures are subtracted from the total receipts and proportioned by population to give an estimated WMCA net fiscal balance.

Regional Outcome Indictors – full details

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge
2. Zero Hunger	Gross Disposable Household Income (GDHI) per Person	£17,752 -2018	£780	£2,639 +17.5% WMCA +16.7% UK	£21,109 GDHI per Person +£3,357 GDHI per Person
3. Good Health and Wellbeing	Healthy Life Expectancy (HLE) at Births – Males & Females	Males (M) = 59.6 years (WM 7 MET)	- 0.3 years	+0.3 years WM 7 Met 0 years UK	63.1 years
		Females (F) = 59.8 years (WM 7 MET)	- 0.3 years	- 1 years WM 7 Met -0.2 years UK	63.6 years
	Gap in employment rate for those in contact with secondary mental health services and the overall employment rate	64.00% (WM 7 MET)	+2.8 pp	+ 4.7pp WM 7 Met +2.9 pp Eng.	Below national
	Rates of suicide (per 100,000)	9.5% (Average) (WM 7 Met)	+0.3pp	- 0.5pp WM 7 Met -0.4 Eng.	No suicides - 651 suicides
	Percentage of Physically Active Adults	57.40%	-0.7pp	- 0.8pp WMCA +1.2pp Eng. (2015/16)	63.30% + 191,834 Active People
	Infant Mortality	6.7 per 1,000 Live Births (WM 7 Met)	+0.1 per 1,000 Live Births	+0.4 per 1,000 live births WM 7 Met No Change Eng.	0 Preventable Deaths

Regional Outcome Indicators – full details

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge
4. Education	Percentage of children achieving a good level of development at the end of reception	68.60% (WM 7 Met)	+0.3pp	+18.9pp WM 7 Met +20.1pp Eng.	+3.2pp
	Progress 8 Score	-0.14 (Below Average)	0.02	N/A	-0.03 + 0.11 points
	NEETs aged 16-17	4,400 6.60% (WM 7 Met)	-230 -5.00%	N/A	5.50% - 711 NEETs
	No. of Apprenticeships starts	31,740	2,540 8.70%	-4,270 - 11.9% WMCA -9.5 % Eng.	84,000 +52,260 apprenticeships
	% of Working Age Population (WAP) with No Qualifications	11.30% 290,500 People	2.40% +6,000 People	- 20.0% WMCA - 72,500 People - 16.6% UK	7.9% -87,115 People
	% of WAP with NVQ1	10.50% 271,000 People	-7.50% -21,900 People	-13.10% -40,700 People - 14.6% UK	Ahead of UK
	% of WAP with NVQ2	17.40% 446,800 people	2.10% +9,200 People	+3.8% WMCA +16,400 people -4.4% UK	Ahead of UK
	% of WAP with NVQ3	16.70% 430,700 People	-5.20% -23,400 people	-1.2% WMCA -5,100 People +0.6% UK	16.8% +1,816 People
	% of WAP with NVQ4+	33.50% 861,700 people	4.40% + 36,200 People	+25.3% WMCA +174,000 People 17.5% UK	40.2% + 732,249 People

Regional Outcome Indicators – full details

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge
5. Gender Equality	Wage Gap Between Males and Females	£32,335 Males	£492 1.50%	+ 11.7% (+£3,382) WMCA +12.3% UK	Full Time Earnings: £32,882 +£547
		£24,462 Females	£1,036 4.40%	+11.0% (+£2,430) WMCA +13.5% UK	To Reach Male Full Time Earnings (UK) +£8,420
	Employment Rates by Males and Females	77.9% Males	+0.4pp	+4.4pp WMCA +3.5pp UK	To Reach the UK Male Employment Rate (79.7%) +23,230 Males
		66.9% Females	+1.1pp	+5.9pp WMCA +5.4pp UK	To Reach the UK Male Employment Rate (79.7%) +165,023 Females
6. Clean Water & Sanitation	% of Waterbodies in good condition	To be developed			
7. Affordable & Clean Energy	Households Living in Fuel Poverty	193,915 Households 11.50%	-24,729 Households -11.30%	-38,030 Households -16.4% WMCA +2.3% England	No Households in Fuel Poverty
	Amount of Renewable Electricity Generated	4.50%	-0.4pp	+1.7pp WMCA +8.8pp Eng. (2014)	Reach the England Average of 24.1%

Regional Outcome Indicators – full details

8. Decent Work & Economic Growth	Gross Value Added (GVA) per head	£25,183	£801	£4,258 +20.3% WMCA +15.8% UK	GVA per head £28,729 +£3,545 GVA per head
	GVA per Hour	£31.07	£0.93	£3.63 +13.2% WMCA +8.8% UK	GVA per hour £33.65 +£2.58 per Hour
	GVA per employee	£56,877	£2,639	£7,014 +14.1% WMCA +10.1% Eng.	GVA per employee £63,261 +£6,384 GVA per employee
	GVA in transformational sectors	£76.6bn	+£2.8bn	+15.9bn +26.2% WMCA +20.5% UK	£147bn WMCA SEP Ambition +£70.4bn GVA
	No. of Enterprise Births	24,640 Enterprise births 59 per 10,000 population	-3,315 Enterprise births	5,425 Enterprise births +28.8% WMCA +10.3% UK	Ahead of UK
	Five - year Enterprise Survival Rate of businesses born in 2012	42.10%	-1.4pp	N/A	42.40%
	Jobs in Transformational Sectors	1.2m	-4,495 jobs	148,525 +14.7% WMCA +12.7% Eng.	1.5m WMCA Transformational SEP Ambition + 336,775 Transformational Jobs
	Total Jobs	1.8m	-16,000	+172,000 Jobs +10.3% WMCA + 10.2% Eng.	2.4m WMCA SEP Total Jobs Ambition +554,000 Jobs
	Employees working satisfactory hours	82.90%	N/A	N/A	To Stay Above the UK Average
	Number of FDI Projects	131	-9 -6.4% WMCA -14.0% UK	-7 -5.1% WMCA +0.5% UK	
	Number of Jobs from FDI Projects	4,666	-3,267 -41.2% WMCA -24.1% UK	-2,748 -37.1% WMCA -13.2% UK	

Regional Outcome Indicators – full details

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge
9. Industry, Innovation & Infrastructure	Broadband Connectivity	96.50% 1.8m premises	-0.2 pp		100% coverage
	Percentage of Innovative Businesses (Regional)	52.00%	-0.3pp	+8.6pp WM	
		-2017	-2015	+4.6pp UK	
	Traffic Collisions	5,564 WM 7 Met. (2018)	-291 (-5.0%) WM 7 Met.	+449 (+8.8%) WM 7 Met.	Reduce the Number of Collisions
	% residents able to access 3 or more strategic centres including Birmingham City Centre, accessible by public transport within 45 mins travel time in the am peak	43% (WM 7 Met)	+0.9 pp	- 1.6 pp (Oct 2013 vs Jan 2019)	75% + 32pp
	Bus time reliability	To Be Developed			
	Total Dwelling Stock Estimates	1,735,709	16,515	+73,214WM CA	172,514

Regional Outcome Indicators – full details

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge
10. Reduced Inequalities	Reduce % of people in top 10% most deprived areas	19.20%			10% of people
	Social Mobility (2018)	<p>Based on 326 Local Authorities</p> <p>Lowest Ranked: North Warwickshire: 307</p> <p>Highest Rank: Bromsgrove 48</p>	+15 places	N/A	All the West Midland Local Authorities in the Top Quarter Ranking
	Health inequality gap by years between the most and least deprived areas	<p>M = 8.8 years</p> <p>F = 8.5 years</p> <p>(WM 7 Met)</p>	<p>M = +2.6 years</p> <p>F = +1.2 years</p>	<p>M = +1.4</p> <p>F = +0.1</p>	<p>No gap</p> <p>Reduce gap by 8.8 years for males and 8.5 years for females</p>
	Ratio of median house price to median gross annual residence-based earnings	7.21	0.08	+1.35 WMCA	+1.07 Eng.
	Employment Rates by Ethnic Group	<p>Highest: 77.5% Indians</p> <p>Lowest: 51.4% Pakistanis/Bangladeshis</p>	+6.1pp WMCA -2.2pp	+10.4pp WMCA +10.5pp WMCA +7.6pp UK	

Regional Outcome Indictors – full details

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge
11. Sustainable Cities & Communities	Mode Share of all Journeys:	i) Non-sustainable:	i) Non-sustainable:	i) Non-Sustainable:	45% car mode share
	i). Mode Share of all journeys by non-sustainable and sustainable	(Car) 68%	(Car) +1%	(Car) +4%	Car (- 23%)
	ii). Percentage of car journeys single occupancy	Sustainable: 32% ii) 73%	Sustainable: -1%	Sustainable: - 4%	
	-2018	(WM 7 Met)			
	Total Additional Affordable Dwellings	3,822 (2018/19)	353	+988 WMCA (2013/14 – 2018/19)	
	Number of Additional Affordable Rented Dwellings	1,960 (2018/19)	238	+467 WMCA (2013/14 – 2018/19)	
	Visitor Numbers	131m Visitors (2018)	+2.6% (+3.4m)	-	Increase the Number of Visitors into the Region
12. Responsible Consumption & Production	Local Authority Recycling Rates	30.5% (WM 7 Met.)	-0.5pp	-3.3pp WM 7 Met. (2014/15)	
	Tonnes of Waste Collected	1,274,588 Tonnes (WM 7 Met.)	+7,377 Tonnes	+3,529 Tonnes	Reduce the Amount of Waste produced and Collected

Regional Outcome Indicators – full details

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge
13. Climate Action	CO ₂ emitted within SEP area by transport, businesses and homes	20,581 ktCO ₂	-775 ktCO ₂ -3.60%	-17.1% WMCA -20.2% Eng.	WMCA target: 40% reduction in carbon by 2030 from 2010
	No. of days poor air quality per year (rated 4 or higher on the Daily Air Quality Index)	37 Days WM	-9 Days		WMCA target: 1 day by 2030 -36 days
14. Life Below water	Canal Network (kms)	520km			
15. Life on Land	Increased the quantity & connectivity of green infrastructure			To Be Developed	
	Canopy Cover/Tree area as a proportion of total land area				
16. Peace, Justice & Strong Institutions	Total recorded crime (per 1,000 population)	262,188 89.9 per 1,000 population (WM 7 Met)	7.20% +7.8 per 1,000 Pop. (WM 7 MET)		Below the England average
	Proven Rates of Reoffending for Adults	28.60%	-11.60%	-14.00% -30.0% Eng. and Wales	Below the England Average
	No. of first-time entrants to Youth Justice System (per 100,000)	308 per 100,000 (WM 7 MET)	-22.80%	- 37.7% WM 7 Met - 46.9% Eng.	-70 per 100,00 first-time entrants
17. Partnerships for the Goals	To Be Developed				

Supporting documents and references

Recovery Coordination Group Initial Impact Assessment WMCA June 2020
West Midlands Industrial Strategy Sector Summaries Update Black Country Consortium Economic Intelligence Unit, June 2020
Functional Geography of the West Midlands, WMREDI June 2020 Prof Anne Green
Midlands Engine Independent Economic Review, Midlands Engine Economic Observatory 2020
Inclusive Growth Update; WMCA Board May 2019
Quarterly Monitoring Dashboard (Qtr 3 and 4 2019 and 1 and 2 2020); Strategic Economic Development Board, WMCA 2020
Investment Board Forecasts, West Midlands Growth Company June 2020
Repowering the Black Country, Black Country LEP June 2020
Covid-19 Policy Review, WMREDI June 2020

Additional Covid-19 Analysis and references can be found in the collection of:

Weekly Monitor; Editions 1 to 16 from March 2020 to July 2020, West Midlands Regional Economic Development Institute, University of Birmingham

Disclaimer: The contents of this document are based on the latest data available and the contribution of regional partners in a fast paced environment, therefore we urge caution in its use and application

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With special thanks to contributing authors from across the partnership organisations, without whom this document could not be produced



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and the
City-Region Economic Development Institute

In partnership with:



UK Research
and Innovation





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03 June 2020

Dear Andy,

Thank you for all your engagement to date with Government on the COVID-19 response and preparing for economic recovery. In these difficult times, it is more important than ever that we work closely together to do the best for people, businesses and communities across the country. I know the Prime Minister was pleased to meet with you, the other M9 Mayors and the Chair of the West Yorkshire Combined Authority recently, and we and other Ministers have been grateful for your constructive engagement in a range of fora.

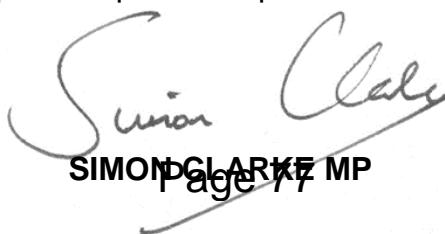
As you discussed with the Prime Minister, an urgent priority now is to work together to restart the economy as we begin gradually to refine the economic and social restrictions. Thank you for sharing your initial ideas and considerations on this matter. Your local leadership, as an elected Mayor, is essential here.

We are therefore clear that we expect you to lead economic recovery planning in your region. We look forward to seeing how you plan to use your powers and funding to support recovery over the coming months. We encourage you to continue to develop evidence-led thinking, collaborating closely with Local Enterprise Partnerships and other local partners.

We also want to learn from your experience to help ensure that our future national approach works for all places. The Economic Recovery Working Group will be one key forum for you to inform our national approach and we encourage you to use it both to reflect M9 priorities and to share information across the M9. This will supplement our continued engagement with you all over the coming months, as we would welcome further discussions on this crucial topic both as a group and bilaterally. At official level, the Cities and Local Growth Unit will also continue to engage your teams on a regular basis.

As the Prime Minister set out in his first speech on taking office, great changes are possible in our towns, cities and regions when local people have more of a say over their own destinies. The huge challenges we now face make this agenda more important than ever. We must level up opportunity across the country and give local people more of a say over the decisions that affect their daily lives. We are determined not just to recover, but to renew our economy and society.

Effecting this kind of change makes a constructive partnership with the M9 and other local leaders across the country all the more crucial. We look forward to working with you through the upcoming White Paper on devolution to deepen this partnership as we look towards recovery and renewal.


SIMON CLARKE MP
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Recharge the West Midlands

Kickstarting the West Midlands Economy:
Our investment case to government

June 2020





Introduction

We need the Government's financial backing to deliver a rapid economic recovery. This document sets out the key immediate asks of the Government from the West Midlands, which total £3.2bn of investment over the next three years. The region generates £105bn of GVA and 5.5% of the UK's economic output. Our region can, and should therefore be a substantial part of the Government's plans for national economic recovery.

We are ready to deliver projects within this fiscal year (6-9 months) that will deliver immediate impact in the real economy. This plan will not only address the short-term risks of COVID-19 by creating and safeguarding jobs, but also takes into account the longer term improvements in regional innovation, competitiveness and resilience. We have already leveraged substantial investments for our proposals from both private and public sector partners. This isn't a plan just for now, or even the next five years, but will recharge our economy for long term growth.

Investing in the West Midlands will help deliver the government's priority of levelling-up. Our region punches above our weight on private sector-led innovation. We attract over £400/head of private sector R&D investment, higher than most other UK regions, but receive less than £100/head of public sector investment, one of the lowest of any region. Investing in the West Midlands will help create or safeguard 135,800 jobs, support 154,400 young people and workers, build 35,000 new homes, and support a rapid economic recovery for the region and the UK.

Trust in us to deliver the recovery. We already have the right partnerships and networks across the region, delivery infrastructure and links to key businesses to quickly deliver our plan. Before the current crisis, we were the fastest-growing region outside London. Our economic output has increased by 25% over the past five years. We have more than doubled the number of homes built annually since 2010, and increased the number of people in work by nearly 20% before the pandemic. Our distinctive strengths, from world-leading automotive innovation, green technology to health and life sciences, are globally competitive and set us apart from other regions. It is critical that we quickly regain this growth momentum, to avoid a steep rise in unemployment and long-term economic scarring.

We are facing one of our greatest challenges with COVID-19. We are home to one of the youngest and most diverse communities in the country, who now face the daunting prospects of unemployment, with the share of youth claimants doubling in May compared to the start of the year. Our exposure to sectors such as automotive, manufacturing, leisure and hospitality mean

that the West Midlands will be disproportionately impacted by the current crisis. But these factors, plus the promise of HS2, Coventry City of Culture in 2021 and the Commonwealth Games in 2022, as well as our leadership in the growth sectors of the future are also our greatest strengths in recharging our economy.

Our clear and credible recovery plan delivers for businesses, the economy, the environment and the people who live here. Our plan drives benefits across the 'three LEP area' of the Black Country, Coventry and Warwickshire and Greater Birmingham and Solihull. It includes clear actions and investments in all three cities of the West Midlands - Birmingham, Coventry and Wolverhampton - and the four boroughs - Dudley, Sandwell, Solihull and Walsall. We are focused on supporting the people who will be particularly badly affected by the economic effects of COVID-19, helping them to retrain and find jobs.

We need your support, so that we as regional leaders, can deliver for all the people that we represent. We look forward to working with you to recharge the West Midlands.

This plan is signed by the following:

Andy Street – Mayor of the West Midlands

Cllr Ian Brookfield – Leader of City of Wolverhampton Council and WMCA portfolio holder for economy and innovation

Cllr Ian Ward – Leader of Birmingham City Council

Cllr George Duggins – Leader of Coventry City Council

Cllr Patrick Harley – Leader of Dudley Metropolitan Borough Council

Cllr Yvonne Davies – Leader of Sandwell Metropolitan Borough Council

Cllr Ian Courts – Leader of Solihull Metropolitan Borough Council

Cllr Mike Bird – Leader of Walsall Council

Cllr Matthew Dormer – Leader of Redditch Borough Council – on behalf of the non-constituent authorities

Lee Barron - Regional secretary of TUC Midlands

Tom Westley - Chair of the Black Country Local Enterprise Partnership

Nick Abell – Chair of the Coventry and Warwickshire Local Enterprise Partnership

Tim Pile – Chair of the Greater Birmingham and Solihull Local Enterprise Partnership

Matthew Hammond - Chair of the West Midlands Growth Company

The Deal - Together in partnership with central government, we will reset, rebuild and recharge the West Midlands economy

This investment will help create or safeguard 135,800 jobs for our residents, support 154,400 young people and workers, build 35,000 new homes, and support a rapid economic recovery for the region and the UK.

Our areas of industry support have been adapted from the Local Industrial Strategy to take account of the impacts of Covid-19



Create green manufacturing jobs

Harness the potential of green technology and electrification to deliver green growth, improve the wellbeing for our communities and unlock 51,700 green jobs with investment of £614m



Maximise job creation for local people from HS2 and other unique West Midlands opportunities

Accelerate and maximise the benefits of HS2, Commonwealth Games and City of Culture, and reinvigorating the cultural sector. Doubling down on these investments will unlock 33,000 jobs and growth across the region with investment of £306m



Invest in healthcare innovation

Leverage the West Midlands' strengths as a centre for proving health innovation, build a more resilient medtech supply chain and improve health outcomes to create a healthier population, creating or safeguarding 3,200 jobs, with an investment of £137m

Highlights

- Gigafactory** — A £250m battery 'Gigafactory' and £35m investment in the electric charging network to develop the battery and charging technology needed to adapt to electric vehicles across the UK, creating 10,100 high-value jobs and 29,700 job years in construction.
- Fuel poverty retrofit** — £100m of funding to eliminate fuel poverty for 50,000 homes across the West Midlands by the end of 2022, including in the most deprived areas of the UK. This is estimated to create 26,000 jobs and safeguard 5,240 jobs.

Highlights

- Benefits of HS2** — £95m to accelerate the development of the first HS2 interchange north of London at UK Central, £70m to regenerate the wider Curzon Street and Digbeth area, through the Martineau Galleries development and £61m to develop the creative and cultural hub. These would bring forward the creation of 30,000 jobs and 4,300 new homes.
- Reinvigorating the cultural sector** — A critical opportunity to help the cultural sector adapt to COVID-19 and reinvigorate the sector across the region through an £80m investment, creating and safeguarding up to 3,000 jobs.

Highlights

- Health innovation** — £60m investment in the Birmingham Life Sciences Park to catalyse future private investment of £200m, creating more than 700,000 sq ft of space for healthtechs and £54m investment to rapidly scale new health technologies and improve supply chain resilience. Together, these would create over 3,000 jobs and increase GVA by £480m.
- Better health outcomes** — £23m in the Radical Health Prevention Fund to target key drivers of health inequality and to launch local screening and diagnostics hubs across the region to accelerate screening and improve local health outcomes.

Our recovery will be enabled by investment in our infrastructure, people and communities, underpinned by a business support programme for our high-potential businesses



Build better digital and transport links

Enhance our digital infrastructure and develop the most integrated multimodal public transport system, through an ambitious investment of £376m to drive productivity and create 4,200 job years in construction. Investing in sustainable, green transport projects will ensure HS2 is integrated into our transport network, and support economic and housing growth

Highlights

5G and fibre — £28m to develop accelerator hubs that will enhance digital connectivity and boost regional productivity, and £16m to accelerate the delivery of fibre connectivity in deprived areas, with 350,000 more homes and businesses benefitting from full fibre and 5G coverage.

Transport — Shovel-ready transport infrastructure schemes to improve metro, rail and bus services and roads in the region through an investment of £330m will deliver 3,900 job years in construction in the short-term and longer term benefits two to three times their costs, improve access to job opportunities and raise productivity across the region.



Back our region's businesses

Our business support measures will reinforce and amplify proposed investments across the economy, help thousands of businesses adapt to the post-COVID environment, pivot to high-growth sectors and take to new market opportunities globally, creating 43,900 jobs through £532m investment.



Regenerate and build brownfield land and building 35,000 new homes

Landmark investment of over £650m to bring forward at least 35,000 additional new homes – of which over 15,000 will be affordable – building on the West Midlands' nationally leading delivery of brownfield remediation, regeneration, housing supply and design innovation

Highlights

Brownfield regeneration and housing — £200m to power ahead in unlocking and accelerating our regional pipeline of brownfield sites, alongside additional new funding for a National Brownfield Institute. £400m investment in affordable housing for the region to tackle acute housing affordability, including a bold, new "Homes for Covid Heroes" key worker programme.

Advanced Manufacturing in Construction — £50m enabling funding to bring forward and support the delivery of land supply, skills, factories and technology that will accelerate the development and deployment of the latest advanced building techniques.



Get people back into work

Support thousands of young people and workers by equipping them with the skills needed for the future through apprenticeships, training, upskilling and employability schemes, through an investment of £550m

Highlights

Supporting young people — Help 38,400 young people obtain apprenticeships and work-related experience, 27,000 to complete their qualifications and receive training, and track and engage 45,000 in the labour market.

Retraining programmes — Retrain 20,000 workers for in-demand sectors such as health and social care, logistics, and business services and upskill 24,000 for jobs for the future.

Highlights

Boosting SME productivity and innovation — Our £442m investment through our programmes to help SMEs pivot to growth and 'Speed to Scale' programme to redeploy industrial engineering and research talent to develop globally competitive applied technologies will increase SME innovative capacity and productivity, and test and scale new products for high growth sectors, creating 37,900 jobs.

Business adaptation and productivity acceleration — Our £90m grant and voucher scheme will support 12,700 businesses across the economy adapt to COVID-19, boost their productivity and supercharge export capabilities, creating 6,000 jobs.

Create green manufacturing jobs

The West Midlands currently leads on the Industrial Strategy's Future of Mobility grand challenge building on its existing strengths in automotive innovation (e.g. the UK Battery Industrialisation Centre), and connected supply chains in rail, automotive and aerospace. Cementing this position will attract new investment and create and sustain highly-skilled jobs while boosting the international competitiveness of the region. These productivity benefits are complemented by inclusivity benefits when new technologies are applied to reduce fuel poverty and improve household energy conservation.

The current economic crisis arising from Covid-19 is an opportunity to reset our economy in a way that is more equal, inclusive and sustainable. By prioritising green growth, we can address the economic fallout whilst building a more climate resilient economy and achieving our net zero commitments. Our proposals will unlock 51,700 green jobs with investment of £614m. The proposed interventions involve:



Building our battery manufacturing capability through the Gigafactory

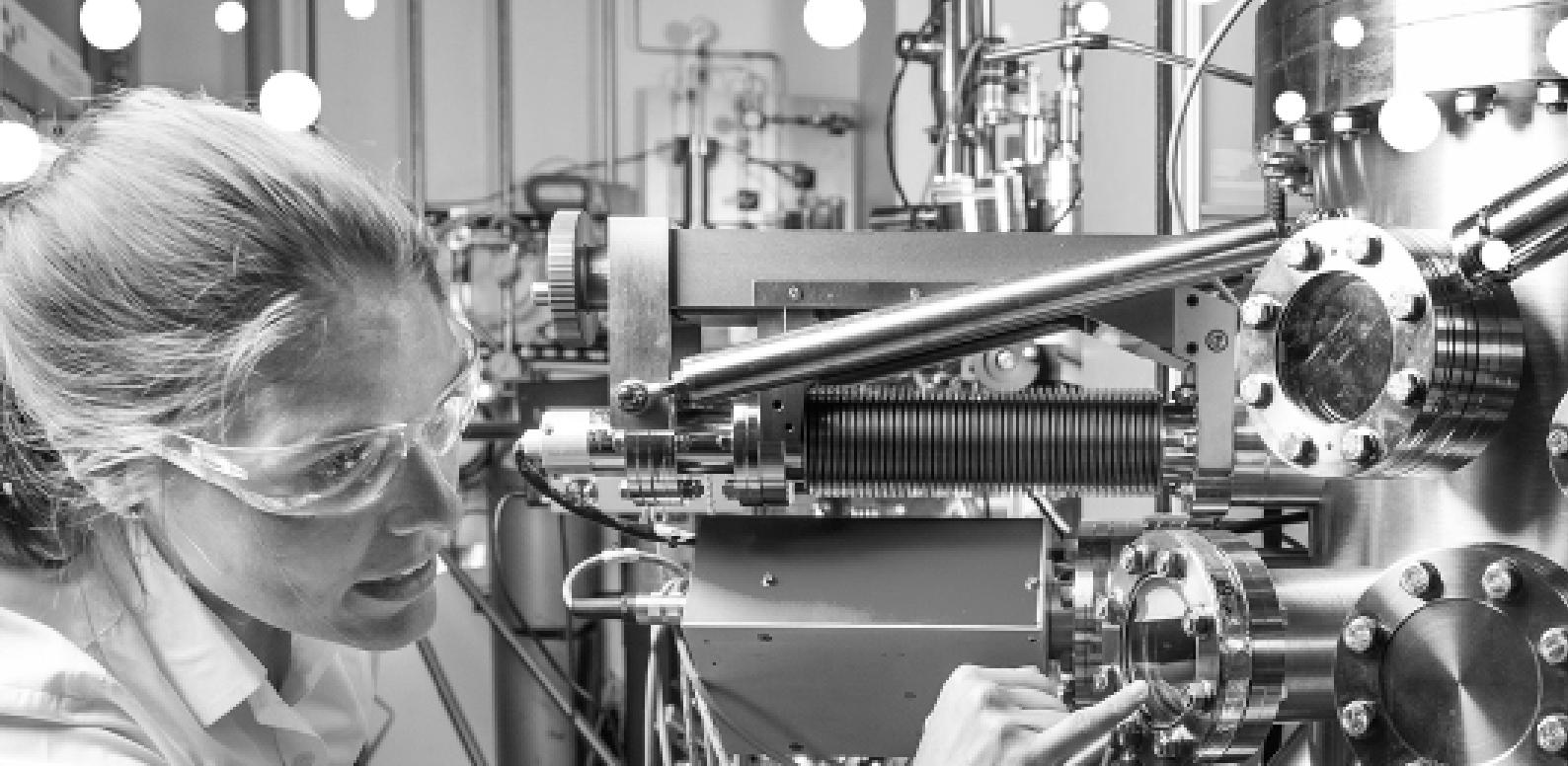
- **£250m**
- **Summary:** A new battery manufacturing 'Gigafactory' in the West Midlands, leveraging private sector investment of £2bn. The West Midlands' customer proximity, existing expertise and facilities and speed to deliver positions the region well to support its cluster of automotive companies.
- **Benefits:**
 - Create 10,100 green jobs in the region.
 - Create 29,300 job years in construction in the short-term.
 - Secure the UK and our competitive advantage in high-tech automotive manufacturing, as well as new future mobility products, such as connected and autonomous vehicles and promote clean and carbon-free economic growth.

Accelerating cutting-edge electric automotive R&D capability through Operation Paperclip

- **£85m**
- **Summary:** A £65m innovative programme for automotive and aerospace companies to retain highly-skilled staff engaging in strategically-important R&D activities. We will capitalise on our ability to mobilise quickly, building on the region's existing facilities and success of previous programmes such as the PARD (premium automotive 2003-06). We will also establish the £20m UK Mobility Data Institute (UKMDI) as an open source, open access research institute to aggregate and analyse the large volume of data being generated by projects, trials and testbeds related to mobility.

• Benefits:

- Safeguarding or creating up to 5,500 jobs across the country and R&D capability in the sector through Operation Paperclip.
- Increase of up to £1bn in GVA nationwide.
- Up to 60 new products, processes or services nationwide.
- Commercial exchange of data to accelerate development of new mobility products and services.
- Support the Government's response to a range of mobility opportunities and challenges, focusing initially on the automotive industry.



Prototyping and testing an innovative very light rail transport solution for urban connectivity

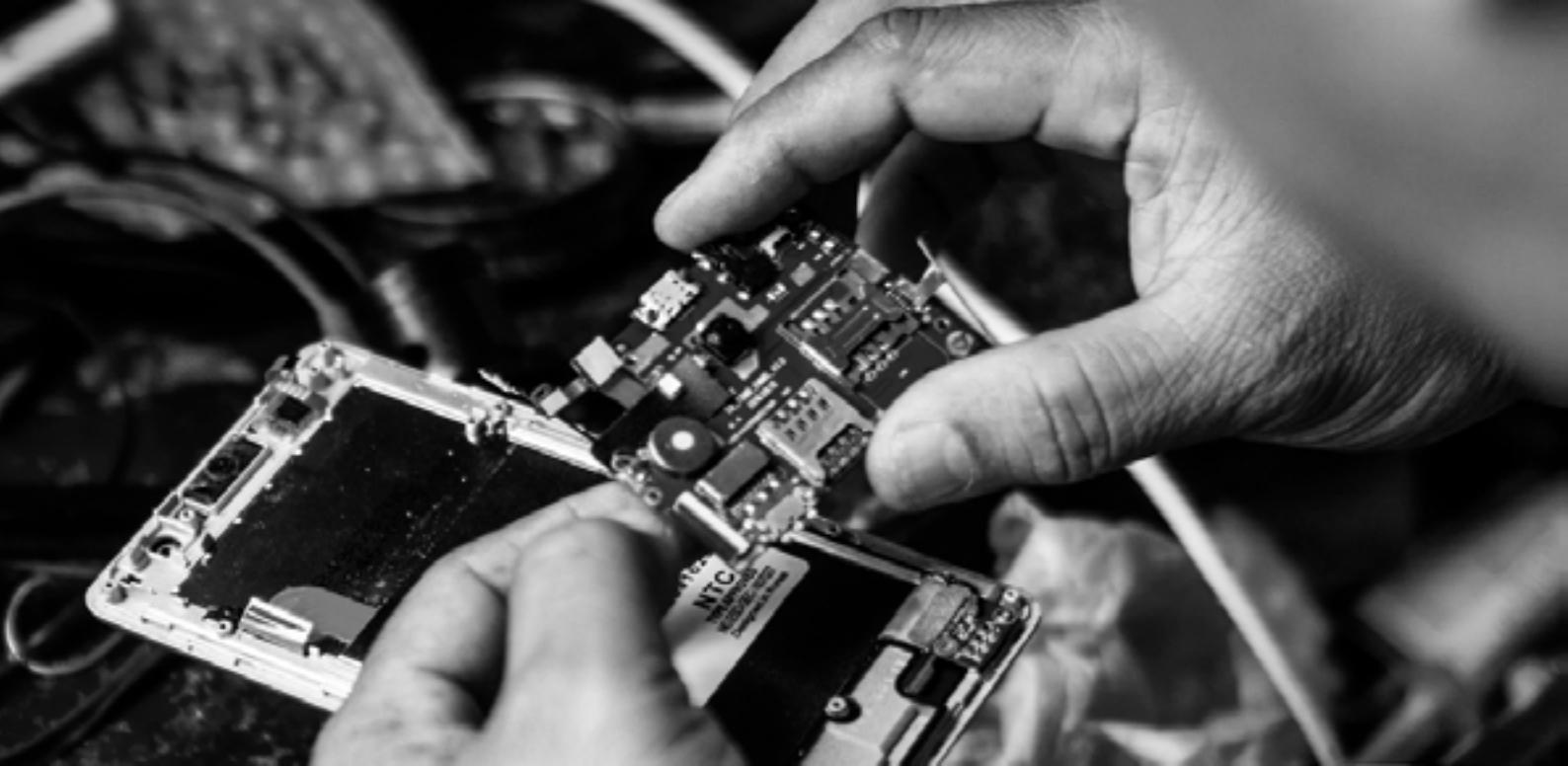
- **£114m**
- **Summary:** A project to develop a novel autonomous, battery powered transport system at the Dudley VLR National Innovation Centre and then test it in Coventry. This will build on the West Midlands existing strengths in automotive technology and manufacturing.
- **Benefits:**
 - Accelerate the development of UK capability in very light rail through prototyping and testing of new solutions (including autonomous pods).
 - Reduce track construction costs by two thirds and enable much wider deployment of urban rail across the UK.
 - Support the Government's net-zero agenda by facilitating modal transfer from cars to public transport.

Developing electric vehicle (EV) charging infrastructure

- **£35m**
- **Summary:** Develop a public network of EV charging stations across the West Midlands, creating the conditions for growth in take-up and manufacture of EVs. The West Midlands is at the heart of the UK automotive sector, yet it ranks eighth out of 12 regions across the UK in terms of its supply of publicly accessible charge points for EVs.
- **Benefits:**
 - Create 390 job years in construction in the short term.
 - Accelerate the take up of EVs.

Reducing fuel poverty through a regional retrofit programme

- **£100m**
- **Summary:** Funding for immediate energy efficiency measures on 6,000 homes and for scaling-up supply chains and demand stimulation. The West Midlands has the highest fuel poverty gap in the UK due to the high average age of housing stock in the region. It is also well-placed to deliver this intervention, given the concentration of energy companies and manufacturing capabilities available in the region.
- **Benefits:**
 - Eliminate fuel poverty for 50,000 households by the end of 2022.
 - 1000 jobs created immediately and graduate internship programme.
 - Scale-up to 20,000 new jobs and retrofit skills programme for 10,000 learners.
 - Increase the pace of carbon reduction from domestic dwellings and support achievement of the net zero objective.



Repowering the Black Country

- **£30m**
- **Summary:** Programme to accelerate decarbonisation and clean growth of the Black Country industrial cluster, stimulating private sector investment of at least £400m. The Black Country is one of seven clusters which has been working with the BEIS Industrial Cluster Decarbonisation Programme, and investing now will deliver accelerated impact due to its more flexible SME base and circular economy approach.
- **Benefits:**
 - Create 2550 and safeguard 2200 jobs
 - Accelerate reshoring of manufacturing jobs, ensuring £14.8bn in additional GVA over 10 years is clean, net zero growth
 - Unlock additional private sector funding of £400m
 - Create the world's first zero carbon industrial cluster by 2030



Maximise job creation for local people from HS2 and other unique West Midlands opportunities

The West Midlands has some unique opportunities as a result of investment in HS2 and through being host to the Commonwealth Games, the City of Culture in Coventry and other major cultural events.

By accelerating major infrastructure investments and by taking steps to support the cultural sector across the West Midlands, our proposals will maximise the value of the West Midlands' assets and existing investments to unlock inward investment and growth in the wider UK economy, whilst providing the region with the platform to compete globally. This public investment of £306m will create or safeguard 33,000 jobs.

The proposed interventions involve:



Accelerating the ambitious development plans around the HS2 Interchange station

- **£95m**
- **Summary:** Accelerate the ambitious development plans around the HS2 Interchange station, by releasing land currently planned to be used for car parking and by building new infrastructure such as access routes. This will accelerate the development of commercial development with high-tech manufacturing and innovation facilities, including a world class Health & Innovation Campus, by 3-5 years.
- **Benefits:**
 - Increase Gross Development Value by £3.2bn.
 - Increase GVA by £1.4bn.
 - Bring forward the creation of at least 16,000 net new jobs and 3,000 net new homes.
 - Open up the potential for early wins from HS2, such as a world class Health & Innovation Campus, commercial & housing opportunities.

Regenerating the Curzon Street/Digbeth area

- **£131m**
- **Summary:** Regeneration of the wider Curzon Street and Digbeth area, including £70m for the Martineau Galleries development, which is a core gateway development that is part of the HS2 Curzon Street Masterplan. The proposal also includes a £61m investment into the Creative Quarter, which will accelerate the development of the Creative Content Hub and Studio UK - anchors to fuel high growth creative industries. The West Midlands is a creative hub, with Steven Knight's Mercian Studios soon to launch, and is already a proving ground for new kinds of digital content with the international games cluster in Leamington Spa and the large-scale WM5G test bed.

• Benefits:

- Martineau Galleries will boost the local economy by £255m, create 8,000 new jobs and 1,300 new homes.
- Create 10,800 job years in construction in the short-term.
- Creative Quarter will enable content businesses to pivot and scale, attracting 10 new FDI projects per year in creative industries and creation of 6,000 jobs.
- Creative Quarter will attract 50 new businesses to the region in the next 3 years to meet growing demand across the country and upskill 3,000 people in the Creative Sector in the next 3 years with a focus on levelling up the workforce.
- Create a world-class innovation hub (StudioUK) to enable a digital technology first approach for recovery of the UK's media production sector.
- Position the area for the potential development of the Birmingham Museum of Science and Industry, which will attract 2 million visitors and bring £30m to the local economy.



Reinvigorating the cultural sector through the Cultural Catalyst Programme

- £80m
- **Summary:** Provide critical support to the cultural sector to adapt business models and accelerate digitisation in response to COVID-19 and reopen at pace. This includes £50m for 'shovel ready' capital projects for arts and cultural venues in the region from Sandwell's Festival Site & Country Park to Stratford's Swan Theatre. This will reposition the region as a global destination and innovative leader in cultural offers and creative practice. This will transform the life chances and business potential of our young and diverse population, ensuring that the benefits are felt widely across the region.

- **Benefits:**

- Create and safeguard 3,000 jobs in the creative and cultural sector.
- Launch over 200 businesses.
- Support the cultural industries to quickly adapt to a post COVID-19 environment by improving its long-term financial resilience.
- Help the region to realise the £1.3bn economic benefit arising from the Birmingham Commonwealth Games and Coventry City of Culture.



Invest in healthcare innovation

Developing data-driven health and life sciences are a priority in the West Midlands Local Industrial Strategy. Following the advent of COVID-19 and its impact on the region, this package provides targeted support for high-growth sectors to address the productivity gap, improve health outcomes and reduce regional health inequalities. It also supports the Government's ambition to increase R&D intensity in areas with high potential for future growth by driving the development of an internationally recognised health technologies cluster which makes the most of the region's young, diverse population of over 4.2 million and a multi-disciplinary academic and clinical base, supported by major co-investments in infrastructure for health innovation. Our proposals will unlock 3,200 jobs with investment of £137m. The proposed interventions involve:



Developing the Birmingham Life Sciences Park into a substantial cluster of high-tech healthcare innovation

- **£60m** ✓
- **Summary:** Initial public investment of £60m to enable a business and incubation hub (the Precision Health Technologies Accelerator (PHTA)). This will provide the critical advanced facilities and infrastructure for co-creation, incubation and grow-on space dedicated to health technology businesses. As one of the Government's Life Science Opportunity Zones, the Park will provide a focal point for a regional health technologies cluster and immediately leverage significant inward investment and key regional strengths in medtech, digital health and clinical trials. This will enable the region to develop new technologies, tackle regional health inequalities, and provide vital infrastructure for sustainable business growth and productivity.

- **Benefits:**
 - Increase GVA by £400m.
 - Safeguard or create 1,600 jobs.
 - Engage with 500 companies in innovation.
 - Raise R&D industry investment by up to £100m.
 - Immediately leverage £45m of private sector capital investment and catalyse future private investment of £200m for >700,000 sq ft of space for new healthtech businesses over the next 7 years.
 - Provide infrastructure for long-term growth and inwards investment to rapidly develop innovative health technologies and scale for global markets.



Pivoting and scaling new health market entrants with ReSCue (Resilience in Supply Chains for Med Tech Manufacturing)



- **£54m**
- **Summary:** The COVID-19 crisis has highlighted major challenges concerning medical equipment supplies, supply chain issues and the need for more rapid innovation and regional resilience. Furthermore, major job losses are predicted in traditional manufacturing sectors so there is an urgent need for sector diversification. The West Midlands proposes investment to rapidly pivot, create and scale health market entrants through an integrated cluster. This will provide businesses with access to a portfolio of technical assistance, infrastructure and training through tailored packages developed through a network of business support personnel. With the UK's second largest med tech SME cluster, the West Midlands is ideally placed to respond to challenges in its capability to create basic supplies and novel technologies.

- **Benefits:**

- Increase GVA by £79m over 4 years
- Create 1,470 jobs (350 direct, 870 indirect, 250 regionally safeguarded).
- Enable our companies to exploit the opportunities in health afforded by COVID-19 and improve supply chain resilience.
- Respond to new markets, regulation, supply chains and procurement.
- Adapt through the integration of new technologies (e.g. digital) and innovations from outside the sector (e.g. manufacturing, advanced materials).



Creating Grand Central Diagnostics Hub at Birmingham New Street station



- **£13m**
- **Summary:** The West Midlands proposes to embed diagnostic and treatment services throughout the community and redefine care pathways to improve accessibility of screening and reach patients in communities that are harder to reach. Our region faces significant health inequalities and there is a need to provide quicker access to diagnosis and treatment to those with life-threatening conditions to ensure they can remain in employment as long as possible. There will be a number of centres across the region, starting with Grand Central Station and the retail complex. This presents a significant opportunity for the West Midlands, given it has the biggest tech sector outside London employing over 80,000 people across 13,500 tech businesses with a contribution of £5.4bn to the local economy.

• Benefits:

- Alleviate pressure on the health system by reducing unnecessary visits to hospital and remove costs from the NHS.
- Immediate action to reduce backlog of screening appointments.
- Earlier diagnosis and treatment for cancer screening.
- Support a healthy and engaged West Midlands workforce to control their own care.
- Improving the health of the workforce and reduced work absence.
- Lower carbon footprint from lower unnecessary journeys.

Reducing health inequality through the Radical Health Prevention Fund



- **£10m**
- **Summary:** Recyclable investment to target key drivers of health inequality, enabling a healthier workforce and more engaged citizens. Investments will support cutting edge advances in digital and data-driven health in the West Midlands and leverage private investment to accelerate innovation to address the wider determinants of health.

• Benefits:

- Create 160 jobs.
- Engage with 80 companies in innovation.
- Help 30 innovations move from discovery to delivery.
- Narrow the gap in health inequality outcomes (e.g. obesity, diabetes and improve access to service for BAME communities).





Build better digital and transport links

To support recovery, our package of digital and transport investments is designed to enhance our fibre and 5G infrastructure and accelerate development of the West Midlands public transport system - linked to the locally led HS2 Growth Strategy - Public transport is a vital public service, ensuring the mobility of key workers and providing resilience for our urban areas during this crisis. Our schemes will provide our network with the capacity it needs to support growth and a green recovery. Better connectivity will also improve people's access to job opportunities and raise productivity across the region. Our proposals will unlock 4,200 jobs years in construction with an investment of £376m.

We propose the following investments in digital and transport infrastructure

Providing incentives to extend the fibre network

- £16m
- **Summary:** Investment to stimulate private sector investment which accelerates the delivery of full fibre connectivity in less well-off parts of the West Midlands by utilising anchor tenancy models with local authorities.
- **Benefits:**
 - 483km of new fibre infrastructure leading to around 350,000 more homes and businesses in the West Midlands benefiting from full fibre and super-fast 5G mobile coverage.
 - Productivity benefits across local authorities and schools are estimated at around £50m.
 - Wider productivity boosts are estimated to be £200-290m over a seven year period. 5G will improve regional productivity and according to Barclays, is expected to boost the Midlands economy by £1.9bn of business revenue per annum by 2025.

Maximising the impact of the 5G application accelerator project with a digital innovation fund

- £28m
- **Summary:** To capitalise on the West Midlands' position as the UK's first large-scale, multi-city 5G test bed by establishing a digital innovation fund to support SMEs using the accelerator hubs in Birmingham, Coventry and Wolverhampton.
- **Benefits:**
 - Support digital companies facing significant equity gaps, particularly those at R&D stages.
 - Engage with 2,000 organisations in the next 5 years including 128 SMEs who will be product testing by March 2022.

Improving connectivity across the region by extending the Metro

- £101m
- **Summary:** Contribution to the cost of accelerating the East-West Metro extension from Wednesbury to Brierley Hill and the Eastside extension linking to East Birmingham to North Solihull from the HS2 station at Curzon Street.
- **Benefits:**
 - Support regeneration in areas of need through improved connectivity (e.g. with HS2) and reduced congestion.
 - Transform transit links alongside new high quality/high density housing.
 - Support inclusive growth.
 - Encourage modal shift from private car.
 - Deliver local environmental and safety benefits.
 - Estimated overall scheme Benefit:Cost ratios are between 2.0 and 3.0.





Providing attractive bus services through Sprint



- £61m
- **Summary:** Development of the Sprint network linking strategic centres and local communities to key areas of growth based on a bus rapid transit system (as an alternative to cars); the focus is on the A34 route between Walsall and Birmingham, and the A45 between Birmingham and Solihull.
- **Benefits:**
 - Improve journey times and reliability from the Black Country, through Birmingham City Centre, to Solihull and the Airport.
 - Increase the proportion of West Midlands residents able to access three or more strategic centres within 45 minutes by public transport.
 - Stimulate modal shift from car to Sprint and other public transport.
 - Improve access to the strategic cycle network.
 - Environmental benefits from the use of zero emission vehicles and reduction in car trips.
 - Estimated overall scheme Benefit:Cost ratio is 3.0.

Upgrading rail services

- £84m
- **Summary:** Investment in the West Midlands Rail Programme, including upgrading University and Perry Barr stations and delivering a step change in rail access, in part by bringing back closed lines and stations at Willenhall, Darlaston, Moseley, Kings Heath and Hazelwell.
- **Benefits:**
 - Provide improved access to the University of Birmingham, UHB and new Life Sciences Park.
 - Remediate land.
 - Increase passenger flow.
 - Reduce congestion on key route network.
 - Provide access to the Darlaston Enterprise Zone and help to unlock 8,000 new homes.
 - Estimated overall scheme Benefit:Cost ratios are between 2.3 and 9.7.

Enhancing local connectivity



- £86m
- **Summary:** Acceleration of various other projects to enhance local connectivity, including improvements to Dudley Interchange and the major roads network at Birchley Island and the A454 from Wolverhampton to Walsall.
- **Benefits:**
 - Remove barriers to growth, job creation and economic development by improving accessibility.
 - Reduce traffic related delays.
 - Improve safety.
 - Improve walking/cycling facilities.
 - Enhance public realm.
 - Increase capacity and passenger numbers.
 - Reduce exposure to harmful emissions.
 - Reduce severance.
 - Estimated overall scheme Benefit: Cost ratios are between 1.8 and 3.3.

Regenerate brownfield sites and build new homes

In recent years, the urban renaissance in the West Midlands has seen major investment in key infrastructure such as HS2, a national reputation for brownfield regeneration and bold new policymaking (eg affordable housing and AMC). The region has achieved a record increase nationally in the number of new homes delivered each year and has exceeded its targets agreed with the Government in the Housing Deal of 2018.

Our comprehensive recovery proposals are aimed at tackling both the immediate issues of unlocking stalled and difficult to deliver sites, alongside fundamental investments to provide the affordable homes, urban regeneration, inclusive growth and supporting infrastructure required post-pandemic. To achieve this, we will be accelerating a targeted investment of £674m to bring forward 35,000 additional new homes – of which over 20,000 are affordable. These will reinforce market confidence in the region as the place to invest and develop as we push ahead with our ambitious inclusive growth agenda to lead the nation's recovery. Our proposals involve:



Unlocking new housing and employment opportunities through the Urban Transformation Fund

- £200m ✓
- **Summary:** The West Midlands will use this fund to enable rapid expansion of its brownfield regeneration programmes and to bring forward its pipeline of brownfield sites. The initial focus will be on development projects which can start on site within the next 6-12 months, showing immediate visible impact of recovery. Rapid decision making will de-risk projects and provide greater certainty to the market.
- **Benefits:**
 - Leverage further investment of up to £800m and increased market confidence.
 - Delivery of at least 15,000 new homes on urban brownfield sites.
 - Support 11,720 job years in construction in the short-term.

Delivering additional affordable housing through a new Regional Affordable Housing Fund

- £400m ✓
- **Summary:** The West Midlands proposes a new affordable housing fund to enable a step change in affordable housing supply across the region that will meet the housing needs of residents and support economic recovery. This builds on the West Midlands' detailed understanding of the affordable housing challenges facing our region and track record of deploying devolved housing funds to tackle worsening affordability. A key part of this programme will be to establish a landmark £50m "Homes for Covid Heroes" programme delivering new homes for essential workers who have kept the country safe and supplied during the pandemic.

- **Benefits:**

- Delivery of 20,000 additional affordable homes above and beyond those already assigned and planned for.
- Support 23,400 job years in construction in the short-term.



Making the West Midlands a national centre of excellence for brownfield regeneration, including through establishing a new National Brownfield Institute in Wolverhampton

- £24m ✓
- **Summary:** The development of a new National Brownfield Institute (NBI) to create a world-class brownfield regeneration industry cluster through multi-sector partnerships, based at the University of Wolverhampton. Funding is required to support capital investment and operating expenditure for three years to create the NBI, before external income enables it to become self-sustaining.
- **Benefits:**
 - Accelerated remediation and development of brownfield sites, especially across the West Midlands.
 - Better and quicker access to relevant high-quality data and research.
 - Greater collaborative research and development, leading to increased use of new technologies enabling brownfield development.
- Creation of 250 job years in construction of the NBI in the short-term, with a multiplier effect throughout other related sectors over time.



Supporting the development and deployment of Advanced Manufacturing in Construction (AMC) through a new Regional AMC Accelerator Fund

£50m



- **Summary:** we propose a £50m enabling fund to accelerate the development and the use of Advanced Manufacturing in Construction techniques across the West Midlands. This fund will support the delivery of the land, skills, factories and technology that are needed to enable our AMC industry to grow and thrive. Our ambition is for the West Midlands to be the national and international epicentre of AMC – building from our unique manufacturing heritage and track record of housing and employment delivery. We are committed to transforming the way we build homes in the region and beyond, shifting the focus to precision manufacturing, mass production and customisation and ensuring high quality jobs and private sector investment flow from that.

- **Benefits:**

- Strategic investment in the land, technology, skills and facilities needed for 21st century innovation in homebuilding and construction.
- A new generation of built environment experts and a new pipeline of construction skills and careers opportunities focused on enhanced digital and manufacturing expertise.
- Development of new skills and employment delivery, specifically high-level digital and manufacturing skills.
- Local materials processing, manufacturing and consolidation processes, limiting import reliance.





Get people back into work

As home to a young and ethnically diverse population, our region has been disproportionately exposed to the negative jobs impacts of the economic crisis. There is a risk that without urgent intervention, young people and new graduates are at risk of entering the labour market during a severe downturn, exposing them to the risk of unemployment and longer-term scarring effects. Similarly, many older workers, including those in the automotive and manufacturing sector have lost their jobs or have been furloughed. Our skills packages will support 154,400 young people and workers who are vulnerable to unemployment through apprenticeships and retraining schemes to return them to work quickly, equipping them with the skills needed for the future, and tracking them to engage them in the labour market, through an investment of £550m over three years. Our proposals are tailored to the specific needs of our young people and workers, and complement vital national-level policy measures to avoid mass unemployment. Our proposals involve:



Supporting young people with training and getting into jobs



- £272m
- **Summary:** £167m to redeploy existing Education and Skills Funding Agency (EFSA) and apprenticeship levy funding to provide apprenticeship wage subsidies and providing traineeships and work-related experience. £105m funding over three years to provide training opportunities in higher level 3-5 courses for young people who might otherwise be unemployed, enhance tracking schemes and provide additional tuition for young people whose learning has been disrupted by COVID. This is particularly crucial in a region where the NEET rate is already higher than the national average, and is likely to rise further during this crisis.

• Benefits:

- 38,400 young people to benefit from apprenticeship wage subsidies and traineeships over three years.
- 45,000 vulnerable young people to benefit from tracking schemes and remain engaged with the labour market.
- 9,000 young people to benefit from funding for additional learning in 2020/21, and 18,000 to benefit from higher level 3-5 courses in priority skill areas over 3 years.

Getting the West Midlands back into work through retraining



- £33m
- **Summary:** Boost to the adult education budget in 2020/21 to support furloughed and unemployed workers by offering opportunities to retrain into jobs in in-demand sectors that are recruiting in the region, such as health and social care, logistics, and business services, including developing a health and social care innovation hub in Sandwell. This will be complemented by boosting regional capacity to support job brokerage activity and better target effective employment support, including making the most of the job and training opportunities created by the Commonwealth Games. Getting people back into work quickly is especially critical in the West Midlands given that nearly 27% of workers in the region have been furloughed.



- Benefits:

- 20,000 workers to benefit from retraining, enter new jobs and continue to support their families.
- Improved effectiveness of job brokerage activity across the region, including maximising the job and training opportunities created through CWG.

Upskilling our workforce for jobs of the future

- £245m
- **Summary:** Our £60m Future Skills Future Jobs programme will deliver higher level 4-5 courses to support adults to develop skills to increase employability in future growth sectors, particularly in green growth and electrification, 5G and digital, health and life sciences, advanced manufacturing and construction etc. We are well-placed to deliver this, having already successfully delivered National Retraining schemes in digital and construction. In addition, we propose £185m capital funding to develop the technical facilities in FE Colleges needed to support retraining and the roll out of T-levels. This includes plans to deliver the transformative City Learning Quarter (CLQ) in Wolverhampton, which will bring together the City of Wolverhampton college, Adult education Service and city centre library, upskilling and connecting communities to jobs into high-growth sectors of the future.

- Benefits:

- 24,000 adults (8,000 a year) to benefit from skills programmes that enable them to move into high-skilled jobs.
- The capital investment in FE colleges will result in an immediate short-term creation of 600 construction jobs, but in the long-term will result in an increase in capacity of FE colleges to deliver new courses and T-levels in engineering and manufacturing, digital technologies and health and life sciences.
- CLQ will help safeguard and create 2,300 jobs.

Back our region's businesses

The region is home to thousands of SMEs, many of which form part of critical automotive and manufacturing supply chains that have been impacted by the crisis. Targeted regional support will help industries whose demand for products has been most severely impacted in the short-term, but whose capability is critical to the long term success of the West Midlands' economy. Our proposals will also help turbo-charge business growth, exports, and innovation in the West Midlands by bringing the best of our region's combined expertise in the growth sectors of the future, safeguarding or creating 43,900 jobs through an investment of £532m. Our proposals involve:



Quickly re-deploying industrial engineering and research talent to develop globally competitive applied technologies, in an ambitious 'Speed to Scale' programme

- £382m
- **Summary:** A huge programme of putting experienced industrial engineers and technicians to work on inventing and creating new globally competitive products and services in high-potential industry sub-sectors. Funding existing applied technology teams in universities and industry, with this new influx of talent, the programme will:
 - Provide facilities and equipment for project team working, rapid design and prototyping.
 - Finance development of new disruptive technologies with great flexibility for engineers and researchers to try new things with little red tape.
 - Focused on heat and energy, medical technology, mobility services and telco connectivity and security.

- Help SMEs with financing and expertise to switch to manufacturing these new products, by providing expertise and financing.
- Co-ordinate the joint working and staffing between manufacturers, researchers and the programme.
- **Benefits:**
 - Achieve GVA impact of £2.0bn and create 18,100 jobs.
 - Develop applied industrial technologies which will set up UK businesses to compete globally in 3-5 years and beyond.

Investing in Advanced Manufacturing Excellence Programme (Restart, Reposition, Transform)

- 60m
- **Summary:** Programme to preserve our SME manufacturing base, help them adapt their supply chains to become more resilient, and to enable them to pivot to in-demand sectors. This customised support programme will leverage Made Smarter Adoption support structures, adapt learnings from the Made Smarter North West pilot and blend local knowledge and data from the West Midlands Business schools and our High Value Manufacturing Catapult Centres. We will provide leadership, technology, business and voucher support with an easy to navigate one stop shop front end provided by our growth hubs. In the West Midlands we cherish our manufacturing heritage and DNA and believe that every manufacturing business deserves the opportunity to survive and grow. We will make it easy for them to access the right support for them at their stage in the journey towards digitalised manufacturing, diversification and servitisation.



- **Benefits:**

- Support 13,200 manufacturing SMEs to improve their productivity, leadership, profitability, resilience, reduce their energy use and lower their carbon footprint, and start and accelerate their journey towards the digitalised and servitised manufacturing future.
- Create or safeguard 19,800 jobs.

Creating SME Recovery Programme (Pivot to Prosper and Productivity Factory)

- £90m

- **Summary:** A grant to support businesses pivot and adapt their business models to deliver transformation and a voucher scheme enabling businesses access professional services advice, and providing dedicated support through coaching, training and peer-to-peer mentoring schemes to support businesses to diversify business models, adopt new technology, and boost productivity. This is complemented by a comprehensive trade support programme that will prepare businesses to export post-Brexit and a longer-term training

programme offering tailored trade support and advice to help businesses trade out of the downturn.

- **Benefits:**

- Boost business turnover through new products and processes, with 12,700 businesses benefiting from the support schemes.
- Create 6,000 jobs.
- Contributing to achieving the government's ambition to raise the value of exports from 30% to 35% of GDP.
- Boosting business investment, exports and productivity over the longer-term, contributing to positive spillover effects throughout the supply chain and positioning the UK as an innovation leader.

Enterprise Investment Growth Fund

- **Summary:** Work intensively with the Government to co-develop a large-scale equity fund, drawing on experience of focused equity funds. This will address the twin challenges of recapitalising viable firms that have been severely impacted in the short-term, ensuring they do not become overburdened with debt, hindering future investment and growth. Second, it will provide equity injections to high-growth potential firms linked to high quality wrap-around advice.

- **Benefits:**

- Amplifies private sector investment in high-growth sectors.
- Strengthens balance sheets so firms are positioned to invest and power economic recovery.
- Accelerates and amplifies regional growth by linking large-scale equity investment to wrap-around public and private business support.



Coventry & Warwickshire
Local Enterprise Partnership



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Ministry of Housing, Communities & Local Government

Rt Hon Robert Jenrick MP
Secretary of State for Housing, Communities
and Local Government

Ministry of Housing, Communities and Local Government

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Tim Pile
Chair, Greater Birmingham & Solihull LEP

Tom Westley
Chair, Black Country LEP

1 July 2020

Dear Andy, Nick, Tim, Tom,

Getting Building Fund: Local infrastructure projects to drive economic growth

Yesterday the Prime Minister set out the government's 'New Deal', delivering jobs, skills and infrastructure for Britain. As part of that announcement the Prime Minister announced the government will be making £900m available through the new Getting Building Fund investing in local infrastructure projects to drive economic growth.

I am pleased to confirm that the West Midlands Combined Authority area will receive up to £66m. Warwickshire will separately receive up to £8.1m. The allocations are based on population and Covid-19 exposure and resilience. No funding relating to overlapping geographies is included in this allocation.

On 10 June I wrote to you asking you to put forward proposals for "shovel ready" projects that could be delivered within the next 18 months. I was pleased to see such a significant number of innovative and deliverable projects come forward. These projects will now be the basis of a negotiation with my department, taking into account the fit with the criteria in my letter around deliverability, and strategic fit with the priority objectives outlined.

On 3 June, the Minister for Regional Growth and Local Government Simon Clarke MP wrote to all Mayors, making clear our expectation that Mayors will lead economic recovery planning in their regions, collaborating closely with Local Enterprise Partnerships (LEP) and other local partners. I would therefore like the West Midlands

Mayor to lead and coordinate a discussion with the Combined Authority Board and the three LEP Chairs to agree a single prioritised list of projects to be funded from the WMCA allocation. As Warwickshire is not a constituent of the Combined Authority the Coventry and Warwickshire LEP will need to prepare a prioritised list for that area.

My officials from the Cities and Local Growth Unit will be in touch in the coming days but I would like these discussions to be concluded by 17 July, with a final suite of projects agreed with Government, and locally within your MCA and LEPs.



A handwritten signature in black ink, appearing to read "Robert Jenrick". A horizontal line is drawn underneath the signature.

RT HON ROBERT JENRICK MP

SECRETARY OF STATE FOR HOUSING, COMMUNITIES AND LOCAL GOVERNMENT



WMCA Board

Date	24 July 2020
Report title	Financial Monitoring Report 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 7552
Accountable Employee	Linda Horne, Director of Finance email: linda.horne@wmca.org.uk tel: (0121) 214 7508
This report has been considered by	Senior Leadership Team - 8 July 2020 West Midlands Finance Directors - 16 July 2020 Programme Board

Recommendation(s) for action or decision:

WMCA Board is recommended to:

- (1) Note the financial outturn position as at the end of May 2020.
- (2) Note the latest high-level forecast for 2020/21, incorporating the estimated impact of COVID-19.
- (3) Note the key actions to mitigate the impact of COVID-19 in 2020/21 and bring the forecast position back within budget by September 2020, as set out in paragraph 7.8.
- (4) Note the updated Medium-Term Financial Planning position for the period 2021/22 to 2025/26.
- (5) Note the key actions to mitigate the Medium-Term position, as set out in paragraph 8.10.
- (6) Note the potential impact on the availability of capital resources to fund the existing approved Transport Capital programme as set out in paragraph 11.1.

1.0 Purpose

- 1.1 To provide an update on West Midlands Combined Authority finances as at the end of May 2020 and an assessment of the financial impact of COVID-19 on West Midlands Combined Authority's finances in the 2020/21 financial year.
- 1.2 To note urgent actions being undertaken by WMCA to mitigate the financial impact of COVID-19 in 2020/21.
- 1.3 The report also provides an update on the impact of Covid-19 on the latest Medium-Term Financial Plan which was noted by West Midlands Combined Authority Board on 14 February 2020 along with proposed actions to mitigate the medium-term position.

2.0 Background - Financial Monitoring Year to 31 May 2020

- 2.1 A summary of both the revenue and capital spend against the approved budget are attached as appendices 1-5. A summary of the Investment Programme along with current commitments is included in appendices 6 and 7.
- 2.2 Appendix 1 shows the overall consolidated revenue position for the West Midlands Combined Authority. The overall year to date position at the end of May shows a £0.155m adverse variance from budget. This consists of an adverse variance within the Transport budget of £0.132m largely due to the impact of COVID-19, driving lower advertising revenue and departure charge income.
- 2.3 There is additional adverse variance of £0.023m within the Delivery budget as a result of lower investment income received reflecting the reduction in the bank base rate as a result of the current economic climate.

3.0 Transport

- 3.1 Appendix 2 sets out the position on the Transport revenue budget as at the end of May 2020, showing an adverse variance of £0.132m from budget.
- 3.2 This adverse variance is primarily as a result of the Covid-19 lockdown driving lower transport related income than anticipated in the budget.
- 3.3 The reduction in income is partly offset by savings against the normal level of operational costs alongside an additional government grant towards the costs of Subsidised Bus and staffing variations, particularly within RTCC.

4.0 West Midlands Combined Authority Delivery Budget

- 4.1 Appendix 3 sets out the position on the West Midlands Combined Authority Delivery Budget as at the end of May 2020, showing an adverse variance of £0.023m from budget.
- 4.2 The adverse variance is primarily as a result of reduced investment income receipts as a result of a reduction in the bank base rate in the current economic climate.
- 4.3 This adverse variance is partly offset by savings across the majority of the portfolios as expenditure related to the delivery of activity programmes has been rescheduled to later in the year as a result of the impact of Covid-19.

5.0 Mayoral Office

5.1 The Mayoral Office is in line with budget.

6.0 Financial and Economic Context

- 6.1 The global impact of COVID-19 has been seismic, with the UK facing its biggest challenge since the end of the Second World War. The pandemic has led to an unprecedented impact on West Midlands Combined Authority's financial position in 2020/21 and beyond.
- 6.2 West Midlands Combined Authority has a crucial role to play in responding to the challenges presented by COVID-19, alongside public sector partners in the West Midlands region. Not only has the pandemic had an immediate impact on the health and wellbeing of our citizens in the region, but it has also had a profound impact on the economy of the region and the financial sustainability of local businesses and public sector bodies.
- 6.3 This report therefore also seeks to build up a picture of the impact on West Midlands Combined Authority's finances in 2020/21 and beyond; looking at the immediate cost of responding to the crisis; the longer term costs of supporting the region as it moves into recovery phase and the significant loss of revenue streams which would have otherwise helped to sustain local delivery of essential core services.
- 6.4 It examines the profound financial impact alongside the critical role that local government has played in managing the crisis and crucially, the unique role West Midlands Combined Authority and Transport for West Midlands will play in delivering an effective and sustainable recovery.
- 6.5 The unprecedented financial impact is also set against the backdrop of a number of years of austerity which followed the worldwide economic downturn in 2008. The financial impact after the long period of austerity will, without further funding and other flexibilities, leave the sector facing huge financial challenges.
- 6.6 Further, significant uncertainties remain around the deferral of proposed reforms to the Business Rates Retention system and the timing of the Fairer Funding Review, adversely impacting the sector's ability to forecast the potential financial impacts of these reforms with any degree of accuracy.
- 6.7 In response to the crisis, the Ministry of Housing, Communities and Local Government (MHCLG) has committed three tranches of additional funding totalling around £3.7 billion for local authorities across England to help authorities respond to coronavirus, to ensure financial sustainability for the future.
- 6.8 However, Mayoral Combined Authorities were not able to access these tranches of funding and at the time of writing, clarity is urgently being sought on the element of the third; the recently announced support package which could potentially mean that all relevant revenue losses, over and above the first 5% of planned income from sales, fees and charges, will be compensated for at a rate of 75p in every pound. An update will be provided should MHCLG confirm either way MCA ability to access this option.

- 6.9 The government had also indicated it may consider further technical measures that may help alleviate the adverse financial position, including allowing the potential capitalisation of unfunded COVID-19 deficits, although this approach clearly relies on the availability of equally scarce capital resources. West Midlands Combined Authority has already stretched its scarce capital resources to accommodate its ambitious capital spending plans and a funding gap already exists within the Transport Capital Programme as set out in paragraph 11.1, therefore the impact of any new technical measures allowing COVID-19 deficits to be funded from capital resources is anticipated to be negligible. Officers will continue to lobby for further government support over the coming days, weeks and months.
- 6.10 Some of the largest UK local authorities have said they may have to issue a Section 114 notice, unless the government agrees to provide further support. Section 114 notices are issued in England when an authority cannot achieve a balanced budget. Further details are set out in the following paragraphs.

Section 114 Notice

- 6.11 Section 114 of the Local Government Finance Act 1988 sets out the obligations of the Authority's statutory Section 151 Officer (the Finance Director) when an authority cannot achieve a balanced budget. If spending is likely to exceed available resources, the Finance Director must issue a notice under Section 114 of the Local Government Finance Act 1988 which would effectively lead to a freeze on spending.
- 6.12 Concerns have been raised across the sector in recent weeks indicating that some local authorities will find themselves having to issue a Section 114 Notice as a consequence of COVID-19.
- 6.13 The Chartered Institute of Public Finance and Accountancy (CIPFA) has issued modified guidance to allow authorities under budgetary pressure due to COVID-19 the time and space to explore alternatives to freezing spending via a Section 114 notice.
- 6.14 The guidance also acknowledges these are unprecedented circumstances and the usual mitigating actions required to balance an authority's budget following the issuing of a section 114 notice would damage the coronavirus response required by Government from local authorities.
- 6.15 The temporary modifications to guidance proposed by CIPFA would mean that it should not normally be necessary for Section 114 notices to be issued while informal discussions with government are in progress.
- 6.16 The institute is proposing two specific modifications:
- At the earliest possible stage, a Chief Finance Officer should make informal confidential contact with MHCLG to advise of financial concerns and a possible forthcoming S.114 requirement.
 - The Chief Finance Officer should communicate the potential unbalanced budget position due to COVID-19 to MHCLG at the same time as providing a potential S.114 scenario report to the WMCA Board and the external auditor.
- 6.17 Whilst the position set out in this report presents an extremely serious challenge, due to the mitigating actions proposed in sections 7 and 8, it is the view of the Finance Director that a Section 114 notice is not required at the current time although this will be kept under constant review.

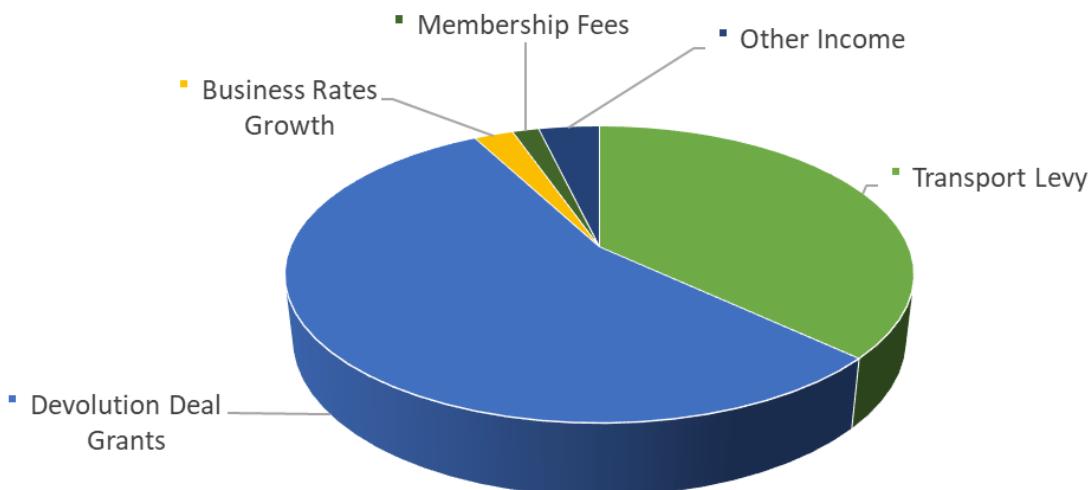
- 6.18 Local Authorities were also asked, in their COVID-19 cost returns to MHCLG, to estimate the amount of reserves available to support the financial pressures faced in 2020/21. West Midlands Combined Authority's response to meeting the serious challenges in its budgetary position will inevitably include the limited use of earmarked reserves and identifying efficiency savings in year, however, these limited resources can only be used once as a short-term solution, and do not therefore represent a sustainable funding solution.
- 6.19 Further, the General Fund balance not earmarked for specific purposes is lower than recommended and will not offer a sustainable solution.
- 6.20 It is important to note that as a result of the anticipated level of cash balances, issues with liquidity are not anticipated in the medium-term. Cash balances are projected to be low in the medium-term as the need to borrow means surplus cash will be used to minimise the cost of borrowing. Investment income from grants received will be used to support the Delivery budget to ensure no cross-subsidy of the Investment Programme. Following the pandemic, investments are secure and therefore the low risk appetite leads to lower investment income returns.
- 6.21 West Midlands Combined Authority's existing revenue funding sources are set out in the following table as further background:

Table 1: WMCA Revenue Budget Funding Sources 2020/21

	£m	%
Transport Levy	114.7	36.9
Devolution Deal Grants	171.9	55.3
Business Rates Growth	7.5	2.4
Membership Fees	5.1	1.6
Other Income	11.6	3.7
Sub Total	310.8	100.0

- 6.22 As can be seen in the table above, West Midlands Combined Authority's 2020/21 net revenue budget is primarily funded via the transport levy (36.9%) and devolution deal grants (55.3%), supplemented by business rates growth (2.4%), membership fees (1.6%) and other miscellaneous income (3.7%).

Figure 1: WMCA Revenue Budget Funding Sources 2020/21



- 6.23 Set against this background of limited sustainable funding sources and the ever shifting financial and economic context as a result of the crisis, it has been extremely challenging to forecast the forward financial position with any degree of confidence. The position will clearly change as the full extent of the crisis emerges over the coming months and will be kept under constant review.

7.0 2020/21 Forecast

- 7.1 The first detailed re-forecast of the year will take place during July 2020; early indications are that there will be an adverse movement of around £11.1m when compared with the revenue budget for 2020/21, primarily driven by transport related income drops as a consequence of COVID-19 and the restrictions introduced to limit the spread of the virus.
- 7.2 It is important to note that at this stage, assumptions around additional costs and lost revenue streams do not reflect a second wave or any renewal of restrictions because of increased COVID-19 cases or an increased R number.
- 7.3 It is also important to note that given the inherent uncertainty around the significant number of constantly changing assumptions that underly the latest forecast position for 2020/21, the forecast clearly only represents a best estimate at this point in time. The underlying assumptions are changing on a daily basis, leading to movements in the forecast position and will therefore be kept under constant review.
- 7.4 Table 2 therefore sets out the **best assessment at this point in time**, of the forecast impact on WMCA's financial position in 2020/21 including the specific impact of Covid-19:

Table 2: Estimated in Year Variations to Full Year Budget 2020/21

	2020/21 (£m)		
	Non-Covid	Covid	Total
Metro Life Cycle Costs	-2.2		
Concessions	1.6		
Child Concessions	1.0		
RTCC Contingency	0.4		
Departure Charges	-0.2		
Advertising Revenue		-2.0	
Investment in Bus Shelters		-0.2	
Subsidised Bus		-1.1	
Metro		-4.4	
Departure Charges		-0.6	
Swift		-0.5	
Ticketing		-0.4	
TOTAL TRANSPORT	0.6	-9.2	-8.6
Commercial Investment Income	-0.7		
Investment Income		-0.5	
Industrial Strategy		-0.4	
Office of Data Analytics		-0.3	
Culture & Digital		-0.1	
TOTAL DELIVERY	-0.7	-1.3	-2.0
Comms	-0.1		
HR&OD	-0.2		
Strategic Hub		-0.2	
TOTAL SHARED SERVICES	-0.3	-0.2	-0.5
GRAND TOTAL	-0.4	-10.7	-11.1

- 7.5 The Department for Transport (DfT) has confirmed short-term funding for Metro in the form of Light Rail Restart Grant, intended to provide financial support to enable services to continue whilst needing to implement social distancing measures. The grant which is based on estimated service levels and ramp up profiles is currently subject to further confirmation but is estimated to provide £3.7 million worth of support for Metro for the period up to 3 August 2020. The profound impact on Metro in 2020/21 is shown net of DfT grant in the table.
- 7.6 Given the current environment and the need to ease restrictions in a cautious and planned manner, the forecast anticipates that income will continue to be impacted for some months, albeit at a gradually lower level. The reintroduction of Bus Station Departure Charges and the gradual resumption of social and business activities will start to generate income although the scale will depend on how quickly normal activity resumes.
- 7.7 It is essential that further government funding for MCA's is forthcoming over the amount compensated to 3 Aug for Metro operations. The anticipated adverse financial impact in 2020/21 will be difficult to accommodate within existing available resources without further government support given limited flexibilities in the sources of funding available to the Authority in the form of ring-fenced grants and our local authority funders own financial positions.
- 7.8 The following urgent mitigating actions are now being implemented with immediate effect, to bring the forecast position back within the 2020/21 budget as quickly as possible and by the Combined Authority Board meeting in September 2020 at the latest:

In the context of the WMCA Business Transformation Programme:

- 1. Review staffing and recruitment activity.**
- 2. Conducting a detailed review of all discretionary spending to generate in-year savings led by the Productivity and Efficiencies Board.**
- 3. Reviewing and reprioritising balance sheet reserves and provisions to re-purpose or release one-off resources to support the in-year position.**

- 7.9 Potential flexibilities being considered by the government, aimed at capitalising the revenue impacts of the crisis are not currently recommended owing to the existing pressures on the Capital programme as set out in section 11.
- 7.10 At the end of 2019/20, an earmarked reserve of £1.2m was created from in year savings to help in mitigating the impact of COVID-19 on the Transport Portfolio position in 2020/21 and £0.1m for the wider Combined Authority as set in the Financial Outturn Report that was considered by West Midlands Combined Authority Board on 5 June 2020.
- 7.11 The proposed solution therefore fully utilises this one-off COVID-19 reserve to partially mitigate the forecast deficit in 2020/21, but as a one-off reserve contribution, this does not represent a sustainable solution for resolving future years deficits.
- 7.12 Should any further government support be forthcoming in the meantime; this will be taken into account, effectively reducing the forecast savings requirement.
- 7.13 As previously stated, the assumptions underlying the estimated forecast position are changing on a daily basis, leading to continuous movements in the forecast position and will therefore be kept under constant review. This coupled with the uncertainty in regard to any government support makes the position almost impossible to predict with any level of confidence.
- 7.14 A further update reflecting the detailed reforecast exercise which is currently being completed and the financial impacts of the urgent mitigating actions set out above to bring the forecast back within the 2020/21 budget will be provided in September's Financial Monitoring Report to the Board. The report will also include an up to date position on the availability of further central government support measures, which remain uncertain at this time.

8.0 Medium Term Financial Plan Update

- 8.1 The wide-ranging impacts of the national and local response to the pandemic affect many of the assumptions underlying the current Medium-Term Financial Plan (MTFP). At this stage it is clear that the MTFP will need to be continuously reviewed and reset but this will be an iterative process as further information emerges.
- 8.2 The following table sets out the base MTFP position as noted by West Midlands Combined Authority Board on 14 February 2020:

Table 3: WMCA Medium Term Financial Plan 2020/21 to 2024/25

	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £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

- 8.3 A preliminary high-level exercise to update the Medium-Term Financial Plan position has been carried out to establish a refreshed medium-term position with the aim of identifying emerging pressures and opportunities in respect of COVID-19 at the earliest opportunity, although the position will clearly need to be kept under constant review.
- 8.4 This base position has now been updated to reflect the latest available information including the profound impact of COVID-19 and is set out in the following table:

Table 4: WMCA Medium Term Financial Plan 2020/21 to 2025/26

£m	Budget	Forecast	MTFP				
	20/21		21/22	22/23	23/24	24/25	25/26
Transport Levy	114.7	114.7	114.7	114.7	114.7	114.7	114.7
Commonwealth Games	2.2	2.2	3.8	20.7	-	-	-
Devolution Deal Grants	12.2	12.2	3.3	1.4	0.1	0.1	0.1
Adult Education Funding	128.5	128.5	128.8	128.8	128.8	128.8	128.8
Share of Business Rates	7.5	7.5	9.0	10.5	12.0	13.5	15.0
Constituent Membership	4.6	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	0.4
Investment Programme	36.5	36.5	36.5	36.5	36.5	36.5	36.5
Investment Income	1.9	1.2	0.9	0.9	0.9	0.9	0.9
3rd Party / Other Grant Income	0.9	0.9	-	-	-	-	-
Use of Reserves	4.4	4.4	-	-	-	-	-
Precept	-	-	-	7.3	7.4	7.5	7.6
Unsecured Election Funding	-	-	3.6	1.0	1.0	1.0	1.0
Total Funding	313.9	313.2	305.8	327.0	306.5	308.1	309.7
Transport for West Midlands	118.4	117.9	118.9	120.9	123.3	126.4	130.2
Commonwealth Games	2.2	2.2	3.8	20.7	-	-	-
Economy & Innovation	1.7	1.7	2.0	2.0	1.9	1.9	1.9
Environment, Energy & HS2	0.3	0.3	0.9	0.9	0.9	1.0	1.0
Housing and Land	2.5	2.5	1.3	1.3	1.3	1.3	1.3
Wellbeing	0.9	0.9	0.9	0.9	0.9	0.9	1.0
PSR & Social Economy	0.7	0.7	1.3	1.3	1.3	1.4	1.4
Culture and Digital	0.9	0.9	0.1	0.1	0.1	0.1	0.1
Productivity & Skills	137.7	137.7	131.4	130.0	129.6	129.6	129.7
Inclusive Communities	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Business Support	3.9	3.9	3.6	3.6	3.6	3.6	3.6
Delivery Budget	148.8	148.8	141.6	140.2	139.8	139.9	140.1
Investment Programme	44.2	44.2	45.7	53.6	55.2	56.8	58.3
Mayoral Office	0.8	0.8	0.8	0.9	0.9	0.9	0.9
Mayoral Election	-	-	3.6	1.0	1.0	1.0	1.0
Shared Services	(0.4)	(0.1)	(0.4)	0.4	2.5	4.3	5.2
Total Expenditure	313.9	313.7	314.0	337.7	322.7	329.3	335.7
Net Expenditure (pre Covid-19)	-	(0.5)	(8.2)	(10.7)	(16.2)	(21.2)	(26.0)
Net Expenditure (post Covid-19)	-	(11.1)	(14.4)	(17.6)	(20.5)	(26.1)	(31.4)
Transport	-	(8.6)	(9.6)	(12.1)	(12.0)	(15.6)	(19.9)
Delivery	-	(2.0)	(4.2)	(4.9)	(5.8)	(6.0)	(6.1)
Mayoral Office	-	-	(0.8)	-	-	-	-
Shared Services	-	(0.5)	0.2	(0.6)	(2.7)	(4.5)	(5.4)
Total Surplus / (Deficit)	-	(11.1)	(14.4)	(17.6)	(20.5)	(26.1)	(31.4)

- 8.5 As well as the funding gap of £11.1m already identified in 2020/21 as set out in section 7 of this report, the refreshed indicative Medium-Term Financial Plan position reflects a funding gap of an estimated £14.4m in 2021/22, rising to around £31.4m by 2025/26.
- 8.6 The MTFP position set out in the table above includes the latest assessment of the impact of COVID-19 on future year's budgets and assumes a cash flat funding requirement from Constituent Authorities in respect of their contributions to the West Midlands Combined Authority Transport and Delivery budgets. Whilst this currently represents the planning assumption, it is acknowledged that this creates a further potential financial risk specifically with regard to inflationary increases, pay and legislative changes and demand as a result of COVID-19. The impact of these risks will be kept under continuous review over the coming weeks and months.

- 8.7 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.
- 8.8 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 local funding position will not be achievable without changes to policy.
- 8.9 The serious and unprecedented nature of these levels of funding gaps in the forward position cannot be underestimated, therefore, the position will continue to be developed and refined over the summer period alongside the mitigating actions already set out for 2020/21 in paragraph 7.8.
- 8.10 Four further actions are also being to mitigate the medium-term position from 2021/22 to 2025/26 as follows:
1. **A fundamental rebase and reset of the MTFP position following an assessment of the financial impact of the mitigating actions aiming to bring the 2020/21 forecast within budget as set out in paragraph 7.8.**
 2. **Review of existing funding mechanisms including the levels of Constituent and Non-Constituent member contributions.**
 3. **Continue to lobby the government for a sustainable funding solution.**
 4. **A portfolio policy review in August by Leaders to determine the region's priority options with which to target potentially limited resources.**

- 8.11 An update will be provided in the Financial Report that will be considered by West Midlands Combined Authority Board in September 2020 along with an update on the government's commitment to further devolution in England which is hoped will provide a more sustainable funding solution for Mayoral Combined Authorities.

9.0 Transport Delivery Capital Programme

- 9.1 Appendix 5 sets out the position on the Capital Programme as at the end of May 2020. Actual costs totalled £34.6m, resulting in a favourable variance of £16.4m against a budget of £51.0m.
- 9.2 The year to-date budget variance is contained primarily within Transport £12.6m, Grants to Local Authorities Investment Programme £2.7m and Housing £1.2m.
- 9.3 The Transport Programme has been categorised into five sub programmes. The largest of these is the Investment Programme with a budget of £146.5m (28%), including all the Rail/Sprint & Metro extension schemes. At the end of May, actual costs totalled £10.9m, which was £8.5m below the budget of £19.3m. The main variances at the end of May were contained within the Metro Programme totalling £7.2m.

- 9.4 The variance against the Metro Wednesbury to Brierley Hill of £3.4m is reflective of Covid-19 restrictions, where utility operators are only responding to emergency works therefore some diversions have not commenced as scheduled. Work is still progressing to acquire land and therefore limited construction has taken place during the month. WMCA are working on mitigation measures to overcome this delay and progress diversions where possible.
- 9.5 The Birmingham Eastside extension variance of £1.2m relating to HS2 Utility diversions which have not commenced due to prolonged final sign off on the development agreement delayed with HS2, expected in June 2020, with work to catch up in the next couple of months. The MMA are in the process of preparing the revised Target Cost (TC1) and are awaiting formal instruction to initiate detailed design works, with an acceleration in the coming months once formal instruction has been made.
- 9.6 The Commonwealth Games Programme with a budget of £79.9m (15%) includes all the schemes (SPRINT, Perry Barr & University Rail Stations, and Games) scheduled to be delivered in advance of the Games in July and August 2022. At the end of May 2020, actual costs totalled £3.9m, which was £3.3m below the budget of £7.2m. The main variance of note related to the Sprint A45 Birmingham to Airport & Solihull (£1.6m) due mainly to lower than expected progress of utility diversion costs, as a result of temporary Covid-19 restrictions on the highways. The Sprint A34 Walsall to Birmingham was also below budget (£1.3m), owing to the Covid-19 restrictions impacting on utility diversion works. Both projects have received approval to commence phase one works, receiving WMCA Board approval to submission of Final Business Case to DfT in March 2020.
- 9.7 The Grants to Local Authorities Investment Programme with a budget of £193.1m (37%) includes those schemes delivered by Local Authorities as part of the Investment Programme grant arrangements. At the end of May 2020, actual costs totalled £11.1m, which was £2.7m below the budget of £13.8m. The main favourable variance related to the HS2 - UK Central Interchange (£2.7m) due to rescheduling and the impact of Covid-19 restrictions, specifically Wildlife Ways (£1.4m) and Accelerated Housing Delivery - Utilising Solihull assets (£1.2m).
- 9.8 The Housing Programme with an annual budget of £66.3m (12.5%) includes the WMCA Land Fund, WMCA land remediation funds including the BCLEP managed Land and Property Investment Fund (LPIF). At the end of May 2020, actual costs totalled £5.1m, which was £1.2m below the budget of £6.3m. The variance is primarily contained within the WMCA Brownfield Land & Property Development Fund (£0.5m), where the drawdown of funding for the Redsun Development (£1.4m) and Cavendish House (£0.1m) expected in May 2020 has been reprofiled due to Covid-19.
- 9.9 The above narrative reflects in year progress and all projects remain confident in their ability to deliver to overall schemes deadlines.

10.0 Investment Programme

- 10.1 The financial summary for the Investment Programme is shown at Appendix 6 detailing the gross delivery totals for programmes delivered by both WMCA and Local Authorities.
- 10.2 In respect of full project costs to completion, the financial summary has been adjusted to reflect the revised budget based on the 2020/21 programme baseline in conjunction Local Authority project sponsors. It should be noted that the impact of Covid-19 on projects within the WMCA Investment Programme is currently being assessed by the Local Authorities, with each respective delivery organisation required to manage the schemes within the funding available.

- 10.3 The project budgets for the Sprint A34 Walsall to Birmingham and Sprint A45 Birmingham to Airport & Solihull schemes have been revised, as approved by the WMCA Board on 14 February 2020.
- 10.4 The Coventry UKC Plus programme is showing a variance of £8.1m between the gross total forecast outturn and total gross budgeted outturn. This is because of changes to estimated delivery costs for the A46 Stoneleigh Junction and Coventry City of Culture 2021 projects with this cost pressure being managed by Coventry City Council as sponsor.
- 10.5 The cost to completion against UK Central Interchange remains red status due to the funding gap of circa £131 million against the Birmingham International Station redevelopment project.
- 10.6 The Sprint programme is red status because of the A34 Walsall to Birmingham and A45 Birmingham to Airport and Solihull projects. Phase 1 of these projects were approved by WMCA Board on 14th February 2020. Discussions to confirm the funding package for the second delivery phase of these projects are continuing.
- 10.7 Appendix 7 details the commitments made against the Investment Programme which totalled £768.9m to the end of April 2020 (£775.0m March 2020). The movement observed is caused by the reimbursement of metro programme cash flow funding from approved grant funding. This is consistent with expectations as at 8 November 2019, when WMCA Board agreed to hold approvals at the current affordable limit of £801 million.
- 10.8 The commitments against Metro cash-flow funding for the East Birmingham to Solihull project is reported while the project secures permanent funding.
- 10.9 In addition to the projects listed at Appendix 7, an application for repayable funding for the UK Battery Industrialisation Centre was approved on 13 September 2019 by WMCA Board.

Investment Programme Funding

- 10.10 In November 2019, WMCA Board agreed to hold current Investment Programme approvals within an affordable limit as determined by WMCA Finance Directors at £801m, following the funding required to support the overall programme being lower than anticipated. Arrangements to secure additional funding into WMCA for this Investment Programme are currently being developed in consultation with the Mayor and Metropolitan Leaders including ongoing discussions with government regarding the uncertainty of the previously anticipated business rates growth retention and other appropriate fiscal settlements.
- 10.11 As such, a number of programmes for which the full extent of the funding required is not yet secure are amber status whilst these issues are being resolved. Specifically, these programmes include Coventry UKC Plus, Sprint Programme; Rail Programme, UK Central Infrastructure Package, UK Central HS2 Interchange, Innovation Programme, Land Reclamation & Remediation and Employment, Education & Skills.
- 10.12 The region also submitted its £3.3bn WM Regeneration Proposal to government in June which included funding asks for those Investment Programme schemes key to the economic regeneration of the region.

- 10.13 Five-yearly gateway review periods formed part of the Devolution Deal agreement in 2016. The 2020/21 financial year is the fifth and final year of the first gateway review period.
- 10.14 A meeting was held between WMCA Finance directors and SQW on 20th February 2020 to discuss the draft evaluation plan for the West Midlands.
- 10.15 The schemes subject to the assessment were discussed, as well as a plan to conclude the review. A baseline report is expected in Summer 2020, with the ultimate aim of providing a recommendation in November 2020.

11.0 Capital Resources

- 11.1 An exercise has been carried out to assess the availability of existing capital resources to fund the Authority's approved Capital Delivery Programme reflecting latest estimates of cost pressures. The best estimate of the existing shortfall in funding for the existing approved programme as a result of pre-COVID-19 cost pressures, amounts to approximately £103.2m at this point in time which presents a significant risk to delivery. It is also now estimated that the financial impact of COVID-19 disruption to the Transport Capital Programme could lead to a potential additional cost pressures of up to £93.0m. The aggregate pressures on the existing approved programme therefore lead to a potential overall shortfall of around £196.2m.
- 11.2 Clearly, many of the projects are not yet on site. The risk of accommodating emerging overspends increases where there is a visible presence on site. There is limited resilience within existing capital resources to meet any additional costs should any of the schemes incur additional overspends when on site and no contingency funds are available to support any cost overruns.
- 11.3 The availability of overall capital resources to fund the approved Transport Capital Programme will be kept under constant review in the light of the emerging picture and the availability of additional government funding although further actions to prioritise capital spending plans within the available funding envelope cannot currently be ruled out in the short term.
- 11.4 Additionally, the existing approved Investment Programme utilises borrowing power generated by the £36.5m a year Gainshare Devolution Deal grant for a 30-year period, leading to a current cap on approvals of £801m. The cap was introduced as a result of the assumptions underlying the original Investment Programme not coming to fruition, such as the raising of a Mayoral precept and the uncertainty around the availability of Business Rates growth in the region as a result of the reform of the Business Rates Retention system and therefore offers limited flexibility for transferring funds between schemes in the short and medium term.

12.0 Administered Funds

Funding Stream	2020/21 Latest Forecast Grant Award £'000	2020/21 Spend to date £'000	Purpose
Midlands Connect	7,355	743	Work is continuing on delivering the Midlands Engine 'Vision for Growth'.
Housing First Pilot	9,600	9,600	WMCA are the accountable body for this grant award that has now been paid to Birmingham City Council to develop work streams to help rough sleepers off the streets
One Public Estate	926	926	It was agreed by WMCA Board that WMCA would assume accountable body status for this grant award, that is delivering various projects that secure more from public sector assets through collective action. Sandwell MBC are in the process of transferring the funds to WMCA.
Highways Maintenance Block	13,112	13,112	Distributed to the 7 Mets. excluding Birmingham City Council which has separate PFI arrangements, to deliver programmed highways maintenance works in line with the conditions of the grant award
Integrated Transport Block	17,618	17,618	Supporting delivery of the 7 Mets. Capital Programmes & WMCA's Minor Works Capital Programme
Total	48,611	41,999	

13.0 Financial Implications

13.1 The Financial Implications are set out in the report.

14.0 Legal implications

14.1 The legal implications are set out in the report.

15.0 Equalities implications

15.1 There are no equalities implications.

16.0 Inclusive Growth Implications

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

17.0 Geographical Area of Report's Implications

17.1 The report encompasses the West Midlands region.

18.0 Appendices

- Appendix 1 – WMCA Consolidated Summary – May 2020
- Appendix 2 – WMCA Transport Revenue Summary - May 2020
- Appendix 3 – WMCA Operational Revenue Summary – May 2020
- Appendix 4 – WMCA Mayor Revenue Summary – May 2020
- Appendix 5 – WMCA Capital Transport Delivery Programme – May 2020
- Appendix 6 – WMCA Investment Programme Summary
- Appendix 7 – WMCA Investment Programme Commitments – April 2020

Appendix 1

WMCA Consolidated Summary – May 2020

£000's	Year to Date			Full Year Budget
	Actual	Budget	Variance	
Transport Levy	19,120	19,120	0	114,720
Commonwealth Games	100	274	(174)	2,157
Devolution Deal Grants	1,940	2,174	(234)	12,227
Adult Education Funding	26,568	27,964	(1,396)	128,534
Share of Business Rates	0	0	0	7,500
Constituent Membership	774	774	0	4,644
Non Constituent Members	71	71	0	425
Investment Programme	845	1,436	(591)	36,500
Investment Income	206	322	(116)	1,921
3rd Party / Other Grant Income	263	175	88	871
Use of Reserves	0	0	0	4,379
Total Funding	49,887	52,310	(2,423)	313,878
Transport for West Midlands	19,054	18,922	(132)	118,353
Commonwealth Games	100	274	174	2,157
Economy & Innovation	346	313	(33)	1,875
Environment, Energy & HS2	33	81	48	488
Housing and Land	332	420	88	2,521
Wellbeing	175	157	(18)	941
PSR & Social Economy	56	109	53	650
Culture and Digital	120	143	23	860
Productivity & Skills	28,192	29,650	1,458	137,715
Inclusive Communities	13	20	7	157
Business Support	488	458	(30)	3,199
Investment Programme	862	1,464	602	44,155
Mayoral Office	105	135	30	807
Total Expenditure	49,877	52,145	2,269	313,878
Transport	66	198	(132)	0
Operational	(56)	(33)	(23)	0
Mayoral Office	0	0	0	0
Total	10	165	(155)	0

The year to date position at the end of May shows a £0.155m adverse variance from budget.

This is made up of £0.132m within Transport as a result of lower advertising revenue and a departure charges income, partly offset by additional government grants to fund subsidised bus and lower operational costs during Covid-19.

The remainder of the adverse variance is £0.023m within the Delivery budgets due to lower investment income receipts as a result of a reduction of the bank rate in the current economic climate.

Appendix 2

Transport for West Midlands year to date revenue position – May 2020

	MAY 2020 YEAR TO DATE			FULL YEAR 2020/21	VARIANCE EXPLANATION(S)
	ACTUAL £000	BUDGET £000	VARIANCE £000		
TRANSPORT FOR WEST MIDLANDS					
INCOME					
Specific resources:					
Transport Levy	19,120	19,120	0%	114,720	
Commonwealth Games	100	274	174	2,157	
Use of Reserves			0%	3,633	
TOTAL INCOME	19,220	19,394	174 1%	120,510	
EXPENDITURE					
Concessions					
National Bus Concession	8,410	8,419	9 0%	50,998	
Metro / Rail	736	739	3 0%	4,575	
Child Concession	1,209	1,218	9 1%	7,836	
Bus Services					
Bus Stations / Infrastructure	10,356	10,376	20	63,409	
Subsidised Network	1,316	735	(581) 79%	4,571	Loss of bus infrastructure income (bus stations, shelter advertising, IBSS)
Accessible Transport	1,536	1,735	199 11%	10,409	Savings due to reduced payment to operators for non-operational subsidised bus services. This will be offset against future increased costs as a result of capacity issues in relation to bus social distancing
Rail and Metro Services					
Metro Services	3,941	3,572	(369)	21,597	
Rail Services	209	203	(6) 3%	2,643	
	525	442	(83) 19%	2,806	Adverse due to the timing of expenditure that can be funded in future periods and the loss of P&R car parking income.
Integration					
Safety and Security	734	645	(89)	5,449	
Passenger Information	216	204	(12) 6%	1,276	
Sustainable Travel	671	859	188 22%	5,677	Favourable due to the timing of ticketing payments offset by overspends in relation to lower commission received, commercial card processing, and rechargeable customer intelligence work.
Network Resilience					
Commonwealth Games					
Business and Democratic Support					
Strategic Development					
Transport Governance					
Capital Finance Charges					
TOTAL EXPENDITURE	19,154	19,197	43 0%	120,510	
NET	66	198	(132) 67%	()	

Appendix 3

West Midlands Combined Authority Delivery Budget – May 2020

FINANCIAL SUMMARY AS AT MAY 2020	MAY 2020 YEAR TO DATE			FULL YEAR 2020/21	
	ACTUAL £000	BUDGET £000	VARIANCE £000		
Operational Income					
Investment Interest Income (1)	188	294	(106)	1,766	
Contribution - 7 Met Council's	774	774	0	4,644	
Mayoral Capacity Funding	0	32	(32)	193	
Contribution - Non constituent members	71	71	0	425	
Use of Reserves	0	0	0	746	
Total Income	1,033	1,171	(138)	7,774	
Corporate Support Recharges to Portfolios	(488)	(458)	(30)	(3,199)	
Total Expenditure	(488)	(458)	(30)	(3,199)	
Operational Income Net Total	545	713	(168)	4,575	
Economy & Innovation					
Office of Data Analytics	24	43	(19)	257	
Total Income	24	43	(19)	257	
West Midland Growth Company	(117)	(117)	0	(700)	
Industrial Strategy	(31)	(54)	23	(322)	
Office of Data Analytics	(24)	(43)	19	(257)	
Economic Intelligence (1)	(141)	(40)	(101)	(240)	
Strategic Hub	(33)	(59)	26	(356)	
Total Expenditure	(346)	(313)	(33)	(1,875)	
Economy & Innovation Net Total	(322)	(270)	(52)	(1,618)	
Environment & Energy, HS2					
Total Income	0	0	0	0	
Environment (1)	(15)	(57)	42	(345)	
HS2 Growth Strategy	(18)	(24)	6	(143)	
Total Expenditure	(33)	(81)	48	(488)	
Environment & Energy, HS2 Net Total	(33)	(81)	48	(488)	
Housing and Land					
Housing and Land Commission (1)	326	420	(94)	2,521	
Total Income	326	420	(94)	2,521	
Housing and Land Commission (1)	(332)	(420)	88	(2,521)	
Total Expenditure	(332)	(420)	88	(2,521)	
Housing and Land Net Total	(6)	0	(6)	0	
Wellbeing					
Other Mental Health Income	21	0	21	0	
Well Being	0	5	(5)	31	
IPS Programme	51	14	37	83	
Fiscal Incentive Programme	26	18	8	105	
Total Income	98	37	61	219	
Mental Health Commission	(72)	(93)	21	(563)	
Well Being	(26)	(32)	6	(190)	
IPS Programme	(51)	(14)	(37)	(83)	
Fiscal Incentive Programme	(26)	(18)	(8)	(105)	
Total Expenditure	(175)	(157)	(18)	(941)	
Wellbeing Net Total	(77)	(120)	43	(722)	

FINANCIAL SUMMARY AS AT MAY 2020	MAY 2020 YEAR TO DATE			FULL YEAR 2020/21	
	ACTUAL £000	BUDGET £000	VARIANCE £000	BUDGET £000	
Public Service Reform & Social Economy					
Other PSR Income	0	7	(7)	40	
Total Income	0	7	(7)	40	
Public Sector Reform (1)	(56)	(99)	43	(591)	
Inclusive growth	0	(10)	10	(59)	
Total Expenditure	(56)	(109)	53	(650)	
Public Service Reform & Social Economy Net Total	(56)	(102)	46	(610)	
Skills and Productivity					
Productivity and Skills	16	0	16	0	
Employment Support (1)	183	302	(119)	2,070	
Investment Programme (Skills)	31	76	(45)	410	
Technical Education	11	24	(13)	98	
Construction Skills	498	545	(47)	1,576	
Adult Education (2)	26,568	27,964	(1,396)	128,534	
Careers	0	15	(15)	61	
Digital Skills (3)	800	599	201	4,157	
Total Income	28,107	29,525	(1,418)	136,906	
Productivity and Skills	(101)	(125)	24	(809)	
Employment Support (1)	(183)	(302)	119	(2,070)	
Investment Programme (Skills)	(31)	(76)	45	(410)	
Technical Education	(11)	(24)	13	(98)	
Construction Skills	(498)	(545)	47	(1,576)	
Adult Education (2)	(26,568)	(27,964)	1,396	(128,534)	
Careers	0	(15)	15	(61)	
Digital Skills (3)	(800)	(599)	(201)	(4,157)	
Total Expenditure	(28,192)	(29,650)	1,458	(137,715)	
Skills and Productivity Net Total	(85)	(125)	40	(809)	
Culture and Digital					
DDCMS - Creative Scale Up	105	108	(3)	650	
Total Income	105	108	(3)	650	
Digital	0	(17)	17	(100)	
Culture and Tourism Commission	(12)	(18)	6	(110)	
DDCMS - Creative Scale Up	(108)	(108)	0	(650)	
Total Expenditure	(120)	(143)	23	(860)	
Culture and Digital Net Total	(15)	(35)	20	(210)	
Inclusive Communities					
Veterans Mental Health & Homelessness	6	7	(1)	39	
Total Income	6	7	(1)	39	
Youth Combined Authority	(7)	(13)	6	(118)	
Veterans Mental Health & Homelessness	(6)	(7)	1	(39)	
Total Expenditure	(13)	(20)	7	(157)	
Inclusive Communities Net Total	(7)	(13)	6	(118)	
Operational Income Net Total	(56)	(33)	(23)	0	

Appendix 4

West Midlands Combined Authority Mayoral Budget – May 2020

	MAY 2020 YEAR TO DATE			FULL YEAR 2020/21	
	ACTUAL £000	BUDGET £000	VARIANCE £000		
				BUDGET £000	
MAYORAL OFFICE					
Other Grants	105	135	(30)	22%	807
TOTAL INCOME	105	135	(30)	22%	807
Staff Costs	(100)	(125)	25	20%	(753)
IT	(2)	(2)	0	0%	(10)
Travel & Subsistence	0	(7)	7	100%	(42)
Other Running Costs	(3)	(1)	(2)	200%	(2)
TOTAL EXPENDITURE	(105)	(135)	30	22%	(807)
NET	0	0	0	0%	0

Appendix 5

West Midlands Combined Authority Transport Delivery Capital Programme – May 2020

	YEAR TO DATE			FULL YEAR
	ACTUAL £000	BUDGET £000	VARIANCE £000	BUDGET £000
Metro	9,640	16,884	7,244	128,970
Rail	876	1,070	194	13,338
Sprint	367	1,387	1,020	4,200
TRANSPORT - INVESTMENT PROGRAMME	10,883	19,341	8,458	146,508

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of May 2020, actual expenditure was £8.458m lower than budget. The main variances are contained within the Metro Programme, and relate to the following;

Metro Wednesbury to Brierley Hill Extension £3.378m. Due to Covid-19 some utility undertakers are only responding to emergency works therefore some diversions have not commenced as scheduled. Work is still progressing to acquire land and therefore limited construction has taken place during the month. WMCA are working on mitigation measures to overcome this delay and progress diversions where possible.

Birmingham Eastside £1.237m. Utilities work relating to HS2 diversions have not commenced due to final sign off on the development agreement delayed with HS2, expected in June 2020, with work to catch up in the next couple of months. The MMA are in the process of preparing the revised TC1, and are awaiting formal instruction to initiate detailed design works, with an acceleration in the coming months once formal instruction has been made.

Centenary Square / Edgbaston £0.946m. Due to Covid-19, construction activity has been slower than anticipated, but work is expected to catch up in the coming months, with no change to the project schedule and delivery of scheme by December 2021.

	YEAR TO DATE			FULL YEAR
	ACTUAL £000	BUDGET £000	VARIANCE £000	BUDGET £000
Highway	167	605	438	13,167
Rail	1,685	1,666	(19)	16,545
Sprint	2,092	4,943	2,851	50,202
TRANSPORT - COMMONWEALTH GAMES	3,944	7,214	3,270	79,914

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of May 2020, actual expenditure was £3.270m lower than budget. The main variances are as follows;

SPRINT A45 Birmingham to Airport & Solihull (£1.585m) due mainly to lower than expected progress of utility diversion costs , hampered by the temporary Covid-19 restrictions on the highways.

SPRINT-A34 Walsall to Birmingham (£1.264m) due also to lower utility diversion costs owing to the Covid-19 restrictions on the highways.

RTCC - Design & Layout £0.341m paused pending approval of an alternative solution to refit a new data room on 6th floor Summer Lane, completion due in 20/21.

Appendix 5 (continued)
West Midlands Combined Authority Transport Delivery Capital Programme – May 2020

	YEAR TO DATE			FULL YEAR
	ACTUAL £000	BUDGET £000	VARIANCE £000	BUDGET £000
Bus	325	508	183	4,368
Highway	59	307	248	5,864
Other	2,194	2,718	524	12,853
Rail	399	383	(16)	1,480
TRANSPORT - OTHER MAJOR PROGRAMMES	2,977	3,916	939	24,565

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of May 2020, actual expenditure was £0.939m below the budget . The main variances are as follows;

Connected and Autonomous Vehicles Testbed (CAV) £0.796m due to an extended period of the construction procurement, coupled with the disruption of the Covid-19 restrictions.

A435 Alcester Road Bus priority revitalisation (£0.261m). Construction works have been temporarily disrupted (expected 3-month timing impact) by the Coronavirus restrictions.

Clean Bus Technology Fund (£0.132m.) Slow down in programme delivery due to Covid-19, as social distancing measures have been implemented .

Offset by:

5G (£0.240m) over Budget. The overspend relates to WMCA Sensory Infrastructure costs which are to be reclaimed from DCMS, pending finalisation of a Grant agreement between WMCA and 5G.

Future Transport Zone - Enhanced Ticket Platform (£0.186m) Acceleration of software development costs in advance of budget to facilitate automated payments at Longbridge Park & Ride .

	YEAR TO DATE			FULL YEAR
	ACTUAL £000	BUDGET £000	VARIANCE £000	BUDGET £000
Minor Work Programme	581	488	(93)	9,359
TRANSPORT - MINOR WORKS	581	488	(93)	9,359

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of May 2020, actual expenditure was £0.093m above the budget. There are only minor variances at this time

	YEAR TO DATE			FULL YEAR
	ACTUAL £000	BUDGET £000	VARIANCE £000	BUDGET £000
Grants to Local Authorities	0	0	0	8,209
Total Grants to Local Authorities	0	0	0	8,209

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of May 2020, there was as no actual expenditure.

GRAND TOTAL TRANSPORT PROGRAMME	18,385	30,959	12,574	268,555
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Appendix 5 (continued)
West Midlands Combined Authority Transport Delivery Capital Programme – May 2020

	YEAR TO DATE			FULL YEAR
	ACTUAL £000	BUDGET £000	VARIANCE £000	BUDGET £000
Investment Programme (Grants to Local Authorities)	11,076	13,773	2,697	193,052
Total Investment Programme Grants to Local Authorities	11,076	13,773	2,697	193,052

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of May 2020, actual expenditure was £2.697m below budget. The main variances are as follows;

HS2 - UK Central Interchange £2.668m due to an overestimation of March costs, and the impact of Covid-19 restrictions, specifically Wildlife Ways (£1.4m) and Accelerated Housing Delivery - Utilising Solihull assets (£1.2m).

	YEAR TO DATE			FULL YEAR
	ACTUAL £000	BUDGET £000	VARIANCE £000	BUDGET £000
Housing	5,099	6,262	1,163	66,296
Total Housing	5,099	6,262	1,163	66,296
TOTAL OTHER PORTFOLIOS	16,175	20,035	3,860	259,348

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of May 2020, actual expenditure was £1.163m below budget. The main variances are as follows;

Land Fund - Icknield Port Phase 2 (£0.431m)The expected draw down of funding in May 2020 relating to Urban Splash was lower than expected.

Black Country Land and Property Investment Fund (£0.549m). The draw down of funding relating to Redsun Projects (£0.0457m) and Cavendish House (£0.118m).expected in May 2020 has been reprofiled due to Covid-19.

GRAND TOTAL	34,560	50,994	16,434	527,903
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Appendix 6

WMCA Investment Programme Financial Summary

PROGRAMME	2020 / 2021 FULL YEAR			COST TO COMPLETION					
	BUDGET (2020/21 Baseline) £000	FORECAST £000	VARIANCE £000	PRIOR PERIOD	2019/20	FUTURE YEARS	TOTAL	TOTAL	VARIANCE £000
				SPEND £000	SPEND £000	FORECAST £000	OUTTURN £000	BUDGET (2020/21 Baseline) £000	
COVENTRY UKC PLUS	113,191	113,191	-	23,425	37,946	651,600	712,971	704,851	(8,120)
SPRINT PROGRAMME	54,302	54,302	-	4,385	7,902	322,228	334,515	334,515	-
RAIL PROGRAMME	13,238	13,238	-	4,129	3,921	204,965	213,015	213,015	-
METRO PROGRAMME	118,792	118,792	-	190,447	84,972	1,317,740	1,593,159	1,593,159	-
UK CENTRAL INFRASTRUCTURE PACKAGE	117,784	117,784	-	9,330	8,969	1,368,388	1,386,688	1,386,688	-
UK CENTRAL HS2 INTERCHANGE	74,870	74,870	-	12,305	5,091	512,167	529,563	529,563	-
CURZON STREET STATION MASTERPLAN	5,169	5,169	-	3,155	3,904	546,789	553,848	553,848	-
NATIONAL COLLEGE FOR HIGH SPEED RAIL	-	-	-	25,553	-	-	25,553	25,553	-
HIGH SPEED SUPPLY CHAIN & BUSINESS SUPPORT	-	-	-	11,270	-	338,730	350,000	350,000	-
HS2 GROWTH STRATEGY TOTAL	497,346	497,346	-	283,999	152,705	5,262,606	5,699,311	5,691,191	(8,120)
COVENTRY CITY CENTRE SOUTH REGENERATION	19,864	19,864	-	23,046	4,795	315,098	342,938	342,938	-
INNOVATION PROGRAMME	14,601	14,601	-	2,660	9,574	182,765	195,000	195,000	-
LAND RECLAMATION AND REMEDIATION	49,727	49,727	-	7,194	19,565	173,240	200,000	200,000	-
6 COMMONWEALTH GAMES 2022	37,442	37,442	-	-	-	72,534	72,534	72,534	-
EMPLOYMENT, EDUCATION & SKILLS	444	444	-	48	234	19,717	20,000	20,000	-
COLLECTIVE INVESTMENT FUND	54,307	54,307	-	39,147	4,802	956,051	1,000,000	1,000,000	-
DEVOLVED TRANSPORT INVESTMENT	-	-	-	-	-	1,299,000	1,299,000	1,299,000	-
EZ EXPANSION EXCLUDING CURZON STREET	-	-	-	-	-	20,000	20,000	20,000	-
OTHER INVESTMENT PROGRAMME SCHEMES	176,384	176,384	-	72,096	38,971	3,038,405	3,149,472	3,149,472	-
GRAND TOTAL	673,730	673,730	-	356,095	191,677	8,301,011	8,848,783	8,840,663	(8,120)

In respect of full project costs to completion, the financial summary has been adjusted to reflect the revised budget based on the 2020/21 programme baseline. The project budgets for the Sprint A34 Walsall to Birmingham and Sprint A45 Birmingham to Airport & Solihull schemes have been revised, as approved by the WMCA Board on 14 February 2020. In quarter 1 of 2019/20, the UK Central HS2 Interchange programme was revised in respect of the HS2 Parallel Design process. A change request was submitted through the WMCA assurance framework and approved in July 2019. The budget has been adjusted to reflect the revised UK Central HS2 Interchange programme.

The Coventry UKC Plus programme is showing a variance of £8.1m between the total forecast outturn and total budgeted outturn. This is because of changes to estimated delivery costs for the A46 Stoneleigh Junction and Coventry City of Culture 2021 projects, this cost pressure is being managed by Coventry City Council as the Sponsor Authority.

The Sprint programme is red status because of the A34 Walsall to Birmingham and A45 Birmingham to Airport & Solihull projects, for which discussions to confirm the funding package for the second delivery phase of these projects are continuing.

At the WMCA Board meeting on 8th November 2019, the WMCA Board agreed to hold Investment Programme approvals at the current affordable limit of £801 million. As a consequence, programmes that are funded from the Investment Programme beyond the current affordable limit are amber status.

Appendix 7

WMCA Investment Programme Commitment Profile as at 30th April 2020

£m	Total Expected Approvals	Approved Commitments	Actual Spend
UK Central HS2 Interchange	398.0	51.9	16.5
UK Central Infrastructure Package	288.0	31.6	11.6
Sprint Programme	217.4	47.0	7.4
Rail Programme	151.8	18.0	7.9
Metro Programme	130.7	130.7	57.8
Coventry City Centre First incl. Coventry Station Masterplan	43.4	43.4	1.3
Coventry UKC Plus - Very Light Rail: 'Transforming Connectivity'	55.0	12.2	5.5
Coventry North Package	21.6	0.2	0.0
Coventry South Package	136.5	7.4	0.3
Wednesbury to Brierley Hill Metro Extension	103.0	103.0	-
Coventry UKC Plus - UK City of Culture 2021 Regeneration	31.6	31.6	3.4
SUB TOTAL HS2 GROWTH STRATEGY	1,577.0	477.1	111.7
Coventry City Centre South Regeneration	150.0	150.0	11.8
Innovation Programme	50.0	12.5	6.7
Land Reclamation and Remediation	200.0	103.0	26.8
Commonwealth Games 2022	25.0	25.0	-
Employment, Education & Skills	20.0	1.3	0.3
OTHER INVESTMENT PROGRAMME	445.0	291.8	45.5
TOTAL	2,022.0	768.9	157.2



WMCA Board

Date	24 July 2020
Report title	Adoption of a Revised Single Assurance Framework
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	Julia Goldsworthy, Director of Strategy email: julia.goldsworthy@wmca.org.uk tel: 07813 648227
Report has been considered by	Strategic Leadership Team - 1 July 2020 Programme Board

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

- (1) Approve the amended Assurance Framework as detailed in Appendix A.
- (2) Approve the amended Officer Scheme of Delegations as detailed in paragraph 4.4.
- (3) Approve amended terms of reference for Investment Board as detailed in Appendix B.

1. Purpose

- 1.1 The purpose of this report is to present an updated and enhanced Assurance Framework document to the WMCA Board for approval that responds to the National Local Growth Assurance Framework. This work is a requirement for all Mayoral Combined Authorities and reflects a 'single' Assurance Framework approach to apply to all funding sources.
- 1.2 The purpose of the Assurance Framework is to set out how the West Midlands Combined Authority (WMCA) will use public money responsibly, both openly and transparently, and achieve best value for money. The intent of the review has been to streamline and improve decision-making, driving best practice and consistency. It is more important than ever that we can facilitate the investment of monies into the Region without delay whilst still adhering to the standards that we have set ourselves and those attaching as conditions to national funding.

2. Background

- 2.1 The WMCAs existing Assurance Framework was agreed in 2016 prior to the election of the Mayor. In 2019 MHCLG issued an updated National Local Growth Assurance Framework that the Combined Authority is required to comply with.
- 2.2 The WMCA has been working on a Single Assurance Framework Project to develop and deliver several key improvements in how the WMCA operates, considering our experience to date. This work will also ensure the Assurance Framework meets the requirements of the National Local Growth Assurance Framework which applies to all Mayoral Combined Authorities (MCAs). The National Local Growth Assurance Framework applies to all funding and investment decisions of the Combined Authority and it may be utilised to inform the 5-year gateway review.
- 2.3 The National Local Growth Assurance Framework requires several enhancements to existing practices and the current Assurance Framework.
- 2.4 The purpose of the Single Assurance Framework is to deliver the following:
 - Deliver consistency and accountability within decision-making
 - Ensure ability to develop projects at speed whilst maintaining required development standards
 - Provide WMCA with Financial and Governance Protections for stewardship of public funds
 - Improve standards of project initiation, development, delivery and oversight
 - Ensure that there is alignment between organisational objectives and outputs - "the Golden Thread"

3. The Single Assurance Framework

- 3.1 The enhanced Assurance Framework document is attached at **Appendix A**; this is an updated and enhanced version based on the existing Assurance Framework that delivers compliance with the National Local Growth requirements. There are a number of key points to note about its content such as:

- 3.2 **Remit** – This is a Single Assurance Framework, it applies to all bids, projects and programmes that place a financial liability onto the WMCA that are not classed as business as usual (BAU) revenue expenditure. It covers all capital proposals. A Single Assurance Framework provides consistency of proportionality, approach, standards, appraisal, assurance and decision-making across all funding pots which will provide clarity to Directorates, Partners, Sponsors and Government.
- 3.3 **Project Lifecycle** – The Single Assurance Framework delivers a simplified approach to project initiation, development, business cases and assurance that will replace the existing TAP process. The new approach allows Directorates and Partners to set the pace of project development rather than having to fit into an assurance timetable that operated under TAP, delivering efficiency in the time it takes to get projects approved whilst improving the standard of project development.
- 3.4 WMCA Board should note that not all FBCs will come to WMCA Board for approval in the future. Instead WMCA Board will only be asked to approve projects that are not within existing delegations which are +£20Million for Investment Programme and +£5Million for Non-Investment Programme.
- 3.5 **Business Case Approach** - All projects and programmes will be required to demonstrate adherence to the “golden thread” and the Single Assurance Framework, ensuring projects positively contribute to the agreed strategic objectives of the region. Treasury guidance and requirements around the five case elements in business case production remains in place and is enhanced through WMCA specific requirements such as Inclusive Growth.
- 3.6 Business Cases will be required to take a ‘Board Friendly’ approach, this means that they will be required to focus on providing a summary of key information to decision-makers supported by detailed papers where necessary. Detailed information will be provided through associated documents which will help drive proportionality as well as better informing decision-makers.

4. Governance Changes

- 4.1 There are governance improvements required as a result of the Single Assurance Framework enhancements, these are as follows:
- 4.2 **Officer Scheme of Delegations** – The combined Authority has an Officer Scheme of Delegation in accordance with section 101 of the Local Government Act 1972, which enables the WMCA to delegate any of its functions which are not reserved to the WMCA Board. The existing officer Scheme of Delegations is detailed in the WMCA Constitution.
- 4.3 No overall increase in the level of financial delegation (currently £5m to the Chief Executive) is sought however in order to provide swifter more efficient decision-making some changes in the structure of the delegations are sought.
- 4.4 It is proposed that Officer financial delegation levels to be amended as follows:

Delegation Level	Delegated Authority
£1Million to £5Million	Appropriate Executive Director + Section 151 Officer + Monitoring Officer (+ Investment Programme SRO for Investment Programme Approvals) - (<i>Joint delegation requiring collective approval</i>)
Up to £1Million	Appropriate Executive Director (+ Investment Programme SRO for Investment Programme Approvals)
Up to £500k	Operational Directors
Up to £250k	Heads of Service
Up to £50k	Managers
Up to £5k	Administrators
Urgency requirement and for variations up to £5Million	Chief Executive

- 4.5 **Investment Board** – Amendments to the functions and terms of reference of the Investment Board to assist delivery of the project key principles and the Single Assurance Framework are proposed. This has resulted in a new Terms of Reference and supporting processes being proposed that were considered and endorsed by the Investment Board on the 20 April 2020. These include changes to the support given to Investment Board, currently through Investment Advisory Group, with it being replaced through a more focussed panel which will drive the delivery of the SAF principles. This process would still involve Constituent and Non-Constituent membership. The Investment Board considered the Investment Panel element of the Panel Support proposal at its meeting on the 20 April 2020 and endorsed the approach.
- 4.6 These amendments (shown at **Appendix B**) have been endorsed by the Investment Board and are intended to add value to the role of the Investment Board by:
- enhancing the role and functionality of the Investment Board
 - enabling the ability to monitor and report on Investment Programme outputs
 - introducing additional controls to monitor and evaluate delivery, creating ability to review projects that are failing to deliver
 - ensuring appropriate documentation exists for all approvals
- 4.7 **Thematic Boards** – The Single Assurance Framework recommends each Thematic Board undertake a set of core roles. The intention is to provide a consistent role, purpose and approach across all the Boards to help drive effective, clear and accountable decision-making, ensure appropriate political oversight and support for Portfolio Leads and to support the intent to deliver a ‘Golden Thread’ from strategic objective through initiation, development, delivery and evaluation within the WMCA.
- 4.8 Further work will be undertaken in the coming weeks to develop how the SAF Core Roles will be delivered at each Thematic Board, this will involve engagement with Thematic Boards, WMCA Portfolio Leads and the Mayor.

- 5. Engagement**
- 5.1 The Single Assurance Framework Project Group have been engaging with the Cities and Local Growth Unit, the Department for Transport and the Department for Education in developing the Single Assurance Framework. This engagement has involved regular meetings and a review of documentation to ensure that the new Assurance Framework document will be fully compliant with National Local Growth requirements.
- 5.2 At the point of publishing this report engagement with the cities & Local Growth Unit was progressing well, an update on engagement will be provided at the WMCA Board meeting.
- 5.3 The core principles, components and processes of the Single Assurance Framework have been considered and endorsed by WMCA's Senior Leadership Team and the Audit Risk & Assurance Committee. The Single Assurance Framework approach, amendments to the Investment Board and the proposed Support Panel approach have also been endorsed by the Investment Board.
- 6. Next Steps**
- 6.1 If the Single Assurance Framework is adopted then a phased approach to implementation will be adopted that takes account of the current development stages of existing projects and programmes.
- 7. Financial Implications**
- 7.1 There are no direct spend or budgetary implications as a result of the recommendations within this report. The assurance frameworks and delegated approval structures detailed within this report are considered to be appropriately designed to ensure WMCA deliver value for money against all its investments and that the financial controls and checks required to deliver those investments are robust.
- 8. Legal Implications**
- 8.1 It is a statutory requirement that the Combined Authority has an assurance framework in place. There are also statutory duties on the Authority in relation to best value and securing the best use of public money in terms of projects and spending. Failure to have a robust assurance framework in place would result in action by the Authority's internal and external auditors and would affect the value for money judgement provided on an annual basis. It could also result in action being taken by the WMCA Statutory Officers
- 9. Equalities Implications**
- 9.1 There are no specific equalities implications arising out of this report.
- 10. Inclusive Growth Implications**
- 10.1 The WMCA has developed its own standards that it wishes to drive through its projects and programmes, one of which is consideration and development of Inclusive Growth. Continued regional inequalities and the impact of Covid-19 on some groups reinforces the need for the WMCA to continue to develop processes and initiatives to drive inclusive growth.

11. Geographical Area of Report's Implications

- 11.1 The Assurance Framework applies to any relevant activity across both Constituent and Non-constituent areas.

12. Other Implications

- 12.1 None

13. Schedule of Background Papers

- 13.1 [ARAC September 2019](#)
13.2 [ARAC November 2019](#)
13.3 [ARAC July 2020](#)

14. Appendices

- 14.1 Appendix A – Draft Single Assurance Framework Document
14.2 Appendix B – Proposed Investment Board Draft Terms of Reference



WEST MIDLAND COMBINED AUTHORITY ASSURANCE FRAMEWORK



West Midlands
Combined Authority

DRAFT

2020

Version 4.0
15 July 2020



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1. Introduction and Overview

1.1 Purpose of the Assurance Framework

The aim of this document is to set out how the West Midlands Combined Authority (WMCA) will use public money responsibly, both openly and transparently, and achieve best value for money. This document outlines:

- The respective roles and responsibilities of the WMCA Mayor, the Mayoral Combined Authority (MCA), the 3 Local Enterprise Partnerships (LEPs), and other elements of the decision-making and delivery structure;
- The key processes for ensuring accountability, probity, transparency, legal compliance and value for money
- How potential investments will be appraised, prioritised, approved, and delivered; and
- How the progress and impacts of these investments will be monitored and evaluated.

The Assurance Framework sits alongside several key WMCA governance and policy documents – most notably the WMCA Constitution, the Financial Regulations, the Strategic Economic Plan (SEP), the Local Industrial Strategy, the Single Commissioning Framework and Annual WMCA Business Plan the Monitoring and Evaluation Framework and the 3 LEP Terms of Reference.

In January 2019, HM Government published a revised Assurance Framework, the ‘National Local Growth Assurance Framework’, which replaced the previous Local Enterprise Partnership National Assurance Framework and incorporates Single Pot Assurance Frameworks where operated by a Mayoral Combined Authority.

This Assurance Framework has been developed in response to the National Local Growth Assurance Framework and will take effect from *[insert date here once clearance has been provided]*. The 2020 Assurance Framework applies to all existing and new funding regimes, funding bids and projects from this date forward. For continuity purposes, some existing projects which are already part way through the previous Assurance Framework process, will conclude their approval through that route.

For clarity this is a Single Assurance Framework, it applies to all bids, projects and programmes that place a financial liability onto the WMCA that are not classed as business as usual (BAU) revenue expenditure. It covers all capital proposals. For clarity it covers the WMCA and all its subsidiaries. A Single Assurance Framework provides consistency of approach, standards, appraisal, assurance and decision-making across all funding pots. It also allows for additional proportionality within the development of business cases and in the development routes that are undertaken.

1.2 What is an Assurance Framework

An Assurance Framework is a set of systems, processes and protocols designed to provide an evidence-based and independent assessment of the governance, risk management, and control processes of an organisation. The independence inherent to the Assurance Framework is derived from the separation between the sponsorship of projects/programmes and their appraisal and evaluation.

The Assurance Framework enables organisations to monitor, measure and scrutinise how well objectives are being met and risks managed. It also implements processes to ensure an adequate response if risks or performance are perceived to be unacceptable.

HM Treasury define Assurance Frameworks as “an objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organisation.

WMCA continues to operate according to the Local Government Financial Framework, as set out in the Ministry of Housing, Communities and Local Government’s (MHCLG) Local Government System Statement. This document does not replace any of the checks and balances prescribed by the existing accountability systems and local authority statutory responsibilities.



The Assurance Framework will help WMCA to allocate public resources in accordance with the law and correct standards, in an efficient and effective way that delivers both desired outcomes and value for money.

1.3 Who is the Assurance Framework for?

The Assurance Framework provides assurance to the Departmental Accounting Officer by explaining how funding that is granted or devolved to the WMCA is allocated, and that there are robust local systems in place which ensure resources are spent with regularity, propriety, and value for money.

The Assurance Framework is also designed to provide assurance about the Combined Authority's activities and spending to the Constituent and Non-Constituent Authorities and to the taxpayer. It sets out a set of clear and transparent arrangements for all stakeholders in the Combined Authority area including local authorities, citizens and businesses about how WMCA will conduct itself.

1.4 Updating the Assurance Framework

The WMCA Assurance Framework is approved by the WMCA Board, it will be reviewed as and when required by the Audit, Risk and Assurance Committee (ARAC).

The WMCA Assurance Framework is reviewed and updated on an annual basis, the next annual review of this document is scheduled for April 2021.

Any proposed changes that would result in a significant divergence from the approved Assurance Framework will be submitted to the relevant government departments.

This document was signed-off by the Cities and Local Growth Unit in MHCLG on [insert date] and by WMCA Board on 24 July 2020.

1.5 Overview

This document is split into several sections, they are as follows:

- **About the West Midlands Region:** Provides details on the geography of the region.
- **Governance and Decision-Making:** Outlines the governance and decision-making systems that underpin the WMCA's Assurance Framework.
- **Accountable and Transparent Decision-Making:** Outlines the apparatus and safeguards in place to ensure that the WMCA's decision-making is transparent and that decision-makers are held accountable for their decisions.
- **Project Lifecycle and Value for Money (VfM):** Outlines the processes that will be followed in order to ensure a rigorous and robust appraisal of projects and programmes.

This Assurance Framework should be read alongside the WMCA Constitution.

1.6 The Seven Principles of Public Life

The Seven Principles of Public Life, also known as the Nolan Principles, underpin this Assurance Framework. The WMCA seeks to uphold the highest standards of conduct and operation according to these principles and ensure robust stewardship of the resources that the WMCA has at its disposal.

The WMCA is committed to establish a culture in line with these principles which are as follows:

- **Selflessness:** Holders of public office should act solely in terms of the public interest;
- **Integrity:** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships;



- **Objectivity:** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias;
- **Accountability:** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this;
- **Openness:** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing;
- **Honesty:** Holders of public office should be truthful; and
- **Leadership:** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

2. About the West Midlands Region

2.1 Combined Authority

A combined authority is an accountable public body set up using national legislation that enables a group of two or more councils to collaborate and take collective decisions across council boundaries. It is far more robust than an informal partnership or even a joint committee. The creation of a combined authority means that member councils can be more ambitious in their joint working and can take advantage of powers and resources devolved to them from national government. The core purpose of a Combined Authority is to deliver better outcomes for local communities as a result of closer joint working and collaboration at a local level.

While established by Parliament, combined authorities are led by locally elected politicians and typically by a directly elected Mayor.

Devolution provides the West Midlands Combined Authority with greater freedom to direct resources to address key local needs and plan public spending as a whole to deliver more and better jobs and homes, improved transport services and infrastructure, better skills, training and public services

2.2 Geography

The Authority was established on 17 June 2016 as the Combined Authority for the West Midlands (WMCA), with the aim of improving the quality of life of everyone who lives and works in the West Midlands.

The WMCA is responsible for a range of transport, economic development and regeneration functions across the West Midlands Region. The functions of the WMCA provided or delegated to it by The West Midlands Combined Authority Order 2016 (the Order) and subsequent Orders are set out in the WMCA Constitution.

The WMCA exercises all its powers and duties in accordance with the law and the Constitution and agrees policies and delegates responsibilities to conduct its business. These latter delegations provide for the day to day management, supervision and control of services provided for by the WMCA, including the responsibilities of the statutory officers, Head of Paid Service, Section 151 Officer and Monitoring Officer.

The Leadership of the WMCA comes from the Mayor and the seven constituent local authorities, which have full voting rights and provide 2 members each on the Board. The Constituent Councils of the WMCA are the Metropolitan Councils for the local government areas of the West Midlands. Non-Constituent Authorities also support the Authority and participate as appropriate.

They are:





That makes the West Midlands Combined Authority (WMCA) as geographically defined as consisting of the following Constituent Authorities:

- Birmingham City Council
- Coventry City Council
- Dudley Metropolitan Borough Council
- Sandwell Metropolitan Borough Council
- Solihull Metropolitan Borough Council
- Walsall Metropolitan Borough Council
- City of Wolverhampton Council

The WMCA also covers the geography encompassing some parts or all of the areas of the regions 3 Local Enterprise Partnerships (LEPs), they are business-led organisations building relationships with local authorities and are non-constituent members of the WMCA. They are:



In addition, the WMCA has Non-Constituent representation from Local Authorities outside of the West Midland Constituent areas which can sign up for more than one Combined Authority but have less voting rights. They are:

- Cannock Chase District Council
- North Warwickshire Borough Council
- Nuneaton & Bedworth Borough Council
- Redditch Borough Council
- Rugby Borough Council
- Shropshire Council
- Stratford-on-Avon District Council
- Tamworth Borough Council
- Telford & Wrekin Council
- Warwickshire County Council

2.3 Annual Review of the Assurance Framework

This is a 'live' document and will be subject to a detailed annual review of its content in order to ensure that material is kept up to date and to provide quality assurance on the Assurance Framework itself.

The National Local Growth Assurance Framework and further guidance and policy set by Government may also evolve over time, in addition further funding and powers could be provided to the WMCA.

The annual review will also refer to any periodic updates of the documents referenced in the appendices to the Assurance framework, including the business case templates and evaluation criteria, monitoring and evaluation procedures and the risk log.



The Annual Review of the Assurance Framework will be led by the Audit, Risk & Assurance Committee and the WMCA's Statutory Officers.

It is anticipated that the Assurance Framework will continue to evolve and develop.

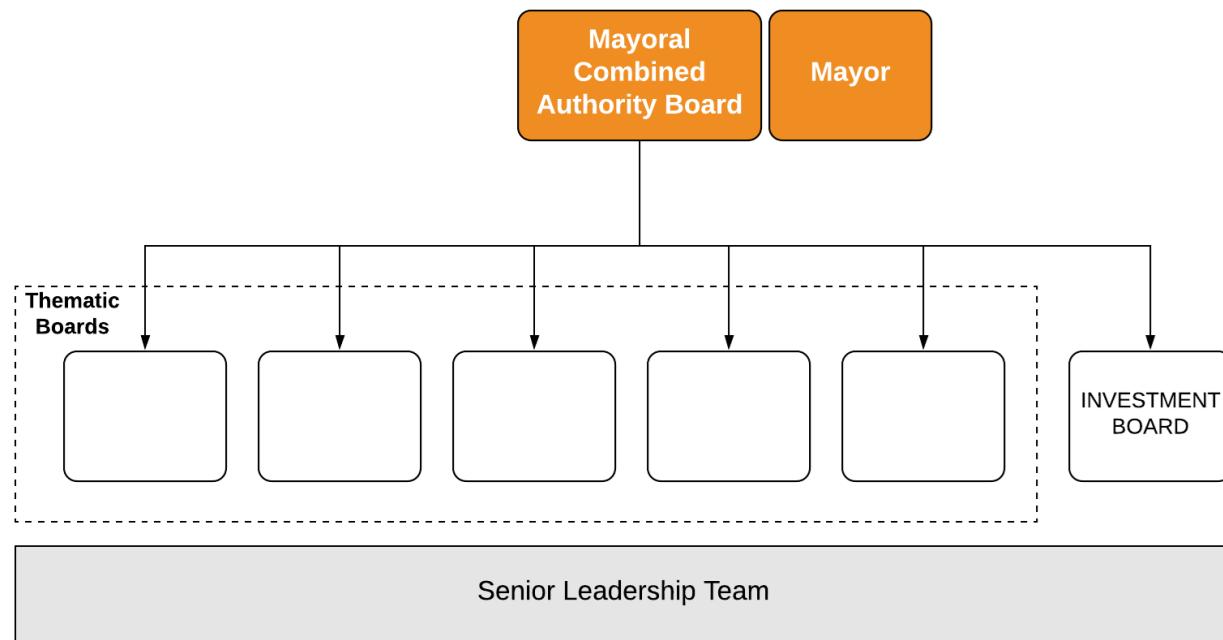
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3. Governance and Decision-Making

3.1 West Midlands Combined Authority Governance Structure

The diagram below depicts the WMCA's governance structure. This governance structure will be the framework under which all WMCA decisions are made and is designed to maximise transparency and democratic accountability. The terms of reference for each element of the WMCA's governance structure are detailed in the Governance Arrangements. This document provides specific reference to the role of the different elements of the governance structure within the investment and funding allocation process.



3.1.1 The Mayor

The WMCA Mayor is directly elected by the electorate across the West Midlands WMCA Constituent area, the Mayor has a manifesto of commitments on which they were elected. The Mayor is a member, and Chair, of the Mayoral Combined Authority.

The functions of the Mayor are detailed in the West Midlands Combined Authority (Functions and Amendment) Order 2017.

The Mayor's role is embedded into the WMCA's collective decision-making arrangements. The Mayor chairs the WMCA Board which is the Combined Authority's decision-making body, the Mayor votes as a member of the WMCA Board as specified in the [WMCA Constitution](#). The Mayor will propose an annual budget which will be examined by the WMCA Board, it is the responsibility of the WMCA Board to agree a budget. The process for agreeing and rejecting a budget are detailed in legislation and the [WMCA Constitution](#).

The £36.5 million Gain Share funding arising from the WMCA Devolution Deal 1 is part of the Investment Programme. The WMCA will monitor and evaluate the investment decisions it makes. This will be done through continual monitoring of the Investment Programme concluding in the agreement of the annual budget for the WMCA. The Mayor, as part of the WMCA and its Chair, will play a key role in influencing and confirming investment decisions together with the budget setting of the Combined Authority.

The Mayor may allocate a portfolio of responsibility to WMCA Board Members, the details of which should be provided to the Annual General Meeting of the WMCA. Any changes made to the allocation of responsibilities during the municipal year shall be notified to the next ordinary meeting of the Authority. A Member allocated a portfolio of responsibility shall be referred to as a 'Portfolio Lead Member'.



The above allocation of responsibility does not constitute a delegation of powers to a Portfolio Lead. Portfolio Leads have no delegated authority to take decisions on behalf of the WMCA or the Mayor save to the extent detailed in the [WMCA Constitution](#).

3.1.2 The WMCA Board

The WMCA Board is the legal and accountable body for funding devolved to the WMCA, including all money allocated through the Investment Programme. The WMCA Board will monitor and evaluate non-investment programme decisions directly with the Investment Board fulfilling this function as it relates to the investment programme.

The WMCA Board is responsible for a range of transport, economic development and regeneration functions across the West Midlands Region. The functions of the WMCA provided or delegated to it by The West Midlands Combined Authority Order 2016 ("the Order") and subsequent Orders are set out in the WMCA Constitution.

The WMCA exercises all its powers and duties in accordance with the law and the Constitution and agrees policies and delegates responsibilities to conduct its business. These latter delegations provide for the day to day management, supervision and control of services provided for by the WMCA, including the responsibilities of the Head of Paid Service, Section 151 Officer and Monitoring Officer.

The remit of the WMCA Board is detailed in the [WMCA Constitution](#) along with details on voting arrangements and quoracy.

The WMCA Board meets on a bi-monthly cycle and the meetings are held in public.

The WMCA is also the Local Transport Authority for the West Midlands Region. This role is defined in the [WMCA Constitution](#).

3.1.3 The WMCA Strategic Economic Development (SED) Board

The role of the SED Board is to advise the WMCA on overarching economic strategy and narrative, to prepare Strategic Plans as necessary and to oversee the performance and evaluation of progress in delivering against those Plans.

The LEPs are key members of the SED Board.

The Terms of Reference for the SED Board are detailed in the [WMCA Constitution](#).

3.1.4 The WMCA Investment Board

The role of the Investment Board is to make investment decisions and make recommendations on investment decisions to the WMCA Board as appropriate, relating to applications made in accordance with the Investment Programme that underpin devolution agreements and any other investment proposals and other investment funds that the WMCA receive in line with its terms of reference.

The WMCA will monitor and evaluate the investment decisions it makes. This will be done through continual monitoring of the Investment Programme concluding in the agreement of the annual budget for the WMCA. The finalisation of this budget will involve prioritisation of the programme which could see elements of the Programme accelerated or otherwise.

The Terms of Reference for the Investment Board are detailed in the [WMCA Constitution](#).

3.1.5 The WMCA Overview & Scrutiny Committee

The Overview & Scrutiny Committee comprises members appointed by the WMCA's constituent and non-constituent member authorities and has the power and responsibility to:

- Undertake pre-decision scrutiny of a matter yet to be determined when it has been invited to by the decision-maker, or where it considers that such pre-decision scrutiny would provide for a more considered and informed decision to be made than would otherwise be the case.
- Make a report and recommendations on any issue affecting the WMCA's area or inhabitants and which falls significantly within the powers of the Mayor, the WMCA Board or one of its committees.



- Contribute to the delivery of the WMCA's policies and strategies by undertaking work that is tailored to help support the WMCA Board in its own work programme. It might do this by undertaking research or scrutiny into a policy area, the outcomes of which will help in the delivery of a particular corporate workstream.
- Review and scrutinise any decision taken by the Mayor, the Portfolio Lead Members/WMCA Board or its committees and to make recommendations back to the decision-maker when it considers that there has been a significant flaw in the manner in which the decision was taken (Call-in)

Overview & Scrutiny Committee performs a key role within the governance arrangements of the WMCA and is publicly accountable for the effective exercise of these responsibilities. Members appointed to sit on the committee undertake this role principally to ensure that the decisions of the Mayor, Portfolio Lead Members/WMCA Board and its committees effectively and efficiently deliver the strategic objectives of the WMCA set out in its Annual Plan and other corporate strategy documents.

The WMCA Overview & Scrutiny Committee plan to initiate a new sub-group, the Transport Scrutiny Sub-Committee, with an intention to start this new sub-group in September 2020.

The Terms of Reference for the Overview and Scrutiny Committee are detailed in the [WMCA Constitution](#).

3.1.6 The WMCA Audit, Risk & Assurance Committee (ARAC)

The WMCA has an Audit, Risk and Assurance Committee (ARAC) which is responsible for approving the statement of Accounts and reviewing the Authority's Risk Register and Annual Governance Statement. ARAC also debates and agrees Audit Actions that require implementation by the WMCA.

The WMCA Constitution details the membership of ARAC, the process for selection of a Chair and the Committees functions and procedures.

The Terms of Reference for the Audit, Risk & Assurance Committee are detailed in the [WMCA Constitution](#).

3.1.7 Governance Protocols

The Governance Protocols for the WMCA are outlined in the WMCA Constitution, these include details relating to the proceedings of the Annual Meeting and Ordinary Meetings, and the circumstances in which extraordinary meetings are required or can be called. The Constitution also details procedure rules as well as details on public access.

Of particular relevance to the Assurance Framework, the Constitution outlines the protocols under which the governance of the WMCA can evolve and change through the creation of Committees, Sub-Committees and Working Groups of the WMCA.

3.1.8 Thematic Advisory Boards and WMCA Board Sub-Groups

The WMCA Board may establish a number of Thematic Advisory Boards and Sub-Groups to advise, make recommendations and co-ordinate activity and engagement on fulfilling its Strategic Objectives.

3.1.9 Statutory Officers

The Statutory Officer roles are defined in the [WMCA Constitution](#) and comprise of:

- **Head of Paid Service** – The WMCA Chief Executive fulfils the role of the Head of Paid Service, discharging the functions in relation to the WMCA as set out in section 5 of the Local Government and Housing Act 1989.
- **Section 151 Officer** – The WMCA Director of Finance fulfils the role of Section 151 Officer in accordance with section 151 of the Local Government Act 1972.
- **Monitoring Officer** – The WMCA Monitoring Officer discharges the functions in relation to the WMCA as set out in section 5 of the Local Government and Housing Act 1989.

3.1.10 Review of Governance

The WMCA will publish its Annual Governance Statement (AGS) on an annual basis alongside its annual accounts. This statement is prepared following an internal review of the WMCA's governance arrangements and provides details of key areas where improvements can be made. The AGS will be discussed and approved by ARAC and will also be examined by the WMCA's external auditors.



ARAC and the WMCA Overview and Scrutiny Committee will monitor and review governance arrangements within the WMCA and make recommendations on any issues raised through this process. These Committees will also play a role in considering how the Assurance Framework is operating in practice.

3.2 Cross-Combined Authority Working and Engagement

3.2.1 Cross-Combined Authority Working

Cross-Combined Authority working arrangements between members of the WMCA are detailed in the WMCA Constitution along with the Scheme of Delegations and additional delegations.

3.2.2 Engagement & Joint Working with LEPs

Engagement with and feedback from neighbouring authorities, key stakeholders and the public is key to shaping and defining the Combined Authority's activities on an ongoing basis. This has particularly been the case during the creation and development of the Combined Authority through engagement with neighbouring authorities and the three Local Enterprise Partnerships that cover the area (The Black Country, Greater Birmingham and Solihull, and Coventry and Warwickshire).

The WMCA and the 3 LEPs are committed to working collaboratively, sharing economic intelligence and to coordinate and monitor investment programmes to help ensure the effective use of public resources. The WMCA Strategic Economic Plan provides the basis for investment decisions and is developed in partnership with the 3 LEPs, in addition the SED Board which provides oversight, delivery support and policy development to the Strategic Economic Plan and the Local Industrial Strategy engages the 3 LEPs in key Board roles.

The 3 LEPs attend the WMCA Board as Non-Constituents, are represented on Investment Board, Thematic Boards and Overview and Scrutiny Committee. They also have officers represented on the Investment Panel and Advisory Panel

The WMCA will continue to take this approach to engaging with neighbouring authorities, key stakeholders and the public. Channels for engagement include the formal consultation process, as well as the communication and dissemination of information as set out in 4.1

3.2.3 Mechanisms for Dispute Resolution

In the event of dispute between Constituent and/or non-constituent members relating to a relevant Combined Authority matter, a dispute resolution process will be implemented. The focus of this process will be threefold:

- to understand why dispute has occurred;
- to determine/understand the potential implications of the dispute; and
- to resolve where possible.

A key principle of the dispute resolution procedure is that disputes will be resolved at the most appropriate place level, i.e. for organisation with a singular district footprint the issue will be resolved at a locality level following consideration by the Chairs and Leaders of all of the stakeholders in the locality. Where disputes cannot be resolved at place level, a group comprised of an agreed number of Chairs and Leaders from each stakeholder group outside of the locality representing each of the stakeholder groups will be formed to arbitrate and make recommendations to the parties in dispute. It is intended that the recommendations made by the dispute resolution group are binding on those parties in dispute.

3.3 Interacting with 'existing' Assurance Frameworks

A number of bodies, such as the Seven Constituent Councils, that make up the WMCA may have their own Assurance Frameworks. This raises the question of how the WMCA Assurance Framework will interact with these other Assurance Frameworks.

There are two cases where overlap may occur:

1. Local Growth Funding (LGF): This is currently administered through the LEPs, therefore the respective LEP Assurance Frameworks will continue to apply to this funding under the National Local Growth Assurance Framework.
2. A project being funded by two or more organisations (cocktail funding): It may be the case that the WMCA provides funding to a project which requires funding from a number of organisations that have their own Assurance Frameworks. In this case the WMCA's portion of the investment should be treated in the same way as a standalone project and tested through using the WMCA's



Project Lifecycle and Assurance Framework. This is because the WMCA's objective is to provide assurance to itself that its portion of the investment in a project is appropriate and will deliver value for money. In such a circumstance every effort should be made to utilise the work undertaken by other bodies to avoid duplication wherever possible.

3.4 Dealing with Pre-Existing Projects

Pre-existing projects and programmes that require WMCA funding will be subject to the full Project Lifecycle process. This is to ensure that the funding contributed by the WMCA is appropriate and that it delivers Value for Money. The specific method of evaluation will be determined by the cost of the project, which is in line with the Combined Authority's approach to proportionality outlined in 5.1.4.

3.5 Treatment of Risk at the WMCA Level

A key role of the Assurance Framework is to ensure that risk is identified, monitored and managed appropriately, both at a strategic level (that is, the risks facing the WMCA as an organisation), and at a project and programme level (that is, the risks involved in any one specific investment, or group of investments). Treatment of project-specific risks are discussed in more detail in 5.1.5.

To identify, monitor, manage and mitigate risks at the strategic level, the WMCA has a Strategic Risk Register. The risk register is aligned to the strategic objectives of the Combined Authority. The key principle of the Strategic Risk Register is to account for risks that face the WMCA as a whole, to determine where and by whom such risks are borne, to establish controls to prevent the identified risk (such as funding shortfall) from materialising (such controls could also include ways to reduce the impact such as use of reserves or insuring against the shortfall). The Register is not limited to financial risks and will also consider issues such as a major divergence of interests between two or more Constituent Authorities.

In addition to the Strategic Risk Register the WMCA has developed risk management procedures that apply to activities at all levels within the organisation (generally classified as project/programme and Directorate levels to inform Strategic Risk). These procedures are part of the WMCA's broader Risk Management Framework which is separate to this document. The Risk Management Framework also considers how risks in the constituent bodies could impact the WMCA and includes a clear set of escalation procedures.



4. Accountable and Transparent Decision-Making

4.1 Stakeholder Engagement and Transparency

A Mayoral update is distributed to stakeholders throughout the West Midlands informing them of current and planned WMCA activity and how they can get involved.

Regular social media updates concerning relevant activity are provided via the WMCA Twitter handle.

A calendar of events will be developed and made available on the [WMCA website](#).

A continuous public relations campaign will also inform the public and stakeholders of WMCA activity.

Stakeholders and the public can contact the WMCA via the WMCA's website contact section (www.wmca.org.uk/contact-us/) or through social media.

Meeting papers and minutes, scheme business cases and evaluation reports, funding decision letters with funding levels and conditions and regular programme updates on delivery and spend against budget will be published on the [WMCA website](#) in accordance with the Access to Information Rules.

The public and stakeholders will be able to provide input via the [WMCA website contact section](#). Stakeholders will be made aware of how to provide input to the WMCA through a newsletter which will be made available online.

The WMCA will adhere to the Local Government Transparency Code.

The principles of decision-making and statement on how investment decisions will be made can be found in the [WMCA Constitution](#).

FOI and EIR requests will be dealt with in the first instance by the WMCA's Freedom of Information Officer.

4.2 Availability of Information Online

The WMCA is subject to the same Transparency Code that applies to Local Authorities. To deliver the responsibilities under the Code the WMCA has developed a robust, but proportionate, approach to sharing and publishing information so that it is accessible to the public.

The WMCA website contains a comprehensive set of information and there are links to the WMCA website on the Constituent Council and LEP websites. Core information regarding activity being undertaken by the WMCA and the Mayor is available on the WMCA website. The website has been designed for ease of navigation and to enable members of the public to locate and download information on meetings, decisions and activities.

Transport schemes will upload scheme designs and business cases to the WMCA website for 30 days ahead of any approval of such documents. Additional to this the WMCA will upload all of its evaluation of interventions documents and they will be visible to external stakeholders so that external comment is possible.

The WMCA Constitution includes a publication scheme which sets out how and when agendas, minutes, papers and other documents produced by the WMCA will be made available to the public. It also sets out any exceptions to publishing information, such as not disclosing information that is prohibited by law or which is exempt under the Local Government Act 1972 Schedule 12A or Freedom of Information Act 2000.

The WMCA is subject to the Local Government Act 1972, the Freedom of Information Act 2000, Data Protection Acts of 1998 and 2018, the General Data Protection Regulations (GDPR) and the Environmental Impact Regulations 2004.

The public are made aware of their right to access information through the WMCA website. Requests for information are dealt with in accordance with the relevant legislation and information is not unreasonably withheld.



4.3 Meeting Papers

The schedule of Committee meetings for the calendar year ahead are published on the WMCA website.

The notice of meetings, the agenda and the accompanying papers are published five clear working days in advance of the meeting. Where papers contain commercially sensitive information or are subject to one of the exemptions under the Local Government Act 1972 Schedule 12A or the Freedom of Information Act 2000, they are not published and are categorised as a private item. Decisions on whether individual agenda items are private items are made by the Monitoring Officer using existing local authority regulations.

Draft minutes of meetings are published no more than ten working days after the meetings on the WMCA website. All WMCA Board minutes are signed at the next suitable meeting and published within ten clear working days.

4.4 Notice of Decisions

The WMCA publishes a Forward Plan of Key Decisions that will be taken by the WMCA at least 28 days before the decision is made to enable members of the public the opportunity to view and comment on them.

Details of all project approvals made by the WMCA are recorded in the appropriate meetings minutes. In addition, the WMCA maintains an Activity Register to support the Senior Leadership Team and a Contracts Register which provides details of all contracts and agreements signed by the WMCA.

4.5 Information on WMCA Board Members

The WMCA website contains information relating to the Mayor and to WMCA Board Members, as well as Constituent, Non-Constituent and Observer Members of the WMCA.

4.6 Publication of Financial Information

A range of budgetary and financial information is published on the WMCA website so that it is transparent and accessible to the public, this includes the Annual Statement of Accounts. The WMCA will ensure that this information is complete and up to date.

4.7 Transparency of Pay for Senior Employees

As part of its Annual Statement of Accounts the WMCA will publish information on the pay and benefits of senior employees.

4.8 Status and Role of Accountable Body

The WMCA is a local authority for the purposes of the Local Government Act 1972 (and the Local Democracy, Economic Development and Construction Act 2009) and is the Accountable Body for public expenditure that supports the WMCA Vision, facilitating collective decision making between constituent partners in economic development, regeneration and transport.

The WMCA is the Accountable body for all the devolved funding streams set out in the Devolution Deals and which as a consequence are paid to the WMCA. The WMCA will therefore be responsible for:

- Prioritising projects against the available resources
- Ensuring value for money
- The evaluation of outcomes
- Risk management

The WMCA holds all funding, enters into contractual arrangements and processes payments. The WMCA also provides programme management to account for the funding and ensures that the impact of investment is assessed.

In performing this role, the WMCA will ensure that it acts in a manner that is lawful, transparent, evidence based, consistent and proportionate. The detailed process is set out in Section 5 of this Assurance framework.



The WMCA has appointed a statutory Chief Finance Officer under section 73 of the Local Government Act 1985 and a statutory Monitoring Officer under section 5 of the Local Government and Housing Act 1989. The Chief Finance Officer role will ensure that resources are used legally and appropriately and that they will be subject to the usual checks and balances by making sure there is a sound system in place for financial management. The Monitoring Officer role will ensure that all legal responsibilities are adhered to.

The WMCA will comply with the audit and scrutiny requirements set out in the 2009 Act and the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 and the NTCA will ensure that it acts in a manner that is lawful, transparent, evidence based, consistent and proportionate.

This Assurance Framework will be reviewed on an annual basis to ensure that it remains relevant to the operations of the WMCA.

4.9 Responsibilities of the Section 151 Officer

The responsibility for the financial affairs of the WMCA rests with the Section 151 Officer.

The Section 151 Officer is responsible for:

- Ensuring that funds are used legally, appropriately and are subject to the usual local authority checks and balances, including discharging financial duties under the Financial Regulations 2018;
- after consulting with the Head of Paid Service and the Monitoring Officer, report to the Authority and the Authority's external auditor if they consider that any proposal, decision or course of action will involve incurring unlawful expenditure, or is unlawful and is likely to cause a loss or deficiency or if the Authority is about to enter an item of account unlawfully;
- have responsibility for the administration of the financial affairs of the Authority and undertake the functions under any enactment (whenever passed) of a chief finance officer, proper officer or responsible officer (or other designation used in the enactment) concerning the Authority's accounting practices, audit arrangements or its financial affairs and arrangements;
- Ensure the publication of the Annual Accounts;
- Certifying that funding can be released under the appropriate conditions (in line with statutory duties);
- Ensuring that the established professional codes of practice are applied;
- Signing off value for money statements for all funding applications as true and accurate;
- contribute to the corporate management of the Authority, in particular through the provision of professional financial advice;
- provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to the Mayor, Members and Officers and support and advise Members and Officers in their respective roles;
- provide financial information to the media, members of the public and the community;
- act as the Proper Officer for the Authority in relation to:
 - section 115(2) of the Local Government Act 1972 – receipt of money due from Officers;
 - Section 73 of the Local Government Act 1985 – administration of the financial affairs of the Authority.
- VfM is achieved for all proposals and that this is in line with HMTs VfM principles

4.10 Responsibilities of the Monitoring Officer

The responsibility for legal and governance affairs of the WMCA rests with the Monitoring Officer.

The Monitoring Officer is responsible for:

- providing advice on, and maintaining an up-to-date version of, the Constitution and ensuring that it is widely available for consultation by members, employees and the public;
- after consulting with the Head of Paid Service and Chief Finance Officer, report to the Authority if they consider that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given rise to maladministration. Such a report will have the effect of stopping the proposed decision being implemented until the report has been considered;
- contributing to the promotion and maintenance of high standards of conduct through provision of support to the Standards Committee (formed as a Sub-Committee of the Audit and Risk Assurance Committee);



- oversee investigations into complaints made under the Members Code of Conduct and, where appropriate, make reports or recommendations in respect of them to the Standards Committee;
- ensuring that decisions, together with the reasons for those decisions and relevant officer reports and background papers are made publicly available as soon as possible;
- advising whether decisions are within the budget and policy framework and whether any particular decision or proposed decision constitutes a key decision;
- providing advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to the Mayor, Members and Officer, and generally support and advise Members and officers in their respective roles;
- act as Secretary and Clerk to the Authority;
- act as the Proper Officer in relation to the relevant sections of the Local Government Act 1972
- discharging the functions under any enactment (whenever passed) of a Monitoring Officer, Proper Officer or responsible officer (or other designation used in the enactment) concerning the Authority's legal affairs and arrangements, including compliance with the law.

4.11 Audit and Scrutiny

The Cities and Local Government Devolution Act 2016 imposes the statutory requirement upon the WMCA to establish both a Scrutiny Committee and an Audit Committee. Full details of the requirements of the Act can be viewed at www.legislation.gov.uk/ukpga/2016/1/contents/enacted

The WMCA Overview and Scrutiny Committee has the power to:

- Review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are the responsibility of the Mayor and/or the Authority;
- Make reports or recommendations to the Authority and/or the Mayor with respect to the discharge of any functions that are the responsibility of the Authority and/or the Mayor;
- Make reports or recommendations to the Authority and/or the Mayor that affect the Authority's area or the inhabitants of the area
- Direct that a decision is not implemented while it is under call-in; and
- Recommend that a decision be reconsidered.

The full details of the powers and responsibilities of the Overview and Scrutiny Committee can be viewed at www.legislation.gov.uk/ukpga/2016/1/schedule3/enacted and the terms of reference of WMCA's Overview and Scrutiny Committee are detailed in the WMCA Constitution.

The WMCA Overview and Scrutiny Committee has powers to call-in decisions not yet implemented for scrutiny, these powers are set out in the [WMCA Constitution](#).

The WMCA Audit Committee is the Audit, Risk and Assurance Committee (ARAC). The functions of ARAC are:

- Approving the Annual Accounts
- Reviewing and scrutinising the WMCA's financial affairs
- Reviewing and assessing the WMCA's risk management, internal system of controls and corporate governance arrangements
- Reviewing and assessing the economy, efficiency and effectiveness with which resources have been used in discharging the WMCA's functions
- Making reports and recommendations to the WMCA in relation to the above points.

The Terms of Reference for both the WMCA Overview and Scrutiny Committee and ARAC are detailed in the [WMCA Constitution](#).

4.12 Internal and External Audit

The WMCA has established processes for internal and external audit. The Strategic Hub produces an Integrated Assurance and Approval Plan that outlines the planned assurance activities for projects and programmes across a 3 lines of defence model and will therefore be inclusive of audit activity in the 3rd line of



defence. In addition, the Statutory Officers produce an Annual Audit Plan that will include any audit activity for assessing wider WMCA systems of control as well as activity relating to projects and programmes that ARAC approves.

4.13 Checks and Balances

The use of resources by the WMCA are subject to standard local authority checks and balances. In particular, this includes the financial duties and rules which are required councils to act prudently in spending and to ensure transparency that annual accounts are published. The development of these checks and balances is overseen and managed by the WMCA's Section 151 Officer.

4.14 Strategic Objective and Purpose

The Strategic Objectives and purpose of the WMCA directed by the Strategic Economic Plan, Local Industrial Strategy and other strategic plans are set out on an annual basis in the WMCA Annual Plan. The purpose of this Annual Plan is to:

- Set out the WMCA priorities for the municipal year so that partners and stakeholders are clear on the key areas of focus
- Provide a strategic context for the WMCA as an organisation so that service plans and operational activity are aligned to the overall vision and priorities
- Enable the WMCA to articulate what is being delivered, and be able to oversee and review progress against priorities

The strategic economic plan (SEP) sets out the founding vision, objectives, strategy and actions to improve the quality of life for everyone who lives and works in the West Midlands. It has been developed and agreed by a wide partnership of people, organisations and businesses who share a pride in, and ambition for, an area with unique assets, challenges and opportunities. This has been further developed through the Local Industrial Strategy.

The SEP is based on an understanding of what makes the West Midlands different; its uniqueness is not simply based on its location in the heart of the country and a long and proud history of manufacturing excellence, but its cultural diversity, its track record in innovation and its potential to support a young, diverse population to flourish across its cities, towns, villages and countryside.

The SEP's ambition is based on the recognition that, through devolution, the West Midlands' assets can be enhanced to benefit not only its residents and businesses, but the entire nation. Economic growth across the West Midlands delivers a better, more successful and more vibrant UK economy, playing a key role in maintaining and improving the UK's global competitiveness.

Devolution and the creation of the West Midlands Combined Authority (WMCA) have provided the region with a once in a lifetime opportunity to transform the area through a robust and focused programme of change. The WMCA's vision-led approach to transformation enables ambitious, yet achievable outcomes focused on the issues that matter; the issues that make the biggest differences to the quality of life of the people who live in the area.

The SEP has been developed through a powerful collaboration of organisations who have played to their strengths and shared their expertise to ensure the WMCA's vision is robust, achievable and ambitious. In particular, the leading role universities play in economic development has been a key factor in the development of the SEP.

It sets the context for the WMCA's first devolution agreement with Government and explains how devolved powers and resources will be used. It also sets the scene for subsequent devolution agreements with this and future governments.

The WMCA provides the scale and capacity to respond to the opportunity of devolution and go further and faster in enabling economic growth. It also enables the area to contribute to, and benefit from, the ambitious Midlands Engine programme with its focus on **Page 156** regeneration, transport and inward investment.



The area's innovation infrastructure will play a crucial role in increasing productivity and reforming public services, with the recommendations of the Midlands Engine Science and Innovation Audit informing the WMCA's approach.

The strategy uses the economy plus model to deliver the vision and is based on the strengths, challenges and opportunities faced across the area and the development of a strategic approach that focuses on priority actions, channels and principles.

The eight priority actions are:

1. New manufacturing economy: harnessing the biggest concentrations of high value manufacturing businesses in Europe and their supply chains.
2. Creative and digital: further developing the area's vibrant and flourishing sector.
3. Environmental technologies: securing transformational environmental improvements.
4. Medical and life sciences: enabling the further growth of the medical and life sciences sector and supporting other businesses to diversify and become part of the sector's supply chain.
5. HS2 growth: maximising the benefits of the largest infrastructure project in Europe.
6. Skills for growth and employment for all: ensuring the skills needs of businesses are met and everybody can benefit from economic growth.
7. Housing: accelerating the delivery of current housing plans to increase the level of house building to support increased level of growth.
8. Exploiting the economic geography: making the most of the scale and diversity of the West Midlands' geography to enable economic growth and community wellbeing throughout the urban core and rural areas.

This approach has been complemented by the development of the Local Industrial Strategy, co-designed in partnership with the region and government. It sets out the actions the West Midlands is taking to support growth in productivity and earning power for all. It considered the economy from two perspectives, which led to the identification of new market driven opportunities for growth and specific barriers and opportunities that exist for each of the foundations of productivity, together with their spatial distribution, proposing actions that will support the whole of the West Midlands to take advantage of strategic opportunities ahead.

The WMCA is also the Transport Authority for the West Midlands, delivered through Transport for West Midlands (TfWM).

Transport for West Midlands (TfWM) co-ordinates investment to improve the region's transport infrastructure and create a fully integrated, safe and secure network. It is also responsible for assessing and planning for the region's future transport needs so the network can meet the demands of businesses and a growing population.

The expansion of the Midland Metro tram system is just one of the many projects that TfWM is delivering to help meet those future needs. Working in partnership with bus and train operators, TfWM develops integrated and smart ticketing while providing free fares for the elderly and disabled and half price travel for children. Funding is also used to support the Ring and Ride service and provide socially necessary bus services on those routes or at those times that are not commercially viable for the private bus companies.

By forging voluntary partnerships and agreements with bus and train operators, TfWM helps drive through improvements to services while providing other benefits for passengers. These include free Park and Ride facilities at stations and travel information through mobile apps and real time information as well as the traditional paper timetables at bus stops.



Alongside new ways of working, performance management and governance frameworks, this will ensure resources are focused in the right places at the right times to deliver fast, flexible and dynamic change for residents, businesses, their employees and cities, towns and villages across the West Midlands.

The WMCA is focused on taking swift action to deliver its vision and a first phase of activity is already underway; the creation of a growth company working with the private sector and across the area will support and help accelerate the delivery of the SEP.

This SEP outlines in more detail the strengths, challenges and opportunities facing the area and the strategic approach the WMCA will take to deliver its vision.

At the heart of the strategy is the drive to accelerate an improvement in productivity and enable the West Midlands to become a net contributor to the UK exchequer - while improving the quality of life for everyone who lives and works in the area.

4.15 Equality and Diversity

When exercising public functions, the Mayor and/or WMCA will take into consideration section 149 of the Equality Act 2010 and consider the impact upon people/ groups with protected characteristics and specifically will consider how the project had had regard to:

1. The need to eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act
2. The need to advance equality of opportunity between people who share a protected characteristic and people who do not
3. The need to foster good relationships between people who share a protected characteristic and people who do not.

During the application process for WMCA funds, project sponsors will be required to provide evidence to this end, this will be assessed through an evaluation of the business cases submitted by applicants.

In addition, the WMCA has developed its own standards that it wishes to drive through its projects and programmes, one of which is consideration and development of Inclusive Growth. Continued regional inequalities and the impact of Covid-19 on some groups (e.g. BAME individuals and elderly people) reinforces the need for the WMCA to continue to develop processes and initiatives to drive inclusive growth, such as:

INCLUSIVE GROWTH

Inclusion Strategy	Publish an inclusion strategy which outlines the actions the WMCA will take to support better outcomes for marginalised and minority groups.
Inclusive Initiatives	The WMCA should lead by example and deliver initiatives that supports the development of those from deprived areas.
Broader Outcomes	The WMCA project appraisal process should go beyond traditional Green Book cost benefit analysis and demonstrate wider benefits such as those that positively impact marginalised and minority communities. The development of the 'West Midlands Way' approach to business cases will help drive WMCA specific considerations around inclusive growth.
BAME Business Engagement	The WMCA should utilise additional communications channels to ensure further engagement with BAME owned businesses.

4.16 Whistleblowing

The WMCA Constitution sets out how the WMCA Complaints and Whistleblowing Policy, including how concerns can be raised in confidence and how those concerns will be dealt with.



The WMCA Whistleblowing Policy can be viewed at <https://www.wmca.org.uk/media/2033/whistleblowing-policy.pdf>

Further details on the WMCA's Complaints Procedure can be viewed at: <https://www.wmca.org.uk/policies/>

4.17 Registration and Declaration of Interests

Members of the WMCA must register their interests. Elected Members will have already undergone this procedure within their own local authority and each local authority register of interests will be applicable, supplemented by a request for the need to make any additional declarations to reflect the application of the code across the WMCA geography (i.e. interests that arise within the WMCA area but outside the elected member's own local authority area).

A collated register of interests of all members of the WMCA will be maintained and will be by Governance Services, details of the Mayoral register of interests and the wider register can be accessed via the WMCA website. The register of interests procedure will follow the code of conduct for Members which is set out in the [WMCA Constitution](#).

Members must act in the interest of the whole WMCA area and not solely in the interest of their geographical area.

Completed registration of interest forms are accessible via the [WMCA website](#).

4.17.1 Conflict of Interests Policy

Members of the WMCA are expected to act in the interests of the West Midlands region as a whole when making decisions. The WMCA has a Code of Conduct which covers the declaration and registration of interests. Members are called upon to declare any interests that arise at meetings of the WMCA and to take appropriate action, further details can be found in the [WMCA Constitution](#).

4.18 Gifts and Hospitality

The code of conduct for Members outlines the specific terms for the declaration of gifts and hospitality received as a Member including the notification process to the WMCA Monitoring Officer by which all Members must abide.

4.19 Complaints Procedure

Complaints from stakeholders and members of the public will be dealt with and resolved in accordance with the WMCA's Customer Care Charter and Complaints Procedure.



5. Project Lifecycle and Ensuring Value for Money

5.1 Principles and Objectives

The purpose of the Project Lifecycle is to provide a framework for the WMCA to initiate, develop, appraise and make rigorous assessments regarding the quality and value for money of its projects, programmes and investments.

Specifically, the Project Lifecycle assesses projects against a range of strategic, economic, financial, commercial and management objectives and criteria. This assessment is primarily undertaken using HMTs Five Case Business Case Appraisal Process, it has been further enhanced to specifically tailor it to the needs and requirements of the WMCA's objectives and requirements to create the 'West Midlands Way'.

The intent of the project lifecycle is to deliver consistent processes and decision-making that are proportionate, flexible, comply with a Single Assurance Framework approach (and National Local Growth Assurance Framework guidelines) and deliver increased confidence in the WMCA's ability to make informed decisions.

The objectives of this Assurance Framework are to:

- Provide WMCA with Financial and Governance Protections for stewardship of public funds
- Improve standards of project initiation, development, delivery and oversight
- Trust and empower WMCA's officer expertise
- Provide the necessary consistency, controls and clarity that will deliver confidence in the WMCA's decision-making and ability to deliver
- Embed appropriate Assurance and lines of defence within project development and decision-making process
- Manage political and reputational risks

The project lifecycle model is supportive to Portfolio's and Directorates, delivering WMCA specific standards such as ensuring earlier input to project development for Legal and Finance and ensuring earlier opportunities for cross portfolio developments and inclusive growth considerations.

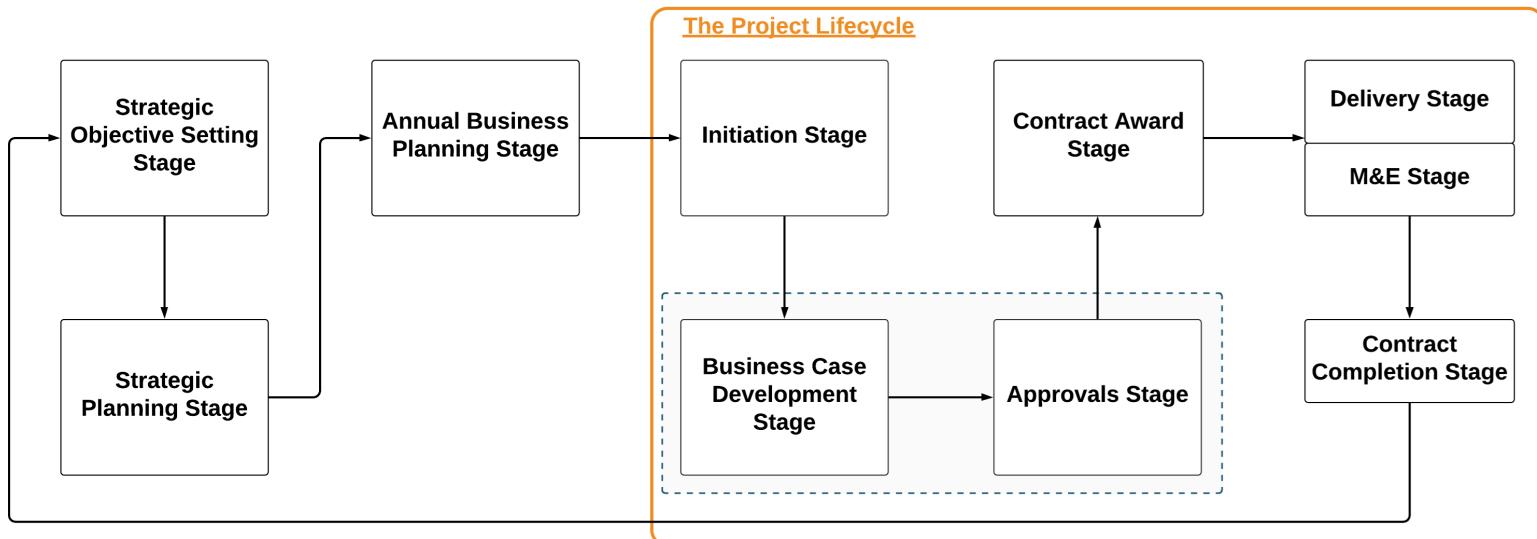
The project lifecycle has been developed to support external assurance requirements from Central Government and others to avoid the need for duplication of efforts.

The principles and objectives of the WMCA's Project Lifecycle are based around 'the golden thread'. The golden thread refers to the approach of aligning strategic organisational objectives with the outputs and actions of the organisation. The golden thread seeks to connect the organisational vision with analysis, processes, systems and people; leading to a common understanding as to how the vision, goals and values of the organisation are intrinsically linked to everyday tasks.

Ensuring that projects and programmes will clearly contribute to the delivery of the WMCA's agreed strategic objectives is a key principle of the Single Assurance Framework, embedding strategic fit considerations right from initiation through the Funding Initiation Document (FID), which requires clear consideration and justification of strategic fit and alignment in order to achieve initiation.

The need to demonstrate with evidence the strategic justification of a proposal from concept, through initiation, through development, through approval and through monitoring and evaluation is a key principle of the project lifecycle.

The Project Lifecycle can be illustrated as follows:



5.1.1 Appraisal and Evaluation

The project lifecycle is built around the role of appraisal and evaluation which is to provide objective analysis and support decision-making. The WMCA requires all schemes requiring a form of investment from the WMCA to develop proposals in line with this Assurance Framework, this requires schemes to undergo a proportionate appraisal to assess the merits of the application, its strategic fit (delivering the golden thread) and value for money and to ensure that it is deliverable.

The project lifecycle, the business case components and criteria for consideration, have been developed using HMTs Green Book guidance on how to appraise policies, projects and programmes. In addition, the project lifecycle has been developed to reflect guidance provided by further HMT guidance such as:

- Managing Public Money – provides guidance on the responsible use of public resources
- Aqua Book – sets out standards for analytical modelling and assurance
- Magenta Book – provides detailed guidance on evaluation methods

In addition, the project lifecycle reflects guidance specific to transport projects and programmes provided by Department for Transport (DfT) such as the Transport Business Case, WebTAG and DfT Value for Money Framework.

It should also be noted that there are separate assurance arrangements in place for administrating the functions of the Adult Education Budget (AEB) provided by the Department of Education (DfE). Further detail on the separate arrangements for AEB are provided in Annex C of the National Local Growth Assurance Framework. These administration arrangements do not cover the project lifecycle for the development of AEB projects which would still be covered by the Single Assurance Framework.

There is a single process to be applied through the Assurance Framework to projects and programmes developed across the WMCA, whether they be Housing, Transport, AEB or other schemes.

5.1.2 Value for Money

A key objective of the Single Assurance Framework, and of the project lifecycle more specifically, is to support the WMCA in making judgements about the Value for Money (VfM) of potential investments and to accept or reject investments accordingly. This will be conducted via a single approach and methodology and is aligned to the guidance in HMT's green book.

An assessment of VfM is derived through a process under which the WMCA procurement, projects and processes are systematically evaluated and assessed to provide confidence about suitability, effectiveness, prudence, quality, value and avoidance of error and other waste, judged for the Exchequer as a whole (HMT Guidance – Managing Public Money). This is conducted in a proportionate way so for example for schemes that have total costs in excess of £20 million; have a benefit cost ratio (BCR) below 2; or have notable local opposition to implementation, the scope of the scrutiny will be extended.

Value for Money will be assessed using three principles of criteria:



- Economic (i.e. minimisation of resource usage or spending less so utilisation of the appropriate resource both capability and capacity);
- Efficiency (i.e. the relative level of outputs and the resources used to produce them or spending well); and,
- Effectiveness (i.e. the relationship between the intended and actual results of public spending or spending wisely).

WMCA will also consider whole life costs in relation to asset management and OPEX costs, additionally it will review road maps and future development of innovation and technology to ensure there are no threats around products becoming obsolete.

Questions and criteria have been embedded into the project lifecycle to test projects against VfM requirements. When assessing VfM the WMCA will follow HMT Green Book business case guidance, ensuring that there is a clear audit trail of decisions. WMCA will also follow any additional relevant departmental supplementary guidance such as MHCLG guidance relating to housing and commercial development interventions. VfM statements will be provided to decision-makers at each approval stage.

The project lifecycle will seek to apply proportionality to the level and detail of information required, in line with the appropriate guidance, dependent upon the value and complexity of the proposed intervention. This is accounted for through applying proportionate levels of criteria to the development of business cases.

For all projects and programmes, accountable decision-making authorities need to ensure that there is a named individual with overall responsibility for ensuring Value for Money, at WMCA the named individual is the Section 151 Officer. They are responsible for signing off the VfM requirements have been met for all schemes and for the scrutiny and recommendations for each business case

Transport Schemes

For Transport Scheme there will also be a requirement to conduct appraisals and value for money assessments based on WebTAG guidance.

Transport for West Midlands (TfWM) will ensure that scheme traffic/public transport modelling and appraisal is robust and meets this guidance at the time a business case is submitted for each stage of approval. The assessment of the scheme traffic/public transport modelling and appraisal will require expert resources which are independent of each scheme sponsor. Appropriate resource will be commissioned with suitable experience of major Transport scheme business case development and independent of the scheme sponsor in question, this may be an internal SME or alternatively where required a consultant (i.e. a transport SME could not sit on a panel assessing scheme traffic/public transport modelling if it has been commissioned (in whole or part) to develop the traffic model in question).

The scope of the scrutiny will be dependent on the type and scale of the scheme. All schemes will be assessed against a set of core requirements by an independent panel and as such will be subject to independent scrutiny. These are detailed in the table below.

TOPIC	REQUIREMENT
Modelling approach	Has the scheme promoter applied the proportionate modelling methodology that was discussed and agreed with TfWM /DfT at the start of business case development?
Model validation and calibration	Has the traffic or public transport model been validated and calibrated in line with WebTAG guidance?
Central case assessment	Is the central case assessment based on forecasts which are consistent with the definitive version of the National Trip End Model?
Modelling reports	<ul style="list-style-type: none">▪ Have the following reports been provided and do the reports articulate a robust case for investment: -▪ Data Collection Report;▪ Local Model Validation Report;▪ Demand Model Report; and▪ Forecasting Report?
Business Case	Have all five components of the business case been completed in line with WMCA guidance to scheme promoters as detailed in 5.2: - <ul style="list-style-type: none">▪ Strategic case;



	<ul style="list-style-type: none"> ▪ Economic case; ▪ Commercial case; ▪ Financial case; and ▪ Management case
Appraisal Summary Table (AST)	Has a completed AST been provided
Delivery	Has an existing delivery framework been identified?
Risk	Has a QRA been undertaken using @Risk software to model the Monte Carlo simulation and obtain the P50 value?
Value for Money	Does the scheme have a value for money assessment of 'high' or 'very high' based on the information provided by the scheme promoter?
Evaluation	Has a monitoring and evaluation approach been agreed with the WMCA?
Planning Dataset	Compliance and utilisation of NTEM

The level and detail of required modelling for transport schemes will be applied proportionally in line with WebTAG guidance and the WMCA's approach to business case development as detailed in the project lifecycle.

For schemes that have total costs in excess of £20 million; have a benefit cost ratio (BCR) Below 2; or have notable local opposition to implementation, the scope of the scrutiny will be extended. This will require the external scrutiny to analyse the data presented by the scheme promoter in more detail by auditing all components of the business case and confirming (or otherwise) WebTAG compliance.

For these schemes, TfWM will develop a scrutiny brief that is specific to the scheme in question. An independent panel will be appointed to undertake this work in line with an agreed timetable.

The output of standard or extended scrutiny will be presented to TfWM, who will inform the scheme of the findings and make a recommendation regarding further action. The recommendations are likely to be focused on the following responses: -

- Acceptance of the scrutiny findings and agreement that no further work required;
- Further dialogue with the scheme promoter (this is likely to involve posing questions and then assessing the responses to these);
- Commissioning a 'second opinion' from a suitably qualified person or persons; or
- Additional work is specified for the scheme promoter to conduct and an appraisal of this work is undertaken on completion.

Any additional technical work generated by this process will be commissioned and monitored by TfWM. Scrutiny findings will be reported to the WMCA as part of the decision-making process. The WMCA will be asked to approve the scrutiny findings based on a recommendation from TfWM, once all the required work has been completed.

No full approval decision will be made until acceptance and approval of the scrutiny findings has been agreed by TfWM.

Central case assessments will be based on forecasts that are consistent with the definitive version of the Department for Transport's National Trip End Model (NTEM) and accessed using TEMPRO software. The forecasts include population, employment, households by car ownership, trip-ends and simple traffic growth factors based on data from the National Transport Model (NTM).

This approach will be supplemented with locally specific land use change figures set out in the WMCA Strategic Economic Plan, Individual Core Strategies and supporting Local Development Frameworks. These will include housing and employment growth forecasts.

All schemes will be subject to a formal review process at the end of each major stage of the project lifecycle. This is in addition to the regular reviews of progress which are undertaken throughout the life of the project.

The key stages at which reviews will take place include:

- TfWM appraisal of business case (programme entry approval)



- Detailed design
- Statutory orders and acquiring land/property
- Procurement
- TfWM appraisal of business case (full approval)
- Construction

Reviews will include consideration of the project management process and quality plan (risk management) procedures. The work supporting the review process will be undertaken by the scheme sponsor and be submitted to the WMCA Managing Director of TfWM, who will appraise submissions on behalf of the Combined Authority. This may necessitate using external resource if reviews cannot be appraised from within the Authority.

The review findings will be reported to the scheme sponsor and TfWM.

Scheme sponsors will be required to seek early technical advice (i.e. at the start of business case development) from officers working on behalf of TfWM regarding modelling approach and assessing the social and distributional impacts (SDI) of schemes. These work streams can have significant lead times and the intention is that the overall approach is approved at an early stage in order to prevent any abortive work (with significant cost implications) being undertaken.

The Scheme Promoter will produce a Value for Money (VfM) statement for each scheme put forward for approval summarising the overall assessment of the economic case for the scheme. This statement will be in line with WebTAG guidance.

The VfM statement will include: -

- Value for money category of the scheme (and explanation for this);
- Present Value of Benefits (PVB), Present Value of Costs (PVC), and Benefit Cost Ratio (BCR);
- Summary of the benefits and costs that have been assessed, including any assumptions that influence results;
- Assessment of non-monetised impacts; and
- Identification of any key risks, sensitivities and uncertainties.

The initial value-for-money appraisal, which is based on an assessment of the scheme's monetised impacts in line with WebTAG (e.g. journey time savings and accident reductions), will result in each scheme being placed in one of five categories: -

- Very High – where benefits are greater than 4 times costs;
- High – where benefits are between 2 and 4 times costs.
- Medium – where benefits are between 1.5 and 2 times costs.
- Low – where benefits are between 1 and 1.5 times costs; and
- Poor – where benefits are less than costs.

Whilst the benefit/cost ratio (BCR) (or initial VfM assessment) is not the only consideration impacting on scheme approval (scheme affordability being another key determinant, for example), TfWM policy will be to consider funding: -

- Schemes with very high VfM; and
- Schemes with high VfM.

Schemes with a BCR of 2 or above, accounting for significant non-monetised impacts and key uncertainties will be given priority. However, schemes with medium, low or poor VfM will still be eligible for investment.

In order to articulate a comprehensive set of reasons for making an investment, the VfM assessment will ultimately need to take into account the non-monetised costs and impacts of each scheme. This will involve consideration of both quantitative and qualitative assessment of scheme impacts and a judgement as to how they affect the overall VfM appraisal of the scheme.

Consequently, TfWM will take account of other compelling reasons for investing in a scheme (e.g. significant numbers of jobs created or investment unlocked) within the context of a wider VfM appraisal. This may mean, for example, that a scheme may have an initial 'medium' VfM assessment but the non-monetised impacts generated by the intervention elevate this scheme to a 'high' VfM assessment; equally a scheme with an



initial ‘high’ VfM assessment could have that assessment reduced when non-monetised costs are considered e.g. adverse environmental impacts.

All independent scrutiny and appraisal of VfM statements will be considered by decision-makers at each approval stage, this includes that undertake through the Assurance Team, Risk & Investment Appraisers, Statutory Officers, the appropriate Panel (Investment or Advisory) and the parent Board (Investment Board or WMCA Board). This information is detailed in section 5.4.

Business cases must be published (and publicised) before a decision to approve funding is made so that external comment is possible. Opinions expressed by the public and stakeholders must be available to relevant members or boards when decisions are being taken.

As set out in section 4.2, Transport schemes will upload scheme designs and business cases to the WMCA website for 30 days ahead of any approval of such documents. Additional to this the WMCA will upload all of its evaluation of interventions documents and they will be visible to external stakeholders.

5.1.3 Projects vs Programmes

The Assurance Framework project lifecycle has been designed to assess and prioritise WMCA interventions at a programme and project level.

The Assurance Framework recognises that the objectives of the WMCA can only be met through the delivery of effective Programmes that account for and take advantage of the interdependencies between individual projects. However, the role of the Assurance Framework is to provide a ‘framework’ through which the WMCA can make a judgement about whether each individual project is robust and has been rigorously assessed against a specific set of criteria to ensure that it achieves Value for Money.

To assist with this process the project lifecycle has a Programme Business Case that requires completion to enable a programme to make its way through the project lifecycle.

5.1.4 Proportionality

The Assurance Framework is designed to reflect the purpose and intent of devolved funding which is delivery and to ensure that all stages of the project lifecycle are undertaken in a proportionate manner relative to the size of the investment required. This is crucial so that project sponsors are not put off by overly burdensome, bureaucratic and costly application processes when applying for small amounts of investment for a low value project. Similarly, it is crucial that large investments that place an additional financial liability on the WMCA are scrutinised and tested appropriately through a higher threshold of assurance and informed decision-making.

WMCA has built set proportionality into the business case templates and appraisal and approval criteria within its project lifecycle. In addition, route identification at the initiation phase will identify the level of proportionality that is required to be applied to the development of an application for funding.

5.1.5 Treatment of Risk at the Project Level

The approach to managing risk is comprehensive and in accordance with HMTs Orange Book principles and other project management guidance. Robust control measures and a Strategic Risk Strategy are in place to provide accountability and support due diligence.

As part of the project lifecycle and business case evaluation process applicants are required to develop a project risk and issues log in line HMT guidance. This will detail all of the project specific risks that have been identified during the development phase of the project.

The WMCA approach to business cases, built on Green Book guidance, requires project risk criteria to be considered and evidence throughout the project lifecycle.

5.2 WMCA Approach to Business Cases

The key principles that underpin the Single Assurance Framework include delivering enhanced evidenced based decision-making across everything that the WMCA does. All business cases must include the evidential basis on which the WMCA will ensure that it identifies the need and/or opportunity for intervention using rigorous analysis of quality data.



Ever increasing demand for public services creates ever more pressure on the public resources available, increasing the need to make better use of these limited resources. The challenge to those preparing and advising on spending decisions has never been greater. In this context, it is vital that spending and investment decisions are based on highly competent professionally developed proposals.

This best practice guidance from the Treasury has been refined and tested over many years, and it provides a clear framework for thinking about spending proposals and a structured process for appraising, developing and planning to deliver best social value for money: all of which is captured through a well prepared business case to support objective, evidence based decisions.

Delivering a well-prepared business case to support objective, evidence-based decisions is a key requirement of the Single Assurance Framework. To support this approach the Single Assurance Framework requires the development of business cases using the Five Case Model in a scalable and proportionate way, incorporating WMCA requirements to demonstrate cross-collaboration and inclusive growth considerations at every opportunity and ensuring the ‘golden thread’ of the WMCA strategic objectives is driven throughout the case.

Experience has demonstrated that when this guidance is embedded in public sector organisations, better more effective and efficient spending decisions and implementation plans are produced. At the same time the approach when correctly understood and applied provides a more efficient planning and approval process saving between 30% and 40% in time taken and cost of production of business cases compared with unstructured approaches.

The Project Business Case is important because projects will only deliver their intended outputs and benefits if they are properly scoped, planned and cost justified from the outset. The objective review, appraisal and assessment of business cases, assessed against appropriate predefined criteria and supported by SME input and validation, ensures that decisions are taken using quality data and information.

Preparing a Project Business Case using the five-case model provides decision makers and stakeholders with a proven framework for structured ‘thinking’ and assurance that the project:

- **Provides strategic fit and is supported by a compelling case for change.**
This dimension of the five cases focuses on business planning and is the ‘strategic case’ section within the Project Business Case.
- **Will maximise public value to society through the selection of the optimal combination of components, products and related activities.**
This dimension of the five cases focuses on options appraisal and the identification of the preferred option and is the ‘economic case’ section within the Project Business Case.
- **Is commercially viable and attractive to the supply side.**
This dimension of the five cases focuses on the development and procurement of the potential Deal and is the ‘commercial case’ section within the Project Business Case.
- **Is affordable and is fundable over time.**
This dimension of the five cases focuses on the whole life costs of the proposed Deal and is the ‘financial case’ section within the Project Business Case.
- **Can be delivered successfully by the organisation and its partners.**
This dimension of the five cases focuses on the implementation arrangements for the proposal and is the ‘management case’ section within the Project Business Case.

5.2.1 WMCA Approach to Business Cases

All projects and programmes will be required under the Single Assurance Framework to enable the golden thread principle providing a clear line of sight from project outputs to strategic objectives, whilst delivering Treasury guidance and requirements around the five case elements in their business case production.

In addition, all business cases will be required to demonstrate cross-portfolio collaboration enabling opportunities and inclusive growth considerations as a specific WMCA standard.

Business Cases will be required to take a ‘**Board Friendly**’ approach, this means that they will be required to focus on summary information with detailed information linked to each business case through the appropriate artefact. This will assist decision-makers in considering the relevant information at the relevant point and prevent business cases being submitted to Boards that are several hundred pages long.



This will also support delivery of proportionality to business case submissions with only the required artefacts being completed, or only required elements of artefacts being completed as applicable, in line with webTAG where relevant and as required.

Delivering the '**Board Friendly**' summary focused business case will not prevent detailed information required by external funders (i.e. Government Departments) being produced or considered, the '**Board Friendly**' approach will require this information be provided in the appropriate artefacts to support each business case. This approach will therefore prevent any duplication of information.

Each Board Friendly business case will include the following information:

Applicant Details	Sets out key information about the applicant and applicants contact information as well as title/ overview of proposed intervention
Factual Summary	Sets out key financial information relating to costs
Executive Summary	Provides the key summary information relating to that Business Case stage
Five-Case summary element (max 2000 words)	Sets out the summary information for each of the elements of the five-case model
Artefacts	Artefacts provide the detailed information relevant to that Business case stage that support the summary case

5.2.2 Business Case Content

A well-prepared Project Business Case:

- enables the organisation and its key stakeholders to understand, influence and shape the project's scope and direction early on in the planning process
- assists decision makers to understand the key issues, the available evidence base and to avoid committing resources to schemes that should not proceed
- demonstrates to senior management, stakeholders, customers and decision makers the continuing viability of the project, and
- provides the basis for management, monitoring and evaluation during and after implementation.

A Project Business Case is recommended best practice and should be prepared following approval of a proposal or Business Plan item at the Initiation stage by the appropriate Executive Director.

The Project Business Case is a working document which must be developed and revisited over the duration of the scheme.

Developing a Project Business Case applies to all types of projects and requires trained people who have the capabilities and competencies to undertake the tasks involved.

5.2.3 HMTs Five Case Model

All business cases will be based upon HMT and DfT best practice guidance for the development of business cases which is based upon their five-case model. WMCA's business case templates, appraisal criteria and approvals criteria build on this best practice, incorporating WebTAG or other guidance where applicable.

The business case, both as a product and a process, provides decision-makers, stakeholders and the public with a management tool for evidence based and transparent decision-making and a framework for development, delivery, management, performance monitoring and evaluation of the resultant scheme.

HMTs five case model is a fundamental requirement of all business cases produced within the Single Assurance Framework; the five case dimensions are as follows:

- The Strategic Case



- The Economic Case
- The Commercial Case
- The Financial Case
- The Management Case

Every business case must evidence each dimension of the five-case model.

5.2.4 The Strategic Case

The purpose of the strategic dimension of the business case is to make the case for change and to demonstrate how it provides strategic fit.

Demonstrating that the scheme provides a strategic fit to the agreed WMCA Strategic Objectives is key to demonstrating the golden thread throughout the work and activity of the WMCA.

Making a robust case for change requires a clear understanding of the rationale, drivers and objectives for the spending proposal, which must be made SMART – Specific, Measurable, Achievable, Relevant and Time constrained – for the purposes of post-evaluation.

Key to making a compelling case for intervention is a clear understanding of the existing arrangements:

- the Business As Usual (BAU)
- business needs (related problems and opportunities)
- potential scope (the required organisational capabilities) and
- the potential benefits, risks, constraints and dependencies associated with the proposal.

The challenges are:

- to explain how further intervention and spend on key inputs will deliver ‘outputs’ that improve the organisation’s capability to deliver better outcomes and benefits to stakeholders and customers, while recognising the associated risks
- to ensure the organisation’s proposals focus on business needs that have been well researched and are supported by service demand and capacity planning
- to ensure schemes are planned and delivered as part of an approved organisational strategy that has a well-defined portfolio of related programmes and projects.

5.2.5 The Economic Case

The purpose of the economic dimension of the business case is to identify the proposal that delivers best public value to society, including wider social and environmental effects.

Demonstrating public value requires a wide range of realistic options to be appraised (the long-list), in terms of how well they meet the spending objectives and critical success factors for the scheme; and then a reduced number of possible options (the short-list) to be examined in further detail.

The short-list must include the BAU, a realistic and achievable ‘do minimum’ that meets essential requirements, the preferred way forward (if this is different) and any other options that have been carried forward. These options are subjected to cost benefit analysis (CBA) or cost effectiveness analysis (CEA), where more appropriate, to identify the option that offers best public value to society.

The challenges are:

- to begin by selecting the ‘right’ options for scope, solution, service delivery, implementation and funding, otherwise options will represent sub-optimal Value for Money (VfM) from the outset
- to justify higher cost options in relation to BAU and the ‘do minimum’
- to measure and monetise the benefits and risks.

5.2.6 The Commercial Case

The purpose of the commercial dimension of the business case is to demonstrate that the preferred option will result in a viable procurement and a well-structured Deal between the public sector and its service providers.

Demonstrating a viable procurement requires an understanding of the marketplace, knowledge of what is realistically achievable by the supply side and research into the procurement routes that will deliver best value to both parties.



Putting in place a well-structured Deal requires a clear understanding of the services, outputs and milestones required to be achieved and of how the potential risks in the Design, Build, Funding and Operational (DBFO) phases of the scheme can best be allocated between the public and private sectors and reflected in the charging mechanism and contractual arrangements.

The challenge for the public sector is to be an ‘intelligent customer’ and to anticipate from the outset how best public value can continue to be secured in during the contract phase in the face of inevitable changes to business, organisational and operational requirements.

5.2.7 The Financial Case

The purpose of the financial dimension of the business case is to demonstrate the affordability and funding of the preferred option, including the support of stakeholders and customers, as required.

Demonstrating the affordability and fundability of the preferred option requires a complete understanding of the capital, revenue and whole life costs of the scheme and of how the Deal will impact upon the balance sheet, income and expenditure and pricing arrangements (if any) of the organisation.

The challenge is to identify and resolve any potential funding gaps during the lifespan of the scheme.

5.2.8 The Management Case

The purpose of the management dimension of the business case is to demonstrate that robust arrangements are in place for the delivery, monitoring and evaluation of the scheme, including feedback into the organisation’s strategic planning cycle.

Demonstrating that the preferred option can be successfully delivered requires evidencing that the scheme is being managed in accordance with best practice, subjected to independent assurance and that the necessary arrangements are in place for change and contract management, benefits realisation and risk management.

The challenges are:

- to manage the risks in the design, build, funding and operational phases of the scheme and put in place contingency plans
- to deal with inevitable business and service change in a controlled environment, and
- to ensure that objectives are met, anticipated outcomes delivered, and benefits evaluated.

5.2.9 Due Diligence

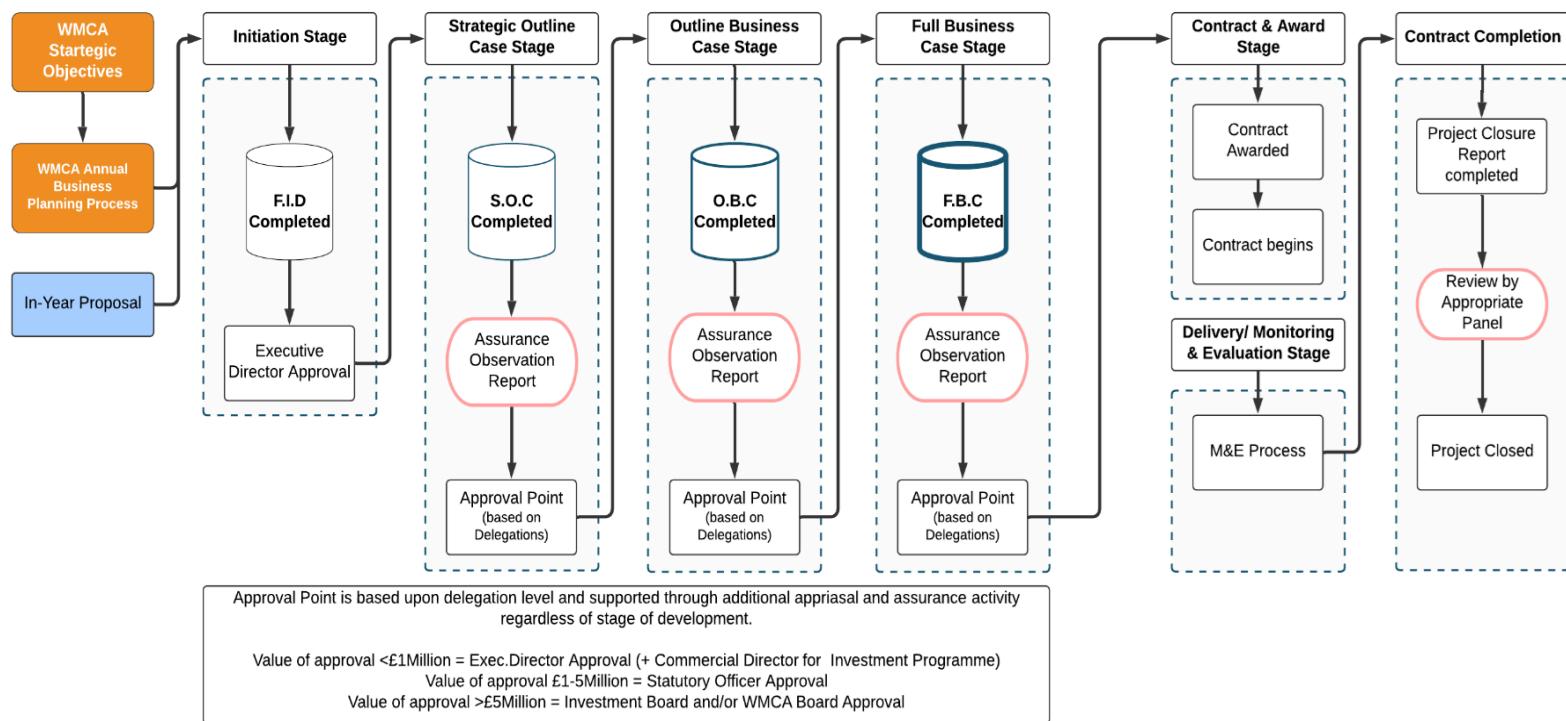
The WMCA is committed to undertaking due diligence activities that support effective and informed decision-making and project appraisal. The specific nature and timing of the due diligence will depend upon the nature of the project, its cost and the potential impact of the project on the WMC itself. The project lifecycle set out in 5.3 below highlights the key stages at which due diligence will occur and what sort of due diligence is required.

The Observation Report produced out of Directorate to advise on project maturity will support the development of due diligence activities. Directorates who will utilise their officer expertise and stakeholder relationships will lead on project development and be responsible for the timing and nature of due diligence activities, guided by the Assurance Framework and the expertise of WMCA’s Strategic Hub. Directorates may want to commission external due diligence providers in some instances and will be advised on such requirements and the quality of due diligence undertaken through the Investment Panel and Advisory Panel processes.

5.3 The Project Lifecycle Process

This section outlines the method for how projects and programmes will be evaluated and prioritised through the WMCA’s project lifecycle. It explains the assessment of and evaluation process at each of the lifecycle stages and the role of different stakeholders at each stage.

The diagram below provides an illustrative example of the project lifecycle process based on a standard SOC to OBC to FBC development process as recognised through Green Book. The project lifecycle allows for numerous development routes to be undertaken.



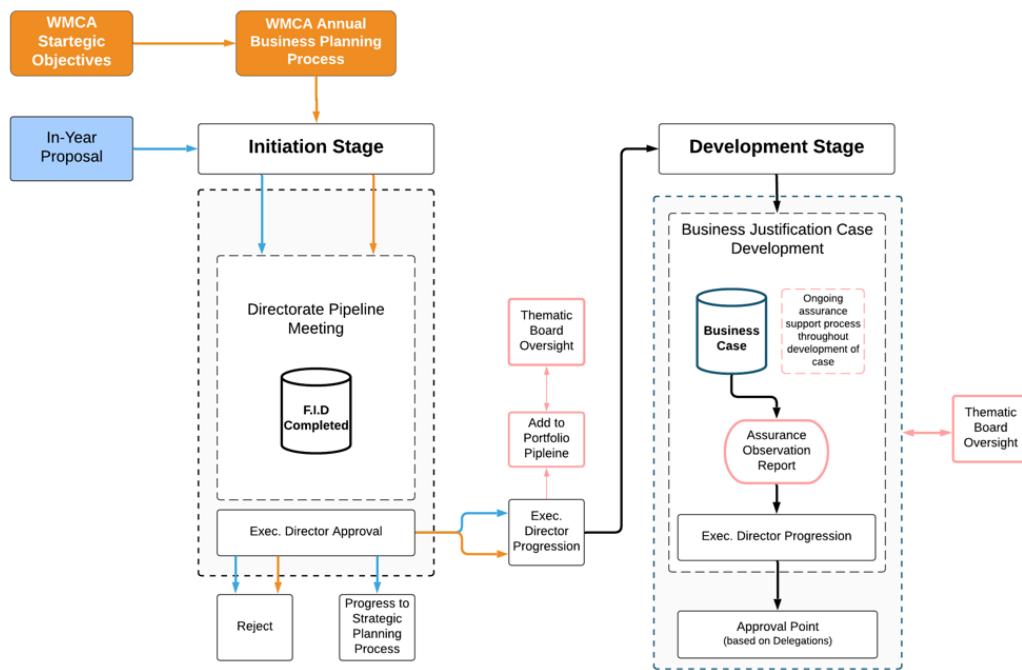
The diagram above provides an overview of the standard project lifecycle, there are additional appraisal and assurance elements within this that will be explained later in this process.

Not all projects will be developed under the standard project lifecycle, the initiation phase will determine the business case route that is required to be followed. For example, a previously agreed business case for a previously agreed fund such as the Brownfield Land Fund would not need to go through the standard project lifecycle.

The diagram illustrates that the typical WMCA project lifecycle is split into seven stages, they are:

- Project Initiation Stage
- Strategic Outline Business Case Stage
- Outline Business Case Stage
- Full Business Case Stage
- Contract Award Stage
- Delivery + Monitoring & Evaluation Stage
- Contract Completion Stage

The diagram below provides an overview of the BJC lifecycle and how the PBC lifecycle could typically operate:



A PBC lifecycle would involve initial consideration of the PBC and Observations Report before projects followed their own routes which could involve SOCs, OBCs, FBCs, BJCAs or a combination thereof.

Each stage is described in more detailed below.

5.3.1 Strategic Planning Process

Before a project can enter the project lifecycle there are some key processes that need to have taken place and requirements that need to be met, this begins with the Strategic Planning Process.

The Strategic Planning Process has three key elements, they are:

1. Selecting the Strategic Objectives of the WMCA
2. Setting out the Strategic Economic Plan (SEP) and the West Midlands Industrial Strategy
3. Setting out the WMCA Annual Plan and supporting Portfolio Annual Business Plans

Element 1 is the setting of the WMCA's Strategic Objectives. This involves the Mayor and the WMCA Board debating and agreeing, in collaboration with Government and key partners and stakeholders, ensuring a reflection of devolution agreements and political manifestos, the priority deliverables for the region. This process sets the strategic objectives for the WMCA.

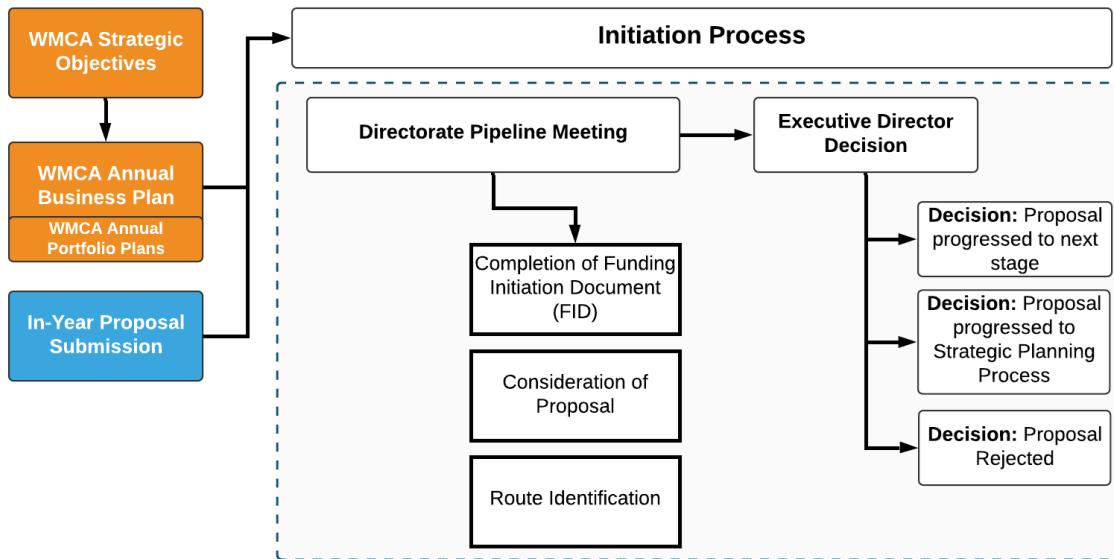
Element 2 is the development and agreement of the key strategic strategy documents for the WMCA. The Strategic documents are set out in 4.14 and are available on the [WMCA website](#).

Element 3 is the breaking down of the SEP and LIS into annual priorities and deliverables to make the WMCA's Annual Business Plan, this is supported by individual Portfolio Business Plans across the WMCA.

5.3.2 The Initiation Stage

The Initiation Stage is a requirement for all proposals and projects, it provides a consistent WMCA wide approach to initiating a proposal in order to ensure that key information exists, that key considerations have taken place, that key stakeholders are engaged and that the 'golden thread' is in existence through a clear strategic justification.

The Initiation Stage can be illustrated through the following diagram:



There are 2 ways that proposals can enter the initiation stage, they are:

- Entry from Annual Business Plan
- Project sponsor submits proposal

5.3.1 explained how the Strategic Objectives fed into the WMCA Annual Business Plan, this in turn is supported by various Portfolio specific Annual Business Plans that set have the following purpose:

- Set out the WMCA priorities for that year for that **Directorate/ Portfolio** so that partners and stakeholders are clear on the key areas of focus
- Provide a strategic context for the **Directorate/Portfolio** and the WMCA as an organisation so that service plans and operational activity are aligned to the overall vision and priorities
- Enable the WMCA **Directorates/Portfolios** to articulate what is being delivered, and be able to oversee and review progress against priorities

Directories will schedule consideration of items from the Annual Business Plan into the initiation stage in order to consider whether or not to progress that item to the business case development stage. The other way items can enter the initiation stage is for Directories to receive in-year proposals that are not included in the Annual Business plan.

In both circumstances the appropriate Directorate would consider the item at its Directorate Pipeline Meeting. The Directorate Pipeline meeting is where proposal submissions and project initiation is considered. The Assurance Framework does not specifically require a Pipeline meeting to be set up by each Directorate, just for its purpose to be fulfilled. This means it could take place in existing Directorate governance arrangements or it could be specifically set up by Directories as a new function.

The Directorate Pipeline Meeting requires the appropriate Directorate arrangements to consider whether an item should be initiated, it does this by completing a Funding Initiation Document (FID) which requires the following considerations to take place and information to be provided:

- Project identification and management information including secured and unsecured funding source details and external assurance requirement details
- Result of route identification tool – this is the WMCA toolkit which assesses what business case route is required for each proposal based on value, complexity and other criteria in order to determine a proportionate development route
- Evidence of meeting pre-qualification criteria if applicable – i.e. for Housing or Land applications the WMCA has pre-qualification criteria which must be met for a proposal to be considered for initiation, this criteria is detailed in the WMCA's Single Commissioning Framework which is available on the WMCA website.
- Intervention Statement – series of problem statement questions to drive consideration behaviour. If a DfT proposal, then WebTAG compliance with initial consideration and evaluation of the intervention is required.



- Strategic Justification – Statement required as to how proposed intervention aligns with WMCA Strategic Objectives in order to demonstrate ‘golden thread’, requires proposed deliverables and critical success factors.
- Development Funding – information regarding funding required to get proposal to the next development stage (usually a Strategic Outline Case) with comments from WMCA Finance Department.
- Funding Source – information regarding the proposed funding source with confirmation from Finance that potential funding is still applicable.

All of the information above is considered with the appropriate leads from Legal and Finance for that Directorate present, the result of which is a decision by the Executive Director (or their delegates) on whether or not to progress the proposal to the next stage. This process creates a clear line of accountability with Executive Directorates responsible for the completion and submission of Funding Initiation Documents and for progressing proposals to the next stage. Executive Directors can also reject proposals if there is not a sufficient strategic fit, for in-year submissions they also have an option to progress that proposal into the strategic planning process to see if the WMCA wants to pick it up following further review.

5.3.3 The Strategic Outline Business Case (SOC)

This is the scoping phase for the project, which results in the production of the Strategic Outline Case (SOC).

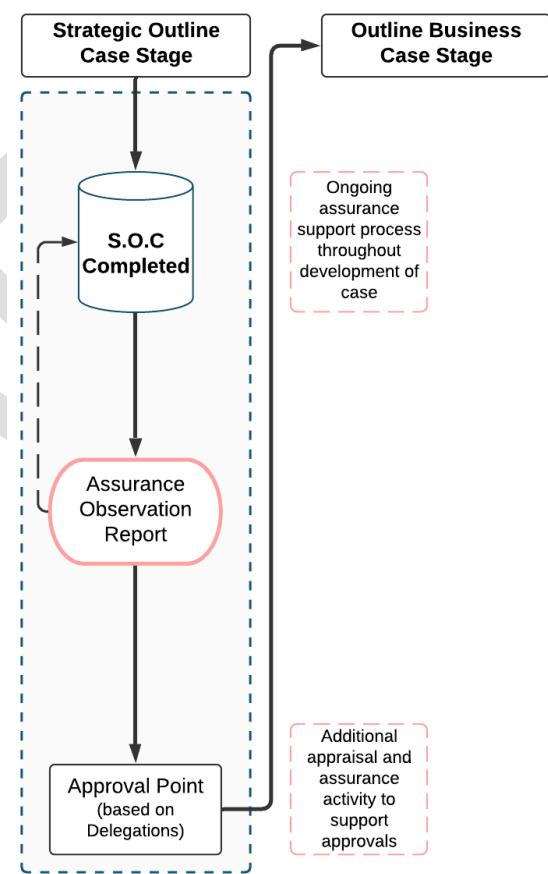
The key purpose of the Strategic Outline Case (SOC) is to:

- establish the strategic context for the spending proposal
- evidence the case for change
- establish the preferred way forward.

The ‘Board Friendly’ business case will require the SOC to:

- Outline the intervention and spend for which approval is being sought
- Set out alignment with the ‘golden thread’
- Set out details of intended initial timeframe
- Detail programme information and review if applicable

The SOC follows the initiation stage where completion of a FID is required to drive early appraisal considerations and ensure the strategic fit to demonstrate the ‘golden ‘thread’ is clear. The SOC builds on the FID, requiring project sponsors to develop a SOC in line with the business case approach outlined in 5.2.



The SOC primarily focuses on the Strategic Case, supported by initial considerations regarding the Economic Case, Financial Case and Management Case with some general information required for the Commercial Case.

This is to ensure that there is a clearly developed strategic fit for projects that will be taken forward to the OBC stage. Details of the criteria and content required and how to apply further proportionality are detailed in the WMCA's Business Case guidance documents.

There is an Assurance Toolkit that offers advice, guidance and support throughout the development of the SOC with Assurance specialists available to provide direct support if required. This support can advise on when the SOC is mature enough to be submitted for approval to the next stage.

Once an SOC has been completed it receives an ‘out of Directorate’ appraisal by Assurance specialists which provides a maturity assessment of the Business Case using HMT guidance and WMCA guidance in



order to ensure compliance with specific WMCA requirements. This appraisal makes up part of the WMCA Assurance Observations Report which also includes suggestions and guidance on improving the business case and/or issues to consider moving onto the next stage.

An Assurance Observations Report is required for every business case stage.

The SOC plus the Assurance Observation Report is then submitted to the appropriate Executive Director for that portfolio who will consider the information and decide if the SOC requires further development or can be progressed into the Approvals process. If they decide to progress the Business case into the Approvals Phase then the Executive Director must sign a Progression Sheet, confirming that they have considered the Business Case plus the Assurance Observations Report. The Progression Sheet also provides an opportunity for the Executive Director to record any comments in support of the Business case.

The Approvals process offers additional appraisal and assurance activity to assist decision-makers dependent upon the value of approval required, this process is detailed in section 5.4.

The following key review criteria may be applied to an SOC, this is not an exhaustive list:

Key Review Criteria	Main Evidence Required
The Strategic Case	
1. Is the proposed scheme an integral part of the organisation's business strategy?	<ul style="list-style-type: none">○ Extracts from business and other relevant strategies.○ Reference to relevant government and organisational policies.
2. Is the proposed scheme sufficiently large and stand-alone to form a project or could it be more sensibly be undertaken as part of another programme or project?	<ul style="list-style-type: none">○ Relevant extracts from business and other strategies.○ Reference to scoping documentation.○ Relevant extracts from strategy board minutes.
3. Are the spending objectives and underpinning business needs defined clearly and supported by the key stakeholders and customers?	<ul style="list-style-type: none">○ SMART spending objectives.○ Evidence of stakeholder and customer involvement and support.
4. Is the scope for potential change to current services and business processes clearly defined?	<ul style="list-style-type: none">○ Clear statement of business outcomes and service outputs.○ Statement of any security and confidentiality issues.
5. Have the main benefits been clearly defined by key stakeholders and customers, alongside arrangements for their realisation?	<ul style="list-style-type: none">○ Outline of benefits realisation plan.○ Direct and indirect to the organisation and wider public sector.○ Cash (£) and non-cash-releasing.○ Ranking of benefits by key stakeholder.
6. Have the main risks been identified, alongside arrangements for their management and control?	<ul style="list-style-type: none">○ Outline of risk management strategy. Business risks.○ Service risks.○ Likely probabilities and impact (high, medium or low).
7. Have the key organisational constraints and business dependencies been identified?	<ul style="list-style-type: none">○ Evidence of critical path.○ Related programmes and projects.○ Assessment of internal and external constraints.
The Economic Case	
8. Have the CSFs for options appraisal been identified?	<ul style="list-style-type: none">○ Prioritised CSFs (high, medium or low).○ Relevant performance measures.
9. Has a sufficiently wide range of options been identified and assessed within the long list?	<ul style="list-style-type: none">○ Use of a feasibility study.○ 10 to 12 main options – full description.○ Minimum of three to four options, including:<ul style="list-style-type: none">○ Business as Usual (BAU)○ Preferred way forward



	<ul style="list-style-type: none">○ Do minimum (if different)■ Public Sector Comparator (if required)○ Use of the Options Framework filter for:<ul style="list-style-type: none">■ potential scopes■ potential solutions■ methods of service delivery■ implementation■ funding sources.
10. Has a preferred way forward been identified following robust analysis of the available options?	<ul style="list-style-type: none">○ SWOT analysis of options against:<ul style="list-style-type: none">■ spending objectives■ critical success factors■ benefits criteria■ evidence of likely support from key stakeholders.
11. Has a short-list with indicative Net Present Social Values (NPSV) been prepared for further examination and appraisal?	<ul style="list-style-type: none">○ Include all viable long-list options
The Commercial Case	<ul style="list-style-type: none">○ Description of potential Deal○ Market soundings○ Existing service providers○ Requirements analysis○ Government commercial operating standards for:<ul style="list-style-type: none">● blueprint and resources● pipeline and planning● senior responsible owners and expertise● early cross-functional analysis of options● maximising competition● contracting● contract management● Supplier relationships.
The Financial Case	<p>15.</p> <p>Has a high-level assessment of affordability and source(s) of required funding been undertaken?</p>
The Management Case	
16. Has a high-level assessment of the achievability and deliverability of the project been undertaken?	<ul style="list-style-type: none">○ Indicative timescales.○ Use of special advisers.○ Feasibility study.○ Peer review.
17. Are all the necessary arrangements in place for the successful completion of the next phase?	<ul style="list-style-type: none">○ Outline Programme and Project Board. and reporting arrangements.○ Project manager and team.○ Project plan and agree deliverables.○ Budget allocation and resources.

5.3.4 The Outline Business Case (OBC)

This is the planning phase for the project, which results in the production of the Outline Business Case (OBC).

The key purpose of the Outline Business Case (OBC) is to:

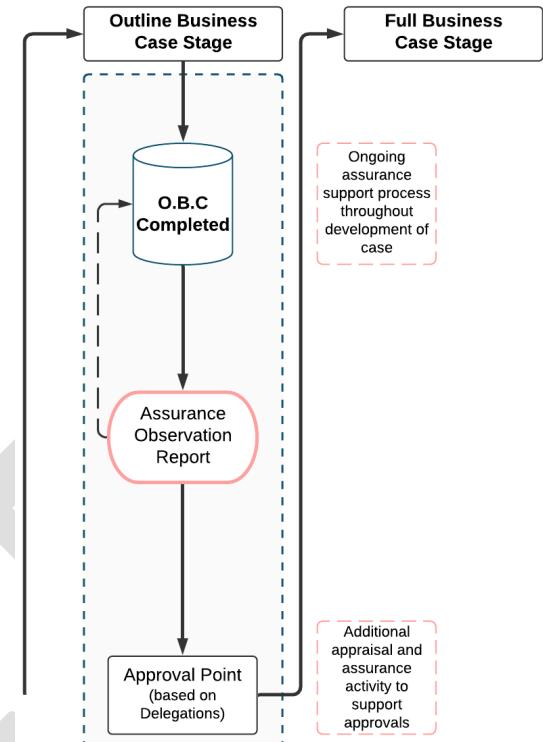
- revisit the SOC assumptions and main findings
- establish the preferred option



- put in place the arrangements for the procurement of the scheme.

The ‘Board Friendly’ Business Case will require the business case to outline:

- Outline the intervention and spend for which approval is being sought
- Provide an overview of developments since SOC
- Provide an overview of how the preferred option represents value for money
- Explain how the preferred option has been prepared for procurement
- Set out details of the necessary funding and management arrangements to deliver the project



The OBC aims to ensure that only projects that will deliver the Strategic Objectives are taken through to the Full Business Case Stage. The OBC is required to be developed in line with the approach outlined in 5.2.

The core of the OBC is the options analysis which should demonstrate that the preferred option is optimally designed to meet the WMCA's strategic objectives.

There is an Assurance Toolkit that offers advice, guidance and support throughout the development of the OBC with Assurance specialists available to provide direct support if required. This support can advise on when the OBC is mature enough to be submitted for approval to the next stage.

Once an OBC has been completed it receives an ‘out of Directorate’ appraisal by Assurance specialists which provides a maturity assessment of the Business Case using HMT guidance and WMCA guidance in order to ensure compliance with specific WMCA requirements. This appraisal makes up part of the WMCA Assurance Observations Report which also includes suggestions and guidance on improving the business case and/or issues to consider moving onto the next stage.

An Assurance Observations Report is required for every business case stage.

The OBC plus the Assurance Observation Report is then submitted to the appropriate Executive Director for that portfolio who will consider the information and decide if the OBC requires further development or can be progressed into the Approvals process. If they decide to progress the Business case into the Approvals Phase then the Executive Director must sign a Progression Sheet, confirming that they have considered the Business Case plus the Assurance Observations Report. The Progression Sheet also provides an opportunity for the Executive Director to record any comments in support of the Business case.

The Approvals process offers additional appraisal and assurance activity to assist decision-makers dependent upon the value of approval required, this process is detailed in section 5.4.

The following key review criteria may be applied to an OBC, this is not an exhaustive list:

Key Review Criteria	Main Evidence Required
The Strategic Case	



1. Are the SOC spending objectives and planning assumptions still valid?	<ul style="list-style-type: none">○ Are they set at an appropriate level and SMART:<ul style="list-style-type: none">▪ specific▪ measurable▪ achievable▪ relevant▪ timely○ Still supported by stakeholders and customers.
2. Do the services to be procured in the SOC still provide best fit in relation to organisational needs?	<ul style="list-style-type: none">○ Organisational context.○ Existing and future changes in needs.○ Expected changes in volumes and mix of services.○ Other existing, planned or possible services.○ Security and confidentiality issues.
3. Have any outstanding differences at SOC stage between stakeholders and customers been satisfactorily resolved?	<ul style="list-style-type: none">○ Continued stakeholder commitment and involvement.○ Communication strategy.
4. Has the assessment of likely benefits, risks, constraints and dependencies in the SOC been revisited and examined in further detail?	<ul style="list-style-type: none">○ Updated benefits criteria – benefits study.○ Updated risk assessment – risk study.○ Ongoing assessment – business strategies and plans.
The Economic Case	
Were the long-listed options in the SOC revisited and subjected to further scrutiny?	<ul style="list-style-type: none">○ New options.○ CSFs revisited. <p>Options ranked, weighted and scored.</p>
Were the short-listed options in the SOC revisited and subjected to robust analysis?	<ul style="list-style-type: none">○ Economic appraisals for shortlisted options, including:<ul style="list-style-type: none">▪ 'BAU and 'do minimum'▪ PSC▪ PFI (PPP) solution(s)○ Use of appropriate tools:<ul style="list-style-type: none">▪ Cost Benefit Analysis (CBA)▪ sensitivity analysis <p>risk (£) quantification.</p>
Has the PSC been constructed and assessed in accordance with HM Treasury guidance?	<ul style="list-style-type: none">○ Realistic solution capable of implementation.○ Risks identified, apportioned and measured for all project stages:<ul style="list-style-type: none">▪ Design▪ Build▪ Finance▪ Operate <p>PFI (PPP) costs, where available.</p>
Does the preferred option provide best public value?	<ul style="list-style-type: none">○ Rigorous use of investment appraisal tools and techniques.○ All assumptions recorded.○ Achievable benefits streams. <p>Stakeholders and customers support.</p>
The Commercial Case	
Has the procurement strategy for the successful delivery of the required services been considered and prepared in sufficient detail?	<ul style="list-style-type: none">○ Consideration of procurement options including:<ul style="list-style-type: none">▪ use of preferred bidder▪ draft advertisement▪ evaluation criteria



ASSURANCE FRAMEWORK

Single Assurance Framework

	<ul style="list-style-type: none">▪ negotiation strategy <p>procurement plan and timetable.</p>
Is there sufficient scope for a potential Deal, which meets organisational needs while offering best VfM?	<ul style="list-style-type: none">○ Potential for innovation within the provision of services and solutions.○ Potential for risk transfer in Design, Build, Finance, Operate stages.○ Potential for new business and alternative revenue streams. <p>Likely contract length.</p>
Has the potential deal been considered in sufficient detail? The how rather than what .	<ul style="list-style-type: none">○ Preparation of Outline Based Specification (OBS)○ core, desirable and optional services○ delivery timescales (phased improvements etc.)○ potential payment mechanisms○ ownership of residual assets <p>service levels and performance measures.</p>
Is there a clear understanding of the business change agenda?	<ul style="list-style-type: none">○ Change management plans.○ Proposed mechanisms and milestones. <p>Assessment of personnel implications.</p>
Is the potential Deal still likely to be acceptable and bankable within the private sector?	<ul style="list-style-type: none">○ Market research and surveys.○ Use of standard contractual terms and conditions. <p>Benchmarks – similar projects.</p>
The Financial Case	
Is the solution still likely to be affordable?	<ul style="list-style-type: none">○ Financial appraisals for preferred option, including full assessment of:<ul style="list-style-type: none">▪ capital and current requirements▪ net effect on prices▪ balance sheet impact▪ income and expenditure account <p>stakeholder and customers agreement.</p>
The Management Case	
Are all the necessary arrangements in place for the successful completion of the next phase?	<ul style="list-style-type: none">○ Programme methodology (MSP).○ Project methodology (PRINCE2):<ul style="list-style-type: none">▪ project board and structure▪ project manager and team▪ project plan▪ project resources and budget▪ reporting mechanisms○ Use of external advisers<ul style="list-style-type: none">▪ legal▪ financial▪ other○ Outline arrangements for:<ul style="list-style-type: none">▪ benefits study and realisation plan▪ risk management strategy and plan▪ change management strategy and plan▪ contract management○ Arrangements for evaluation:<ul style="list-style-type: none">▪ peer reviews▪ Cabinet Office Gateway reviews (if required)



- project implementation reviews
- post-evaluation reviews
- Contingency plans

5.3.5 The Full Business Case (FBC)

This is the procurement phase for the project, which results in the Full Business Case (FBC), following negotiations with potential service providers prior to the formal signing of the contract(s).

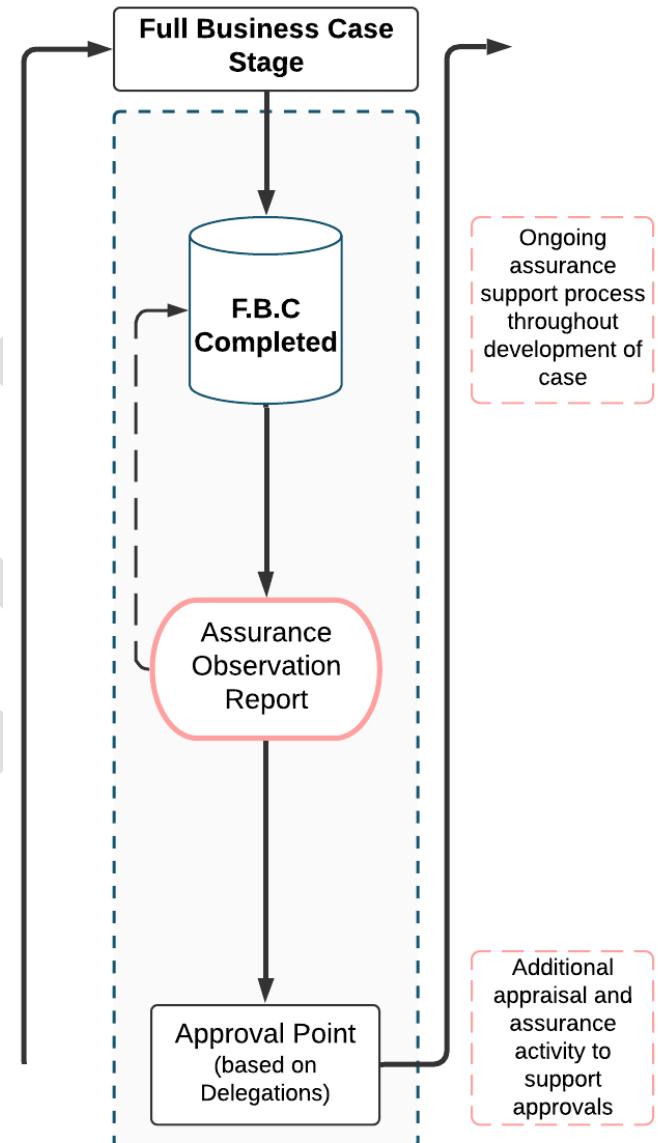
The key purpose of the FBC is to:

- revisit the assumptions and main finding of the OBC
- evidence the most economically advantageous tender (MEAT) for the project
- establish that the management arrangements for successful delivery are in place

The 'Board Friendly' Business Case will require the business case to:

- Outline the intervention and spend for which approval is being sought
- Provide an overview of developments since OBC
- Document the outcome of the procurement
- Identify the market-place opportunity which offers optimum Value for Money (VfM)
- Set out the commercial and contractual arrangements for the negotiated deal
- Confirm the deal is still affordable
- Put in place the detailed management arrangements for the successful delivery and monitoring & evaluation of the scheme

The aim of the FBC is to provide a mechanism for appraising projects against a comprehensive set of criteria



for each of the five cases. The FBC will revisit the assumptions and main findings from the OBC which may have changed for example due to the procurement arrangements but will also bring forward new evidence on issues such as the procurement and management strategy. The FBC is required to be developed in line with the approach outlined in 5.2.

There is an Assurance Toolkit that offers advice, guidance and support throughout the development of the FBC with Assurance specialists available to provide direct support if required. This support can advise on when the FBC is mature enough to be submitted for approval to the next stage.

Once an FBC has been completed it receives an 'out of Directorate' appraisal by Assurance specialists which provides a maturity assessment of the Business Case using HMT guidance and WMCA guidance in order to ensure compliance with specific WMCA requirements. This appraisal makes up part of the WMCA Assurance Observations Report which also includes suggestions and guidance on improving the business case and/or issues to consider moving onto the next stage.

An Assurance Observations Report is required for every business case stage.



The FBC plus the Assurance Observation Report is then submitted to the appropriate Executive Director for that portfolio who will consider the information and decide if the FBC requires further development or can be progressed into the Approvals process. If they decide to progress the Business case into the Approvals Phase then the Executive Director must sign a Progression Sheet, confirming that they have considered the Business Case plus the Assurance Observations Report. The Progression Sheet also provides an opportunity for the Executive Director to record any comments in support of the Business case.

The Approvals process offers additional appraisal and assurance activity to assist decision-makers dependent upon the value of approval required, this process is detailed in section 5.4.

By the FBC stage, it is expected that there is already a clear alignment between the project and a wider programme. As a result, the focus of the FBC evaluation will be to scrutinise each component of the five cases to ensure that the project stacks up in isolation and that it will deliver for Value for Money for the WMCA and taxpayers.

The following key review criteria may be applied to an FBC, this is not an exhaustive list:

Key Review Criteria	Main Evidence Required
The Strategic Case	
1. Does the recommended Deal still provide synergy and best fit with other parts of the organisation's business strategy?	<ul style="list-style-type: none">○ Notification of any changes during negotiations.○ Ongoing evaluation of business strategies and plans.
2. Does the recommended Deal still satisfy OBC objectives and business needs?	<ul style="list-style-type: none">○ SMART spending objectives (revisited).○ Notification of any changes during negotiations.○ Written confirmation of agreement on part of stakeholders and customers.
3. Does the recommended Deal still provide all of the required services – both current and future?	<ul style="list-style-type: none">○ Clear statement of service requirements and outputs.○ Change control arrangements.○ Notification of any changes during negotiations:<ul style="list-style-type: none">▪ additional services▪ agreement of stakeholders and users▪ business justification and CBA.
The Economic Case	
Was a wide range of bids received from service providers in response to the invitation to tender	<ul style="list-style-type: none">○ Assessment of earlier assumptions.○ Use of evaluation criteria:<ul style="list-style-type: none">▪ long-list of suppliers▪ short-list of suppliers○ Description of each bid received at BAFO.○ Method of treatment for varying bids.○ Basis for selection of preferred bidder (if applicable).
Was the most economically advantageous offer selected?	<ul style="list-style-type: none">○ Preparation and assessment of economic appraisals for:<ul style="list-style-type: none">▪ BAU and do minimum▪ revised PSC▪ best and final offers and/or▪ preferred bidder (if selected)○ Use of appropriate tools:<ul style="list-style-type: none">▪ sensitivity analysis▪ risk (£) quantification▪ evaluation of qualitative benefits



	<ul style="list-style-type: none">▪ Use of CBA.
The Commercial Case	
Was the procurement undertaken in accordance with appropriate procurement legislation?	<ul style="list-style-type: none">○ Overview of procurement process.<ul style="list-style-type: none">▪ deviations from procurement strategy▪ use of legal and procurement advice (internal and external advisers).
Can the selected service provider deliver the required deliverables and services?	<ul style="list-style-type: none">○ Outline of the agreed Deal<ul style="list-style-type: none">▪ services – current and future▪ delivery timescales▪ design▪ build▪ operate▪ payment mechanisms▪ performance and availability▪ volume and usage▪ incentives▪ future change▪ new business and alternative revenue streams▪ ownership of residual assets▪ service levels and performance measures.○ Business, technical and cultural fit – track record.
Have negotiations resulted in a robust and legally enforceable contract?	<ul style="list-style-type: none">○ Use of specialist adviser(s).○ Use of standard terms and conditions.○ Key contractual terms agreed.
How will business and service change be delivered and implemented successfully over the lifespan of the contract period?	<ul style="list-style-type: none">○ Assessment of known and expected change.○ Formula for handling unexpected change.<ul style="list-style-type: none">▪ Benchmarking▪ market testing arrangements.
The Financial Case	
Is the proposed investment still affordable?	<ul style="list-style-type: none">○ Financial appraisals for recommended Deal, including full assessment of:<ul style="list-style-type: none">▪ capital and current requirements▪ net effect on prices▪ impact on the balance sheet▪ income and expenditure account.○ Stakeholder and customers agreement.○ Confirmation of finance directorate.
The Management Case	
Have the business and cultural implications of the intended service been fully understood and taken into account?	<ul style="list-style-type: none">○ Agreed programmes for:<ul style="list-style-type: none">▪ change management▪ business process re-engineering.○ Staff-side representation.○ Personnel implications.
Are all the arrangements in place for the successful implementation and delivery of the required services?	<ul style="list-style-type: none">○ Contract management strategy, including disputes resolution procedures.○ Skilled contract management team.○ Agreed schedules for service streams and outputs.



How will the benefits be delivered, and associated business and service risks managed throughout the lifespan of the service?	<ul style="list-style-type: none"> ○ Detailed benefits realisation plan. ○ Robust risk management strategy ○ Monitoring and reporting arrangements-registers and regular audits.
Are all the necessary arrangements in place for Project Monitoring and Evaluation during and after Implementation?	<ul style="list-style-type: none"> ○ Agreed arrangements for evaluation: <ul style="list-style-type: none"> ▪ peer reviews ▪ Cabinet Office Gateway reviews (if required) ▪ project implementation reviews ▪ post-evaluation reviews.
Are contingency plans in place should the recommended Deal fail at any stage?	<ul style="list-style-type: none"> ○ Contingency plans. ○ Arrangements for regular review.

5.3.6 The Business Justification Case (BJC)

There is an additional business case within the project lifecycle that can also be considered, if applicable this business case route will be identified during the Initiation Stage.

The Business Justification Case (BJC) is a ‘lighter’, single stage business case that is available for the support of smaller, less expensive spending proposals that are not novel or contentious and for which ‘firm’ prices are available from a pre-competeted arrangement, including framework contracts negotiated in accordance with EU/WTO rules and regulations.

The key purpose of the Business Justification Case is to:

- Set out the background to the proposed investment
- Make the case for change from the current arrangements and outline the benefits gained therein
- Recommend a preferred option
- Set out briefly the financing, procurement and management arrangements for that option.

The ‘Board Friendly’ Business Case will require the following information:

- Outline the intervention and spend for which approval is being sought
- Set out the case for change and alignment with the ‘golden thread’
- Set out the potential benefits of the intervention
- Set out details of preferred option
- Set out the finance arrangements for the preferred option
- Set out the procurement arrangements for the preferred option
- Set out the management arrangements for the preferred option

The BJC is required to be developed in line with the approach outlined in 5.2.

There is an Assurance Toolkit that offers advice, guidance and support throughout the development of the BJC with Assurance specialists available to provide direct support if required. This support can advise on when the BJC is mature enough to be submitted for approval to the next stage.

Once an BJC has been completed it receives an ‘out of Directorate’ appraisal by Assurance specialists which provides a maturity assessment of the Business Case using HMT guidance and WMCA guidance in order to ensure compliance with specific WMCA requirements. This appraisal makes up part of the WMCA Assurance Observations Report which also includes suggestions and guidance on improving the business case and/or issues to consider moving onto the next stage.

An Assurance Observations Report is required for every business case stage.

The BJC plus the Assurance Observation Report is then submitted to the appropriate Executive Director for that portfolio who will consider the information and decide if the BJC requires further development or can be progressed into the Approvals process. If they decide to progress the Business case into the Approvals Phase then the Executive Director must sign a Progression Sheet, confirming that they have considered the Business Case plus the Assurance Observations Report. The Progression Sheet also provides an opportunity for the Executive Director to record any comments in **Page 182** Business case.



The Approvals process offers additional appraisal and assurance activity to assist decision-makers dependent upon the value of approval required, this process is detailed in section 5.4.

5.3.7 Programme Business Case (PBC)

The key purpose of the PBC is to:

- Revisit the assumptions and main finding of the OBC
- Evidence the most economically advantageous tender (MEAT) for the project
- Establish that the management arrangements for successful delivery are in place

The 'Board Friendly' Project Business Case will provide the following information:

- Outline the intervention and spend for which approval is being sought
- Provide an Organisational overview
- Provide details of Business strategy and aims
- Detail other relevant strategies

The PBC is required to be developed in line with the approach outlined in 5.2.

There is an Assurance Toolkit that offers advice, guidance and support throughout the development of the PBC with Assurance specialists available to provide direct support if required. This support can advise on when the PBC is mature enough to be submitted for approval to the next stage.

Once an PBC has been completed it receives an 'out of Directorate' appraisal by Assurance specialists which provides a maturity assessment of the Business Case using HMT guidance and WMCA guidance in order to ensure compliance with specific WMCA requirements. This appraisal makes up part of the WMCA Assurance Observations Report which also includes suggestions and guidance on improving the business case and/or issues to consider moving onto the next stage.

An Assurance Observations Report is required for every business case stage.

The PBC plus the Assurance Observation Report is then submitted to the appropriate Executive Director for that portfolio who will consider the information and decide if the PBC requires further development or can be progressed into the Approvals process. If they decide to progress the Business case into the Approvals Phase then the Executive Director must sign a Progression Sheet, confirming that they have considered the Business Case plus the Assurance Observations Report. The Progression Sheet also provides an opportunity for the Executive Director to record any comments in support of the Business case.

The Approvals process offers additional appraisal and assurance activity to assist decision-makers dependent upon the value of approval required, this process is detailed in section 5.4.

5.3.8 Contract Award Stage

The primary focus of the contract ready and award stage is the completion and evaluation of any due diligence undertaken at the OBC and FBC stages to ensure that the Project Sponsor meets the WMCA's required standard and criteria.

This process is of particular importance from a financial and legal standpoint.

Where the project sponsor is deemed fit for undertaking the project, the project will progress to contract award and funding will be provided to the project before project delivery commences.

Detailed contract and grant conditions will be reviewed and drawn up by WMCA for each successful bid as part of the contract award stage.

For externally delivered projects, where delivery is being completed externally, to direct WMCA resource a Heads of Terms (HOT) agreement will be written up and entered into the external delivery organisation and WMCA.

5.3.9 Delivery and Monitoring & Evaluation



Project sponsors will have been required to outline their project monitoring and evaluation plans during the business case submission process at the Full Business Case stage.

Individual project sponsors will be required to implement their monitoring and evaluation plans, which, in turn will feed into the WMCA Performance Monitoring Framework and the WMCA Performance Dashboard.

The WMCA will monitor and map the outputs of projects and programmes through the Economic Intelligence Unit, supported by the Strategic Hub. This analysis will be used to inform the evaluation of the quality and impact of the WMCA's investment decisions, and in turn will create the evidence base for the Five-Year Gateway Review. Government guidance recognises the fact that local and national economic impact of the investment fund might not be observable after five years. As a result, the national evaluation panel will use appropriate metrics at the first gateway, such as whether investments are being delivered to time and budget.

5.3.10 Completion Stage

On completion of delivery of the work the programme or project will be formally closed, there will be however arrangements that are made for continued assessment of benefits and their realisation as well as review of economic impacts for a planned period of time after the formal closure.

Evaluation of the programme or project will be conducted and the output will be lessons learnt that are captured, additionally continuous improvement factors will be identified across themes such as development, contract management, delivery approaches, cost management and resource management aligned to the HMT five-case model.

The lessons learnt and continuous improvement factors will be shared with other projects and stakeholders as deemed appropriate and useful, provided that these are not commercially confidential. They will be utilised to inform WMCA's strategic planning pipeline and the way in which programmes and projects are planned, developed and delivered.

The WMCA is committed to using evidence-based analysis to improve its decision-making processes. As such information collected through Monitoring & Evaluation will be used to inform the future direction of the WMCA and its strategic objectives.

5.4 Approvals Process

The approvals phase is part of the project development life cycle, it is where the WMCA's principles of robust investment decision-making are applied. This is also where additional 2nd line assurance assessment will be undertaken to help better inform those with decision-making responsibility.

The approvals process has been designed to ensure that a higher level of assurance activity is undertaken and considered in informing a higher level of investment decision-making, reflecting the agreed decision-making principles of WMCA and supporting the taking of robust and informed investment decisions.

The approvals process is applied based on the value of approval required, not the stage of development. This approach is designed to provide additional proportionality to the process.

5.4.1 Approval Levels

The approval delegations at WMCA are as follows, it should be noted that accumulative cost is applied to approvals.

Investment Programme Approvals:

Up to £1Million	-	Executive Director + Investment Programme SRO Approval
Between £1-5Million	-	Statutory Officer Panel Approval (Executive Director + Investment Programme SRO + Section 151 Officer + Monitoring Officer)
Between £5-20Million	-	Investment Board
Over £20Million	-	WMCA Board

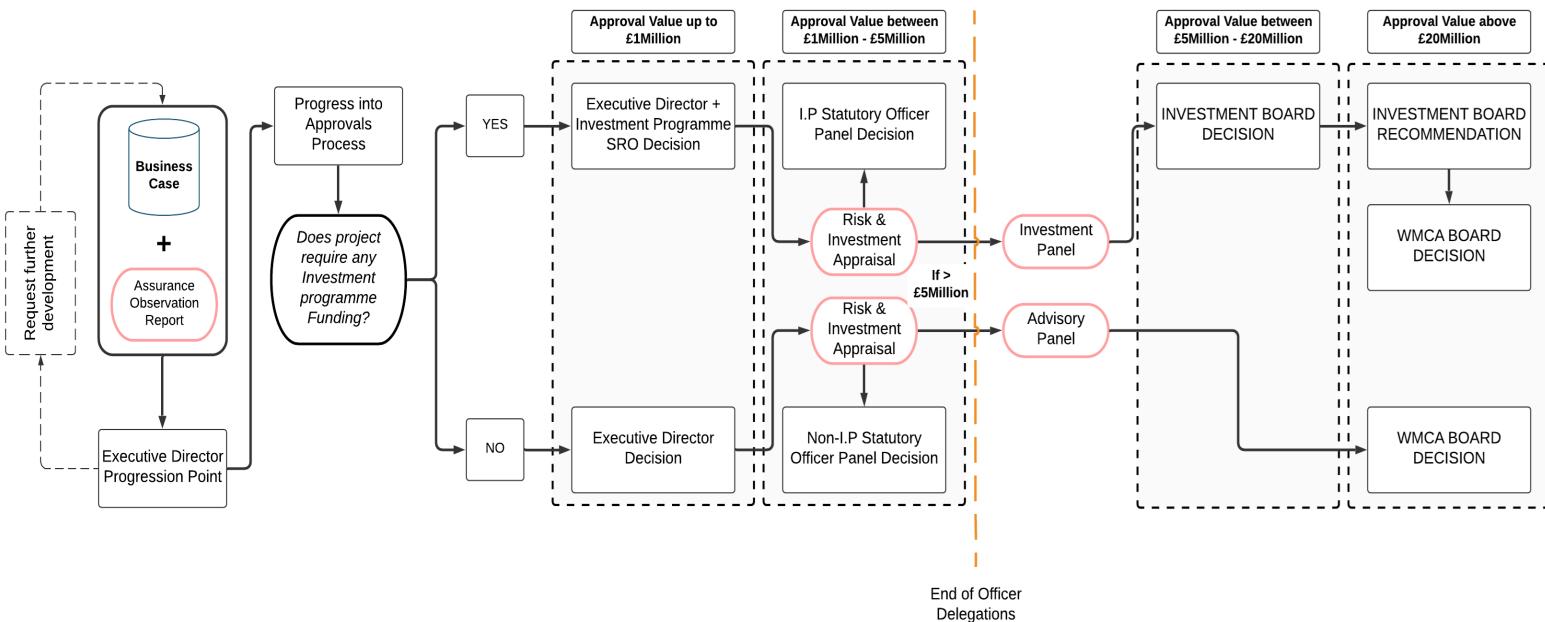
Non-Investment Programme Approvals:

Up to £1Million	-	Executive Director Approval
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Between £1-5Million	-	Statutory Officer Approval Panel (Executive Director + Section 151 Officer + Monitoring Officer)
Over £20Million	-	WMCA Board

The Approvals process, and the associated additional appraisal and assurance provided, is illustrated in the diagram below:



5.4.2 Ever Increasing Levels of Assurance

The WMCA approach requires an ever-increasing level of assurance and appraisal to be delivered and considered for increasing levels of investment.

The scheme of delegations provides Directorates with approval powers up to £1Million at various officer levels and dependent upon the funding source of the approval, to aid them in their decision-making the project development process will deliver the following level of Assurance for all proposals:

- Initiation process to ensure strategic fit, the funding exists and to identify intended outputs that will contribute to delivery of strategic objectives (the golden thread)
- Compliance with highest level of assurance that applies to funding (DfT, MHCLG Business Case requirements)
- Proportionate compliance with HMTs 5 Business Case elements model (Strategic/ Economic/ Commercial/ Financial/ Management)
- Projects developed in line with WMCA standards (i.e. cross portfolio collaboration)
- Legal and Finance sign off requirement
- Guidance provided to Exec. Director to assist approval decision (maturity assessment, observations on compliance with WMCA standards)

This approach ensures that all proposals are subjected to a minimum level of assurance that drives compliance with the five-case model, with Green Book and other Government guidance, with WMCA standards and requirements whilst maintaining a proportionate approach.

This is the minimum Appraisal and Assurance pack for all WMCA approvals regardless of what stage the Business Case is at.

All approvals above £1Million are subjected to an additional level of assurance, this is first delivered through an additional Risk and Investment Appraisal of the business case seeking approval, which is undertaken by Risk and Investment Appraisers within the Strategic Hub.

The purpose of the Risk and Investment Appraisal is to provide an un-bias appraisal of project proposals above £1million that covers the following:

- Detailed appraisal of NPSV and social impact with narrative + score
- Appraisal of validation of content of Economic Case



- Identify/ Provide comment on risks associated with Delivery/ Cost/ Time/ Funding
- Appraise funding arrangements (particularly cocktail funding)
- Review Risk Mitigations and provide opinion

The Risk and Investment Appraisal provides an output which is as follows:

- Appraisal of Project Business Case
- Expert opinion on Observations Report and Directorate response
- Investment Risk Profile
- Recommendations on key lines of enquiry and conditions to add to proposal

The Risk and Investment Appraisal is considered alongside the Business Case seeking approval and the Observations Report, both of which have been progressed into the approvals process by the appropriate Executive Director.

This package of information is presented to the Statutory Officer Panel for approvals between £1Million and £5Million, the Panel consists of the Executive Director progressing the Business Case plus the Section 151 Officer and the Monitoring Officer. For approvals that require an element of funding from the Investment Programme the Panel also involves the Investment Programme SRO.

All approvals above £5Million are then subjected to even further appraisal and assurance by being subjected to challenge and review by the appropriate Appraisal Panel. For Investment Programme approvals this is the Investment Panel whilst for Non-Investment Programme approvals this is the Advisory Panel.

The purpose of the Investment Panel/ Advisory Panel is to drive further consideration of the Business Case. The Investment Panel/ Advisory Panel will challenge projects prior to the appropriate Member Board consideration in order to highlight key lines of enquiry, observations and recommendation to bring to the Member Boards attention in order to assist them with their deliberations and drive a higher threshold of consideration in the decision-making process.

The membership of the Investment Panel/ Advisory Panel includes senior WMCA representation for each of the five cases (Strategic/ Economic/ Commercial/ Financial/ Management), additional there is representation from Constituent, Non-Constituent and LEPs on the two Panels.

More details on the Investment Panel and the Advisory Panel can be found in the WMCA Constitution, the respective Panels would meet to consider items going to their respective Member Boards in order to:

- identify key lines of enquiry for the Investment Board to focus on
- validate and challenge proposal content
- validate and challenge external review of proposal
- validate and challenge the quality and robustness of proposal content
- ensure a consistent approach to challenging HMTs 5 case elements within Business Cases
- examination of Proposal Observation report produced during development that highlights Case Maturity, compliance with guidelines and standards and appraises proposals
- examination of key risks and investment consideration

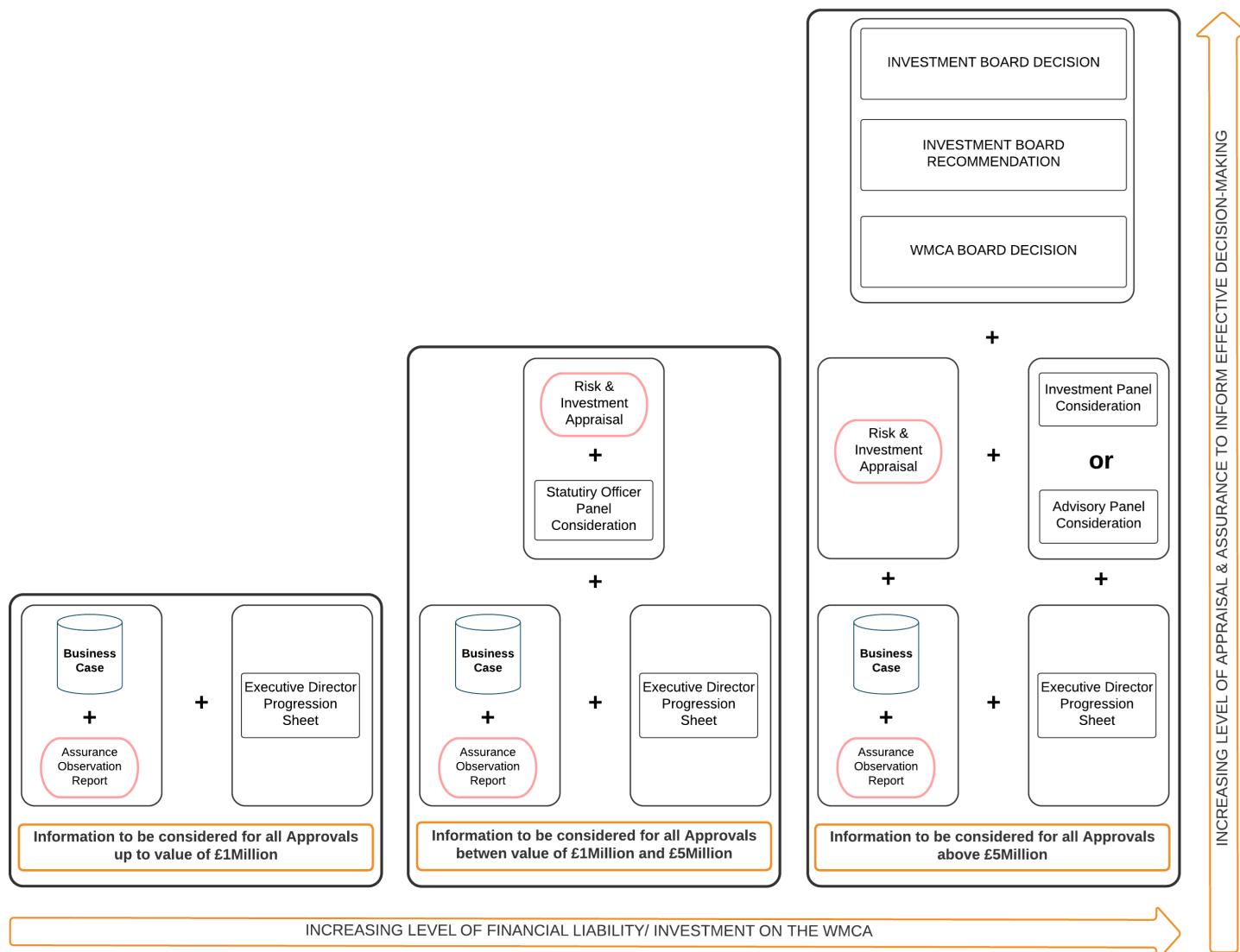
The Investment Panel/ Advisory Panel would then produce an output for consideration by its respective Member Boards. The output would include a summary of the proposal, highlighting the strengths and weaknesses of a proposal and any recommendations for improvement (For example - additional conditions to be added to funding agreements, conditions for withdrawal of support, additions to M&E plans).

Both Panels would also have an additional role in the Project Delivery Process by responding to instructions from their respective Member Boards to:

- Provide oversight of project performance and M&E plans
- Provide oversight of or undertake a formal review of a project if a review is determined to be required by the Parent Board
- Provide a review of the rationale behind any material delay or change in a project
- Instruct where reasonable completion of a change request (via the WMCA Assurance Process) following completion of a review



The Panel outputs add to the ever-increasing level of appraisal and assurance required by the WMCA to inform decision-makers, this information is included in the pack provided to the Investment Board and the WMCA Board to consider approvals within their respective delegations.



For Non-Investment Programme approvals, the pack of information above is considered by the WMCA Board.

For Investment Programme approvals the pack of information above is considered by the Investment Board who have the delegated authority to make approvals up to the value of £20Million, for required approvals above that amount they consider the pack and then make a recommendation for consideration by the WMCA Board.

5.5 Project Lifecycle Stakeholders

There are a number of stakeholders (e.g. Committees, Boards, Panels) that are involved in the Project Lifecycle. These stakeholders are part of the WMCA's overarching system of governance and have distinct and clearly defined roles within the Project Lifecycle. These stakeholders are outlined in the table below:

STAKEHOLDER	PERSONNEL	ROLE
Mayor	The Mayor	Chair of the WMCA Board
Investment Panel	WMCA Officers Constituent Council Officers LEP Officers Non-Constituent Officers	To support the Investment Board and WMCA Board decision-making process



Advisory Panel	WMCA Officers Constituent Council Officers LEP Officers Non-Constituent Officers	To support the WMCA Board decision-making process
Investment Board	Elected Members	To make investment decisions within its delegation and to make recommendations on investments to WMCA Board above its delegation
WMCA Board	The Mayor Constituent Council Leaders Constituent Council Members Non-Constituent Council Representatives LEP Representatives	Provide ultimate sign-off and responsibility on investments and provide political accountability and transparency
Thematic Boards	WMCA Portfolio Lead Elected Members Portfolio Partners and Stakeholders	To provide oversight of project development and delivery, supporting the WMCA Portfolio lead in delivering strategic objectives and developing policy

5.6 Project Lifecycle Documents

There are a number of standard documents that are required to support the project lifecycle, these include (please note they will not all apply to each project):

Project Lifecycle Stage	Documents
Initiation	<ul style="list-style-type: none"> ○ Annual Business Plan ○ Proposal Document for in-year submissions ○ Funding Initiation Document
Business Case Development Stage	<ul style="list-style-type: none"> ○ Strategic Outline Business Case ○ SOC Observations Report ○ Outline Business Case ○ OBC Observations Report ○ Full Business Case ○ FBC Observations Report ○ Business Justification Case ○ BJC Observations Report ○ Programme Business Case ○ PBC Observations Report
Approvals Stage	<ul style="list-style-type: none"> ○ Risk and Investment Appraisal ○ Investment Panel Outputs ○ Advisory Panel Outputs
Contract Award Stage	<ul style="list-style-type: none"> ○ Contractual documentation
Delivery and Monitoring & Evaluation Stage	<ul style="list-style-type: none"> ○ M&E documentation ○ Performance Management documentation
Contract Completion Stage	<ul style="list-style-type: none"> ○ Evaluation and Monitoring Report ○ Lessons Learnt Report

5.7 Prioritisation and Sequencing

The Project Lifecycle described above is specifically designed to support the WMCA to appraise and evaluate the suitability and value for money of individual projects or programmes. It will enable the WMCA to provide assurance to government that its investment decision and expenditure considerations have been made in a robust and consistent manner.

The prioritisation and sequencing of investments is not directly included within the Project Lifecycle and must be considered as a separate exercise.



The WMCA has a strategic planning process which controls the prioritisation and sequencing of its projects and programmes. This has been established through a set of pre-established criteria to ensure consistent and evidence-based decisions for the sequencing of work planned for initiation. The strategic planning pipeline is controlled, assessed and approved by the WMCA Board.

5.8 State Aid

The Assurance Framework has been designed to support the WMCA make an assessment about whether its projects are State Aid compliant.

The business case templates that form a core part of the project lifecycle require projects to confirm that they comply with State Aid Regulations and do not contravene the State Aid Legislation. Projects are also required to outline what advice they have had in relation to State Aid, this has been built into the Legal Service Single Assurance Framework checklist as well. Project Sponsors additionally are asked to confirm their acceptance that:

"All applicants need to take steps to satisfy themselves that any WMCA funding approved does not amount to unlawful State Aid. A declaration of compliance with EU State Aid regulations will be required prior to any WMCA funding being provided. If your project is awarded funds from the WMCA it will be subject to a condition requiring the repayment of any WMCA funding in the event that the European Commission determines that the funding constitutes unlawful State Aid."

When required the WMCA will also conduct legal due diligence to obtain further confidence that State Aid requirements have been met.

5.9 Monitoring and Evaluating

The WMCA has produced a monitoring and evaluation strategy and approach which is aligned to HMTs guidelines. Monitoring is invoked throughout the development stages of a business case and then subsequently during delivery stages.

All WMCA interventions are then subject to evaluation and the results of which are published and utilised to inform future planning and development of programmes and projects, driving continuous improvement.

5.10 Five Year Gateway Review

The Five-Year Gateway Review process is intended to provide evaluation of appropriate project appraisal, assurance and Value for Money processes within Combined Authorities.

Government has suggested that the Five-Year Gateway Review process will focus on evaluating the performance of the WMCA's £36.5 Million per annum of Gain Share funding within the Investment Programme.



Glossary

Accumulative Cost	The cost considerations made in the approvals phase
AEB	Adult Education Budget
Additionality	The extent to which something happens as a result of an intervention that would not have occurred in the absence of the intervention.
Affordability	Affordability refers to both the absolute availability of funding to defray the costs of a project (i.e. is there a funding gap?) and the relative cost of the project in relation to other interventions that could otherwise be funded instead. A project can represent Value for Money, but not be affordable, and vice versa.
Alternative Option	A scenario which reflects a different way in which similar objectives could be met. This may include an option with lower costs but fewer benefits, or higher costs with more benefits.
Appraisal	Proportionate process to assess the merits of the application, its strategic fit and value for money
Balance Objectives	A series of objectives designed to ensure that the whole of the region (in terms of geography and people) benefits from growth.
BJC	Business Justification Case
Capital Expenditure	Expenditure on the acquisition or creation of a tangible fixed asset or expenditure which adds to and not merely maintains the value of an existing tangible fixed asset.
Capital Funding	Funding that is hypothecated or ring-fenced for capital expenditure.
Cashability	Refers to the extent to which a change in an outcome or output (e.g. fewer children in care) will result in a reduction in fiscal expenditure such that the expenditure released from that change can be reallocated elsewhere.
Cashable	Cashable fiscal benefits will result in a reduction in fiscal expenditure such that the expenditure released from that change can be reallocated elsewhere. They should be counted in the financial case as reducing the overall budget impact of a project and in the economic case as a benefit to the public (as this resource can be reallocated to productive purposes elsewhere)
C&LG	Cities and Local Growth Unit
Contingency	A special monetary provision in the project budget to cover uncertainties or unforeseeable elements of time/cost in the estimate associated with the normal execution of a project, for example, labour rates and design development.
Demand	A consumer's (or taxpayer) willingness to pay a price for a good or service. Demand can be used to infer the 'need' for a project.
DfT	Department for Transport Page 190



ASSURANCE FRAMEWORK

Single Assurance Framework

Displacement	The number or proportion of intervention outputs (occurring under the reference case and the intervention options) accounted for by reduced outputs elsewhere in the target area.
FBC	Full Business Case
FID	Funding Initiation Document
Financing	The set of financial arrangements put in place to provide committed capital to meet the costs of a project as they are incurred
Funding	The sources of income to be used to meet the capital and operating costs of a project over time.
Funding Gap	The amount of the funding requirement that has no identifiable funding sources (measured in Pounds Sterling or as a percentage of total funding requirement).
Golden Thread	Refers to the direct link between the strategic objectives of the organisation and the outputs that are delivered.
Governance	The systems and processes concerned with ensuring the overall direction, effectiveness, supervision and accountability of the WMCA
Interest Payable	Amount of interest repaid in a given period.
Leakage	The number or proportion of outputs (occurring under the reference case and the intervention options) that benefit those outside of the intervention's target area or group should be deducted from the gross direct effects.
Lifecycle/ Whole Life Costs	Sum of all recurring and one-time (non-recurring) costs over the full life span or a specified period of a project.
Loan Drawdown	Amount of funds drawn from a loan facility in a given period.
MCA	Mayoral Combined Authority
MHCLG	Ministry for Housing, Communities and Local Government
Multiplier Effect	Further economic activity (jobs, expenditure or income) associated with additional local income, local supplier purchases and longer-term development effects
Net Cash Position	Sum of the total cashflows for a given period.
Non-Cashable	Non-cashable fiscal benefits should be quantified as these represent a benefit to the public from freeing up resource for other productive purposes (even if public expenditure is not reduced). In this case, the fiscal benefit is assumed to be equal to the 'opportunity cost' of resources under business as usual which are expected to change as a result of the proposed project, i.e. the value of the forgone alternative use of resource under business as usual. For example, staff time in treating avoidable A&E attendances which is freed up for other purposes (i.e. other more serious A&E cases) as a result of a project could be counted as a non-cashable fiscal benefit. These non-cashable fiscal benefits are counted in the economic case in addition to any cashable benefits.



OJEU	Official Journal of the European Union. Public sector procurements above a certain value must be published in this Journal.
Optimism Bias	There is a demonstrated, systematic, tendency for project appraisers to be overly optimistic. To redress this tendency project appraisers should make explicit, empirically based adjustments to the estimates of a project's costs, benefits, and duration.
Opportunity Cost	'Opportunity cost' is a concept used in economics to describe the trade-off between different choices, or the cost associated with making one choice over another.
Outcome	The benefits and other impacts resulting from specific outputs (e.g. reduced journey times, jobs created, homes built, reduction in pollution, access to employment, reduced offending etc.). Some outcomes are tangible and measurable, but some may be more intangible. Outcomes can be used to measure the WMCA's success in delivering its strategic objectives.
OBC	Outline Business Case
Output	Specific and clearly measurable products resulting from an investment (e.g. metres of train track, square metres of remediated land, number of educational places created, etc.). In isolation outputs do not necessarily enable the WMCA to meet its strategic objectives
PBC	Programme Business Case
Programme	Group of related projects managed in a coordinated way to obtain outcomes not available from managing projects individually
Project	A distinct scheme that is required to provide a specific service(s) or deliver a specific output(s).
Proportionality	The allocation of resources to the production of evidence should be clearly related (i.e. proportional) to the scale of the resources associated with the activity in question.
Proposed Option	Details of the assumptions and forecasts made under the investment case.
Reference Case	The 'but for' or baseline scenario: The reference case requires a set of assumptions and forecasts about a future in which the intervention is not made. It is used to determine the net benefits of a project or investment.
Payment of Principle	Amount of principle repaid in a given period.
Revenue Expenditure	The operating costs incurred by the authority during the financial year in providing its day to day services. Distinct from capital expenditure on projects which benefit the authority over a period of more than one financial year.
Revenue Funding	Funding that is hypothecated or ring-fenced for revenue expenditure
Risks	A probability or threat of liability, loss or other negative occurrence that may affect the funding and deliverability of a project, with knock on implications for the project sponsor and/or the WMCA.



Risk and Investment Appraisal	Specific appraisal undertaken by specialist appraisers to identify key risks and key lines of enquiry to support the decision-making process
SOC	Strategic Outline Case
Stakeholder	The range of public and private organisations and individuals who have a definitive interest or role in a project/programme or who will be impacted by it.
Strategic Economic Plan	A document that sets out the actions that need to be taken in order to deliver the WMCA vision.
Substitution	Arises where a firm substitutes one activity for a similar one (such as recruiting a jobless person while another employee loses a job) to take advantage of public sector assistance.
TAG (WebTAG)	Transport Appraisal Guidance from the Department for Transport
TfWM	Transport for West Midlands
Total Debt Service	Sum of interest and principle repaid in a given period.
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 1981
Value for Money (VfM)	Value for Money can be assessed using three criteria: Economy (i.e. minimisation of resource usage, or "spending less"); Efficiency (i.e. the relative level of outputs and the resources used to produce them, or "spending well"); and, Effectiveness (i.e. the relationship between the intended and actual results of public spending, or "spending wisely")

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INVESTMENT BOARD

Terms of Reference

Purpose:	To make investment decisions, or recommendations for the WMCA Board as appropriate, relating to applications made in accordance with the Investment Program that underpin devolution agreements and any other investment proposals, including the Collective Investment Fund, Brownfield Land & Property Fund, Land & Property Investment Fund, Land Remediation Fund and any other funds that the WMCA appoints West Midlands Development Capital to fund manage on its behalf.
Accountable to:	WMCA Board
Membership:	<ul style="list-style-type: none">• Portfolio Lead for Finance & Investments.• Each constituent authority will appoint one member each.• Each of the three local enterprise partnerships will appoint one member each.• Non-constituent authorities will collectively appoint one member.• West Midlands Development Capital will appoint one member.
Chair:	The Portfolio Lead for Finance & Investment will chair meetings.
Voting:	All members of the Investment Board will have one vote, except the representative of West Midlands Development Capital who attend in a non-voting capacity. The Chair does not have a casting vote. Members appointed by the Black Country authorities may choose, having given prior notification, to exercise their collective vote through a single representative.
Quorum:	The quorum for the meeting will be four members.
Frequency:	To meet on a monthly basis, or as required to discharge its responsibilities.
Servicing:	Meetings will be serviced by the WMCA's Governance Services Team.
Functions:	<ul style="list-style-type: none">○ To consider investment proposals and to make appropriate challenges to these proposals.○ To make specific investment decisions for the Collective Investment Fund, Land Remediation Fund and any other funds that West Midlands Development Capital manages on behalf of the WMCA.○ To oversee and monitor investments made through the Collective Investment Fund, Brownfield Land & Property Fund, Land & Property Investment Fund and Land Remediation Fund.

	<ul style="list-style-type: none"> ○ To approve sponsored applications to be awarded funding. ○ To oversee and monitor all investments made through the Investment Programme. ○ To add conditions to any Funding Decision that falls within its Delegated Authority and to make recommendations as to conditions recommended to WMCA Board by the Investment Board. In all cases minimum conditions should specify the Availability Period, Conditions to Drawdown of Funds, Conditions for withdrawal of support and terms of clawback, start date and completion date for the Project or Programme, but shall also include any specific conditions that the Board deem appropriate on a case by case basis. ○ To instruct the Investment Directorate to oversee preparation of Funding Agreements on its behalf and as appropriate and to delegate this duty, provided always that the Investment Directorate make no material deviation from the conditions added to the Funding Decision. ○ To approve the monitoring and evaluation criteria related to any Funding Decision and to have the ability to delegate oversight of this function where appropriate for projects that fall outside the Investment Programme or Funds under control of WMDC, where a decision is taken by the Investment Board. ○ Where oversight of monitoring and evaluation applies to the Investment Board, to consider whether a formal review of project or program is required and to consider this review itself or instruct IAG (or its successors) to do so on its behalf. ○ To instruct Funding Recipients to issue the necessary information for WMCA to advise the Investment Board as to the rationale behind any material delay or change in a project or program. ○ On completion of a review, where reasonable, to instruct Funding Recipients to complete a Change Request via the WMCA Assurance Process. ○ To receive a quarterly report from West Midlands Development Capital on its performance against the objectives within the WMCA's Investment Strategy. ○ To receive a half-yearly report on the activity of the West Midlands Growth Fund.
Delegated Authority:	<ul style="list-style-type: none"> ○ Funding decisions up to a value of £5m will normally be determined by the WMCA's Officer Scheme of Delegation. ○ Funding decisions between £5m - £20m will be determined by the Investment Board under authority delegated to it by the WMCA Board.

	<ul style="list-style-type: none">○ Funding decisions over £20m will be reserved for determination by the WMCA Board, normally following a recommendation by the Investment Board.
Review:	To be reviewed on an annual basis

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WMCA Board

Date	24 July 2020
Report title	Equalities Update
Portfolio Lead	Inclusive Communities - Councillor Bridget Jones
Accountable Chief Executive	Deborah Cadman, West Midlands Combined Authority email: deborah.cadman@wmca.org.uk tel: (0121) 214 7200
Accountable Employee	Anna Sirmoglou, Equalities & Diversity Manager email: anna.sirmoglou@wmca.org.uk tel: (0121) 214 7505
Report has been considered by	Senior Leadership Team - 26 February 2020 Programme Board - 6 March 2020 and 10 July 2020

Recommendation (s) for action or decision:

The WMCA Board is recommended to:

- (1) Approve the introduction of a new WMCA Modern Slavery Policy and endorse the annual Statement published in line with legislative requirements.
- (2) Approve adoption of the International Holocaust Remembrance Alliance's Working Definition of Antisemitism (paragraph 3.2).
- (3) Note progress on the delivery of the equality agenda within the West Midlands Combined Authority including the WMCA response to Black Lives Matter.

1. Purpose

- 1.1 To inform the Board of our obligations under the Modern Slavery Act 2015, including the introduction of a WMCA Modern Slavery Policy and publication of accompanying statement.
- 1.2 To provide the context and seek endorsement for the adoption of the International Holocaust Remembrance Alliance's (IHRA) Working Definition of Antisemitism.
- 1.3 To update the Board on other equality related activity and future plans, including recent actions taken in light of Black Lives Matter.

2. Modern Slavery Policy and Statement

- 2.1 Modern slavery is a criminal offence under the Modern Slavery Act 2015. Modern slavery can occur in various forms, including servitude, forced or compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal and commercial gain.
- 2.2 The Government has introduced a provision in the Modern Slavery Act 2015 which requires organisations with turnover over a certain threshold (over £36m) to produce an annual statement setting out the steps they have taken to ensure there is no modern slavery in their own business and their supply chains. The WMCA has a turnover over £36m and we are therefore required to produce a statement on an annual basis (in April).
- 2.3 A statement should aim to include information about:
 - (a) The organisation's structure, its business and its supply chains;
 - (b) Its policies in relation to slavery and human trafficking;
 - (c) Its due diligence processes in relation to slavery and human trafficking in its business and supply chains;
 - (d) The parts of its business and supply chains where there is a risk of slavery and human trafficking taking place and the steps it has taken to assess and manage that risk;
 - (e) Training delivered to employees to raise awareness and minimise risk.
- 2.4 If an organisation fails to produce a statement for a particular financial year the Secretary of State may seek an injunction through the High Court requiring the organisation to comply. In practice failure to comply with the provision will mean the organisation has not produced a statement, published it on their website or has not set out the steps taken by the organisation in the relevant financial year.
- 2.5 The Modern Slavery Statement will be produced every April in compliance with Section 54 of the Modern Slavery Act 2015 and published on the WMCA [website](#). The statement will also be communicated to our supplier base along with a Modern Slavery Procurement Guide.

3. Working Definition of Antisemitism

- 3.1 The definition was introduced by the International Holocaust Remembrance Alliance (IHRA) in May 2016 and adopted by the UK Government in December 2016. The IHRA brings together governments and experts to strengthen, advance and promote Holocaust education, research and remembrance.
- 3.2 The IHRA working definition of antisemitism states: ‘Antisemitism is a certain perception of Jews, which may be expressed as hatred toward Jews. Rhetorical and physical manifestations of antisemitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities.’
- 3.3 The IHRA has published examples to guide organisations on the implementation of the definition and gives examples (see Appendix B) of the kind of behaviours which can constitute anti-Semitism. These examples can make it easier to recognise what is and what is not anti-Semitic.
- 3.4 The UK Government adopted the definition in December 2016 and the Rt. Hon Sajid Javid MP, the then Secretary of State for Communities and Local Government wrote to council leaders encouraging them to adopt the definition. Since then many councils have adopted the definition. The WMCA was approached by the Jewish Leadership Council regarding adopting the definition. Adoption by the WMCA would be a decision relating to the Authority itself (and does not automatically apply to its' constituent or non-constituent councils).
- 3.5 Antisemitism, alongside Islamophobia, racism and other forms of discrimination remain a national and regional challenge. Antisemitism is on the rise. The Community Security Trust (CST), the leading Jewish organisation monitoring and supporting victims of antisemitism, recorded 1,652 reported anti-Semitic incidents in 2018 – their highest annual total on record for the third year running. The Jewish community in the West Midlands is the 5th largest in the UK.
- 3.6 The definition is not legally binding but is an important tool for public bodies to understand how anti-Semitism manifests itself in the 21st century. Adopting the definition will help demonstrate and create confidence within the WMCA area that antisemitism will not be tolerated. It would also be in line with our wider equality and inclusion objectives and the Equality Act Public sector duty to demonstrate due regard or think about the need to:
- eliminate unlawful discrimination
 - advance equality of opportunity between people who share a protected characteristic and those who don't;
 - foster or encourage good relations between people who share a protected characteristic and those who don't
- 3.7 Following adoption of the definition the WMCA will incorporate a commitment to opposing antisemitism into relevant policies taking appropriate action to challenge and raise awareness in relation to this form of hatred (in line with our general stance towards discrimination of any kind). These policies include: Equal Opportunities Policy and Dignity at Work Policy. Our commitment will also be reflected within the 2021-2023 Equality Scheme (to be finalised by early 2021).

4. Equality Updates

- 4.1 The WMCA is in the process of developing our 2021-23 equality objectives and update our Equality Scheme to encompass all the work that is taking place and will be taking place to improve equality and inclusion outcomes for employees and West Midlands residents. The draft Policy will undergo external consultation with a range of stakeholders including equality groups in the region in late 2020
- 4.2 The WMCA featured on the 2019/20 Inclusive Top 50 UK Employers list (33rd in the list). This is a definitive list of UK based organisations that promote inclusion across all protected characteristics throughout each level of employment.
- 4.3 The WMCA featured at number 24 in the National Centre for Diversity Grand Awards Top 100 Index 2020.
- 4.4 The WMCA is a Disability Confident employer and are currently working towards attaining Disability Leaders recognition.
- 4.5 The WMCA attained Thrive at Work accreditation aiming at improving health and wellbeing for employees and are implementing a number of internal wellbeing initiatives, such as Mental Health First Aider schemes, procuring a more effective Employee Assistance Programme (EAP) and incorporating wellbeing within our management development programme.
- 4.6 Our internal organisational ‘Building our Future Workforce’ Strategy is designed to provide underrepresented groups with a range of skills and opportunities. Since the scheme was launched the proportion of employees who are apprenticeships has increased to 6.2%, well above the target for the public sector (2.3%) and exceeding best practice benchmarks (5%). All posts under SP26 are advertised as apprenticeships and we target under-represented groups (care leavers, NEETs etc.) in our recruitment to work experience and entry level jobs/apprenticeships.
- 4.7 The WMCA is now a Real Living Wage accredited employer, recognising that all directly employed under a contract of employment with the West Midlands Combined Authority are paid the ‘real living wage’. There will also be an expectation that contractors who provide third party contracted staff to the WMCA pay the real living wage too. This will be implemented on a phased basis that takes account of affordability and contract end and renewal dates. Accreditation is important for the WMCA as an organisation that delivers, supports and enables inclusive growth across the region, and helps to demonstrate our commitment to embedding inclusivity across the organisation.

5. Black Lives Matter

- 5.1 In response to Black Lives Matter and in line with our wider equality and inclusion objectives a number of equality focus groups were conducted with staff that will help shape our internal equality and inclusion agenda. Future activities to increase diversity and support inclusion include the development of internal mentoring schemes; the development of strategic leadership apprenticeships to address under-representation and promote inclusion; the delivery of unconscious bias training and awareness campaigns; active engagement with employees, e.g. through user led networking groups; embedding equality competency considerations within management fundamentals; ensuring all key elements of the transformation programme are equality proof, and positive action to support our wider diversity objectives.
- 5.2 Our Recovery work is being developed with a constant view on those who are most disproportionately impacted by Covid. And the Leadership Commission are reviewing their priorities considering Black Lives Matter.

6. Financial Implications

There are no financial implications in relation to this report

7. Legal Implications

There is a statutory requirement for organisations with a turnover in excess of £36 million to have a statement to comply with the legislation and therefore WMCA will discharge this legal obligation with the approval of the Modern Slavery Policy and Statement. The approval of the Policy will provide both assurance to and confidence in the operation of the WMCA in this regard.

8. Equalities Implications

The above initiatives are likely to have a positive impact on equalities and inclusion

9. Inclusive Growth Implications

There are no direct inclusive growth implications arising from this report though the initiatives outlined above are likely to have a positive impact on a number of different groups therefore resulting in inclusive growth outcomes.

10. Geographical Area of Report's Implications

The report encompasses the West Midlands region

11. Other implications

There are no other implications

12 Schedule of background papers

Modern Slavery Statement: <https://www.wmca.org.uk/media/3894/modern-slavery-statement-2020-21.pdf>

Appendix A: Modern Slavery Policy

Appendix B: Working Definition of Anti-Semitism practical examples

APPENDIX A

MODERN SLAVERY POLICY

Date approved	
Author	
Version	
Approved by	
Designation	
Published date	
Review date	

1 POLICY STATEMENT

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

As a public sector organisation, West Midlands Combined Authority recognises that we have a corporate responsibility to take a robust approach to slavery and human trafficking. We have a zero-tolerance approach to modern slavery and we are committed to acting ethically and with integrity and transparency in all our business dealings and to implementing and enforcing effective systems and controls to safeguard against any form of modern slavery taking place anywhere within our own business or supply chains.

2 PRINCIPLES

- WMCA will release a Modern Slavery Statement each financial year, in compliance with Section 54 of the Modern Slavery Act 2015. This statement will be made publicly available on our website and intranet. Regular reviews of the policy will be conducted to ensure it adheres to regulatory and legislative requirements.
- WMCA acknowledges its responsibility as a 'First Responder' under Section 52 of the Modern Slavery Act 2015, to report all instances when there are reasonable grounds to believe a person may be a victim of modern slavery or human trafficking to the Home Office.
- Safeguarding will continue to remain a mandatory e-learning course for all new starters within the business alongside the compulsory reading of this policy, with additional training being provided as necessary. Any amendments/updates added to this policy will be communicated to all staff.
- WMCA will provide a working environment that thoroughly encourages all its employees, customers and other business partners to speak out if they are aware of, or suspect, any wrongdoing or misconduct within the organisation. This includes any circumstances which may give rise to an enhanced risk of slavery or human trafficking. The CA will support anyone who raises a genuine concern in good faith under this policy, even if they turn out to be mistaken. An employee will not suffer any detrimental treatment as a result of reporting, in good faith, a suspicion that modern slavery is taking place in any part of the organisation or our supply chain.

3 SCOPE

The prevention, detection and reporting of modern slavery in any part of WMCA business or supply chain, whether in the UK or abroad, is the responsibility of all who work for WMCA.

This policy applies to all persons working for WMCA in any capacity, including employees at all levels, directors, officers, agency staff, interns, contractors, consultants, volunteers and people on a formal secondment.

4 PROCEDURE

4.1 Indicators of trafficking

The following questions can help indicate if an individual is a victim of human trafficking:

- Is the person in possession of their own passport, identification or travel documents or are these documents in possession of someone else?
- Does the person act as if they were instructed or coached by someone else? Do they allow others to speak for them when spoken to directly?
- Was the person recruited for one purpose and forced to engage in some other job? Have transport costs been paid for by facilitators, whom they must pay back through working or providing services?
- Does the person receive little or no payment for their work? Is someone else in control of their earnings?
- Does the victim have freedom of movement? Are they dropped off and collected from work?
- Is the person withdrawn or do they appear frightened?
- Has the person or their family been threatened with harm if they attempt to escape?
- Is the person under the impression they are bonded by debt, or in a situation of dependence?
- Has the person been physically or emotionally harmed or deprived of food, water, sleep, medical care or other life necessities?
- Can the person freely contact friends or family? Do they have limited social interaction or contact with people outside their immediate environment?

4.2 Procedure if someone is suspected of being trafficked/enslaved

Being a ‘First Responder’, WMCA has a Duty to Notify (DtN) the Home Office if anyone working within the CA identifies an individual with indicators that suggest they may be trafficked/enslaved. If someone suspects that this is occurring, they are to inform either their manager, HR, a Safeguarding Officer or by following the procedure outlined in the Whistleblowing policy.

5 RESPONSIBILITIES

5.1 Employee’s Responsibilities

Preventing and reporting suspected Modern Slavery is the responsibility of all WMCA employees. Employees are expected to be proactive and take any necessary and appropriate steps when procuring goods or services to ensure that modern slavery does not occur. This encompasses assessing any risks to modern slavery and human trafficking.

Employees are required to be aware of the signs of modern slavery and human trafficking and to be vigilant during their day-to-day job roles. Employees must assess the risk of modern slavery when awarding a supplier contract. This involves questioning whether a supplier is based in a high-risk geography (such as conflict-affected zones) or if the contract being awarded is of a high-risk sector (i.e. construction, hospitality and agriculture).

It is the employee's responsibility to complete the mandatory e-learning courses as part of their induction, this includes courses on Safeguarding Children and Safeguarding Adults which have sections on modern slavery. Employees are also responsible for familiarising themselves with the WMCA Safeguarding Policy, which outlines how to identify and report suspected incidents, and follow the correct procedure as/when necessary.

If you believe or suspect a breach of this policy has occurred, is occurring, or is at risk of taking place, you must report it by speaking to your line manager, the HR Department, a Safeguarding Officer or by following the procedures outlined in the Whistleblowing Policy. Any concerns should be raised as soon as possible, as long as it is safe to do so.

If an employee is unsure about whether a particular act, the treatment of workers more generally, or their working conditions within any tier of our supply chains constitutes any of the various forms of modern slavery, this should be raised with their manager, HR, a Safeguarding Officer or by following the Whistleblowing Policy.

All employees are required to avoid any activity that might lead to, or suggest, a breach of this policy. Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.

5.2 Manager's Responsibilities

. If a contract manager has any reason to believe that an individual within their supplier workforce is a victim of modern slavery then they must report to either their manager, HR, a Safeguarding Officer or by following the procedure outlined in the Whistleblowing policy.

Management at all levels are responsible for ensuring their direct reports understand and adhere to this policy.

Managers are responsible for seeking out further guidance from HR should they be unsure of any aspects of this policy or the corresponding Modern Slavery Statement.

5.3 Human Resources Team's responsibilities

The Human Resources team has a responsibility to make sure Business Partners are fully knowledgeable on this policy and are taking a proactive approach to ensure their delegates are also aware of the relevant policies and procedures.

Should any modern slavery legislation be updated, it is the responsibility of the HR department to ensure that all relevant policies and procedures are amended, if necessary, to make sure they are fit for purpose in order for the organisation to remain compliant.

HR are to deal with any employee/ manager queries surrounding this policy and relevant legislation accordingly.

If a member of the HR team is made aware of any slavery/ human trafficking suspicions, they are responsible for informing the Designated Safeguarding Lead, or a Nominated Deputy Lead in their absence.

5.4 Procurement Team's responsibilities

Our zero-tolerance approach to modern slavery must be communicated to all suppliers at the outset of our business relationship with them. It is the responsibility of the Procurement team to ensure that the WMCA external supply chain is complaint with the Modern Slavery Act 2015.

Through a self-questionnaire, suppliers are required to confirm their agreement and compliance with this policy. If the supplier meets the criteria for Section 54 for the Modern Slavery Act 2015, they must provide their current Modern Slavery Statement.

At the Procurement team's discretion, appropriate audits of any supplier will be implemented should a potential risk of modern slavery be identified.

Relationships with suppliers may be terminated if they breach this policy, fail to show their commitment to the Modern Slavery Act 2015 and/or do not consent to appropriate audits taking place.

The Procurement team are responsible for considering modern slavery risks when making procurement decisions. WMCA procurement staff are to seek clarification on abnormally low tenders for amplification as to why this is the case. The tender is to be rejected if the bid is low due to: a breach of the tenderer environmental, social or labour law or illegal State aid is being provided to the Tenderer.

5.5 Appointed Safeguarding Officers' responsibilities

It is the responsibility of the Safeguarding Officers to follow the 'First Responder' procedure in line with Section 52 of the Modern Slavery Act 2015, the 'Duty to Notify'. This includes referring the case to the NRM (National Referral Mechanism) or by submitting an 'MS1' form if an adult does not give consent to be referred to the NRM.

6 ASSOCIATED DOCUMENTS

- Modern Slavery Statement 2020/21
- Whistleblowing Policy
- Safeguarding Policy
- Grievance Policy
- Social Value Policy
- Dignity at Work Policy

7 USEFUL LINKS

Further information on Modern Slavery and Human Trafficking is available from the following websites:

<https://www.antislavery.org>

<https://nationalcrimeagency.gov.uk/what-we-do/crime-threats/modern-slavery-and-human-trafficking>

<https://www.modernslaveryhelpline.org/>

<http://www.antislaverycommissioner.co.uk/>

<https://www.westmidlandsantislavery.org/>

<https://www.stopthetraffik.org/>

<https://www.bsab.org/>

8 MONITORING AND REVIEW

The Strategic Leadership Team will monitor the effectiveness of this policy as well as review its implementation. Considerations will be undertaken regularly to assess the suitability, adequacy and effectiveness of this policy. Any improvements identified will be made as soon as possible.

All WMCA staff, in any capacity, are responsible for the success of this policy and should ensure they use it to raise any concerns regarding modern slavery.

This policy does not form any part of an employee's contract of employment and we reserve the right to amend it at any given time.

Appendix B

Working Definition of Antisemitism – Practical Examples

To guide IHRA in its work, the following examples may serve as illustrations:

Manifestations might include the targeting of the state of Israel, conceived as a Jewish collectivity. However, criticism of Israel similar to that leveled against any other country cannot be regarded as antisemitic. Antisemitism frequently charges Jews with conspiring to harm humanity, and it is often used to blame Jews for “why things go wrong.” It is expressed in speech, writing, visual forms and action, and employs sinister stereotypes and negative character traits.

Contemporary examples of antisemitism in public life, the media, schools, the workplace, and in the religious sphere could, taking into account the overall context, include, but are not limited to:

- Calling for, aiding, or justifying the killing or harming of Jews in the name of a radical ideology or an extremist view of religion.
- Making mendacious, dehumanizing, demonizing, or stereotypical allegations about Jews as such or the power of Jews as collective — such as, especially but not exclusively, the myth about a world Jewish conspiracy or of Jews controlling the media, economy, government or other societal institutions.
- Accusing Jews as a people of being responsible for real or imagined wrongdoing committed by a single Jewish person or group, or even for acts committed by non-Jews.
- Denying the fact, scope, mechanisms (e.g. gas chambers) or intentionality of the genocide of the Jewish people at the hands of National Socialist Germany and its supporters and accomplices during World War II (the Holocaust).
- Accusing the Jews as a people, or Israel as a state, of inventing or exaggerating the Holocaust.
- Accusing Jewish citizens of being more loyal to Israel, or to the alleged priorities of Jews worldwide, than to the interests of their own nations.
- Denying the Jewish people their right to self-determination, e.g., by claiming that the existence of a State of Israel is a racist endeavor.
- Applying double standards by requiring of it a behavior not expected or demanded of any other democratic nation.
- Using the symbols and images associated with classic antisemitism (e.g., claims of Jews killing Jesus or blood libel) to characterize Israel or Israelis.
- Drawing comparisons of contemporary Israeli policy to that of the Nazis.
- Holding Jews collectively responsible for actions of the state of Israel.

Antisemitic acts are criminal when they are so defined by law (for example, denial of the Holocaust or distribution of antisemitic materials in some countries).

Criminal acts are antisemitic when the targets of attacks, whether they are people or property – such as buildings, schools, places of worship and cemeteries – are selected because they are, or are perceived to be, Jewish or linked to Jews.

Antisemitic discrimination is the denial to Jews of opportunities or services available to others and is illegal in many countries.



WMCA Board

Date	24 July 2020
Report title	A Transport System Fit to Tackle Climate Change? - Reviewing the West Midlands Local Transport Plan to support a Greener, Fairer, Healthier Recovery
Portfolio Lead	Transport - Councillor Ian Ward
Accountable Chief Executive	Laura Shoaf, Managing Director, Transport for West Midlands email: laura.shoaf@tfwm.org.uk tel: 07766 206413
Accountable Employee	Mike Waters, Director of Policy, Strategy & Innovation, Transport for West Midlands email: mike.waters@tfwm.org.uk tel: 07584 333540
Report has been considered by	Strategic Transport Officers Group WMCA Senior Leadership Team WMCA Programme Board WMCA Strategic Transport Board

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

- (1) Approve the approach and timescale to update the statutory transport plan for the West Midlands in order to reflect the objectives of WM2041 and the regional economic recovery strategy.
- (2) Approve the development and publication for consultation of a transport green paper, which will form part of an on-going dialogue to explore how the transport system can continue to be developed towards an inclusive, de-carbonised and integrated system, connecting lives and livelihoods cleanly and safely.
- (3) Approve the development and execution of a programme of market research and engagement to establish the appetite for travel behaviour change, new transport technology adoption, flexible working and uptake of consumer, freight and logistics behaviours in the West Midlands in a post COVID world.

- (4) Agree the development of a short-term interim transport recovery action plan, to be published later in the summer, which reflects of the collective activity of all constituent authorities and seeks to maximise the opportunities for positive behaviour change arising from the COVID-19 disruptions and recovery.
- (5) Note the steering and governance arrangements for the work outlined in this report, as set out in Section 8 and delegate to the Strategic Transport Board the direction setting and approval of the development and publication of the interim transport recovery plan and the Transport Green paper.

1.0 Purpose

1.1 The purpose of this report is to:

- Explain TfWM's duties to produce and review the statutory local transport plan (LTP) and confirm the work being undertaken to review the LTP;
- Discuss how the covid-19 pandemic and climate emergency affect the policy context for the LTP review; and
- Set out plans for taking forward the LTP review and a strawman for a new vision for transport which will support a green West Midlands economic recovery
- Summarise the work which has been developed with and by Local Authority Officers in liaison with Transport Cabinet Members, facilitated and supported by TfWM.

2.0 WMCA Duties to Produce a Local Transport Plan and the Rationale for a Review

- 2.1 Under the Transport Act 2000, local transport authorities (LTAs) have a statutory duty to produce and review a local transport plan (LTP). As a consequence of the Local Transport Act 2008 and the West Midlands Combined Authority Order 2016, WMCA is the sole LTA for the administrative geography covering the seven constituent metropolitan districts/boroughs of the West Midlands Combined Authority area.
- 2.2 The LTP must set out policies for the promotion and encouragement of safe, integrated, efficient and economic transport to, from and within the LTA area as well as proposals for the implementation of those policies. WMCA and the seven metropolitan district/borough councils of the West Midlands must carry out their functions so as to implement these policies.
- 2.3 The LTP carries statutory weight in a range of decisions made by many public authorities as they execute their functions under relevant statutory provisions. It is a critical document for ensuring the West Midlands public's interests with regards to transport and its impacts are considered in such decisions. For example, the policies and plans within the LTP are considered material considerations in the determination of planning applications by local planning authorities.
- 2.4 In preparing and implementing the LTP, the WMCA and seven metropolitan district/borough councils must take into account and have regard for any policies announced by HM Government and any guidance issued by the Secretary of State with respect to mitigation of, or adaptation to, climate change or otherwise with respect to the protection or improvement of the environment.
- 2.5 Movement for Growth (MfG) is the title of the fourth West Midlands LTP published under the 2000 Act. Since MfG was published, there have been significant changes to the policy context including changes to the political landscape and emerging mega trends, which have implications for transport policy and plans – however, most significant are the impact of the Covid-19 pandemic and the challenge of climate change. A summary of areas of significant contextual change are highlighted below:

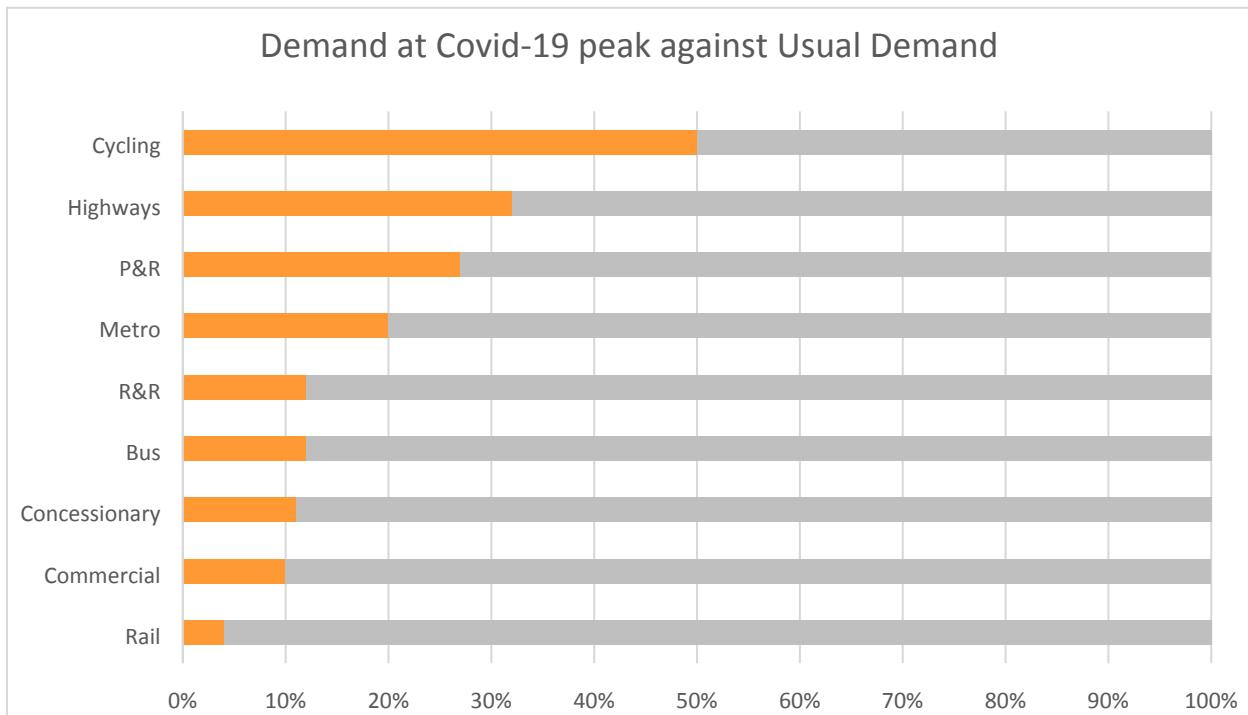
Changes since MfG (strategy) was published

- New Mayor and mayoral elections
- Climate and Air Quality Crises
- Changing social priorities
- Brexit
- Devolution and powers
- Funding
- Scheme development and delivery
- Local plans
- Portfolio of innovation projects informing the future of mobility - ULEVs, CAVs, MaaS, and micromobility
- Wider WMCA strategy - particularly inclusive growth, climate change and industrial agendas
- Cultural successes - CWG and City of Culture
- Supra-WMCA Partnerships - WMRE, MC
- TfWM policy development

- 2.6 The electrification agenda in transport and other sectors in response to the climate change and air quality agenda is very practical example of issues detailed above. It will require a coordination of transport, land use and energy infrastructure planning and delivery at never previously seriously considered.
- 2.7 Given the scale of change that has occurred since MfG was first published, and given the time that has elapsed, TfWM officers with the close input and collaboration of Local Authority colleagues have been preparing for a review of the local transport plan to enable WMCA to exercise its duties of preparing and reviewing the West Midlands LTP.

3.0 Understanding and predicting the future in light of the Covid-19 pandemic

- 3.1 On 5 June 2020, TfWM reported to WMCA board on the impact that the lockdown has had on the transport system and outlined an approach to recovering the transport system with a particular focus on the importance of short-term planning as lockdown is relaxed. The report also highlighted that there was a need to account for longer term effects of the Covid-19 pandemic through the LTP review.



- 3.2 The Covid-19 crisis has seen unprecedented change in travel demand and behaviours. The immediate impact has been a general reduction in travel as a result of "lockdown". This has had many positive aspects with improved physical activity, air quality, reduced carbon emissions and safer roads (notwithstanding particular issues with speeding) due to reduced traffic and more people walking and cycling.

- 3.3 In spite of the immediate reduction in productivity, large parts of society and the economy have continued to function with less travel activity as more people have worked from home, accessed more local shops/services/facilities where necessary, and businesses have adapted to help people access goods via home deliveries or collections. As people have spent more time in their local areas, community relationships have also strengthened.

The Covid-19 Impact



- All trip making is down
- PT down – likely to persist. Financial, operational and commercial crisis
- Car use down (short-term) – as low as 1950s.
- Working from home is up
- Walking and cycling is up
- Car use up (long-term) – risk that car use will become more than pre-pandemic levels

The good

Transport's negative externalities reduced (for now):

- Carbon emissions down
- Better air quality
- Reduced noise
- Improved road safety
- Health benefits of physical activity

The bad

Those who are most deprived are most likely to bear the brunt of disbenefits:

- Economic impacts
- Reduced access/mobility

- 3.4 There is significant uncertainty as lockdown is lifted over how travel demand and behaviours may change, both in the immediate and longer term. TfWM has begun to model the travel demand impacts of some of the economic and social uncertainties on different travel modes over the next 18 months and beyond.
- 3.5 As noted above the behavioural shifts seen during lockdown have resulted in a number of positive and negatives outcomes. Some of these are likely to continue into the longer term, especially, where this delivers a business advantage – e. g. more working from home and less business travel but also where people have simply changed what kinds of discretionary trips they wish to make (e.g. preferring to visit green spaces over less essential shopping).
- 3.6 Whilst car traffic is rapidly returning to normal levels, the impact on public transport has been and continues to be significant. The implications of social distancing has required a very different message to the travelling public and demand has dropped. Whilst some demand has now returned and will continue to rise, the continuing requirements of social distancing will limit the overall capacity of the network to much below pre-pandemic levels. Beyond the pandemic, anxiety of using public transport is likely to persist and it may prove difficult to fully recover levels of public transport use.
- 3.7 These issues are creating major challenges. Public transport operators could be increasingly faced with a less sustainable financial situation. Services are being maintained through a combination of public subsidy and operator's finances. The situation is likely to continue for months and represents a threat to the vital role public transport plays in the West Midlands economy and society, and ultimately the future of the transport system.

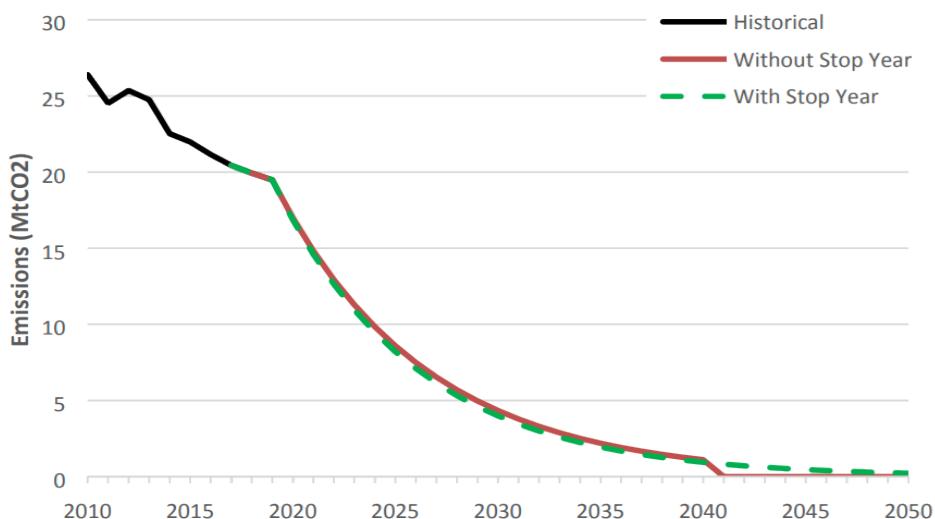
3.8 The UK is also facing a deep economic recession, which means travel demand will likely be lower than pre-Covid levels even as lockdown is relaxed. However, as the economy recovers travel demand will increase.

4.0 Transport as part of a fairer, greener, healthier recovery

4.1 Transport will play a key role in the West Midlands recovery from Covid-19. With support from Government, the acceleration of our investment programmes can help to deliver immediate impact in the real economy to help address the short-term risks of COVID-19 by creating and safeguarding jobs and strengthening regional innovation, competitiveness and resilience. But transport is also critical to supporting access for individuals, families and communities across the West Midlands to services and opportunities. This is particularly so for those who are likely to be worse hit by the impacts of the Pandemic - including many young, marginalised and vulnerable people who do not have access to a car.

4.2 On June 5th 2020 WMCA Board agreed that the recovery from the COVID-19 pandemic should be one that supports the ambition for a fairer, greener, healthier West Midlands and builds on those aspects of the crisis that enable a low carbon economy. WMCA Board also approved a programme of activity for an environmental recovery and the development of the first “5-year #2041 Delivery Plan” (to be the first of four) to deliver against the WMCA’s carbon budget. The budget requires cumulative CO₂ emissions up to the year 2100 to stay below 126MtCO₂ and includes a target of achieving a net-zero WMCA carbon account by 2041. There is also a corresponding a carbon reduction pathway (see below).

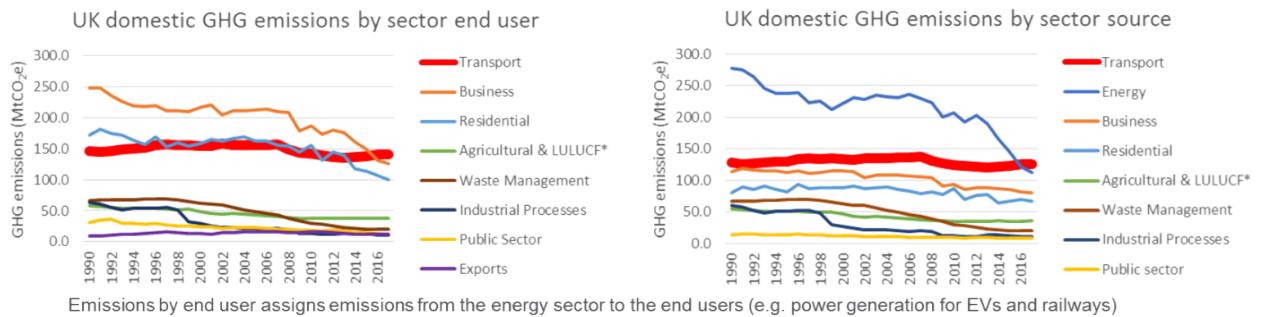
Energy CO₂ only emissions pathways (2010-2050) for WMCA premised on the recommended carbon budget



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

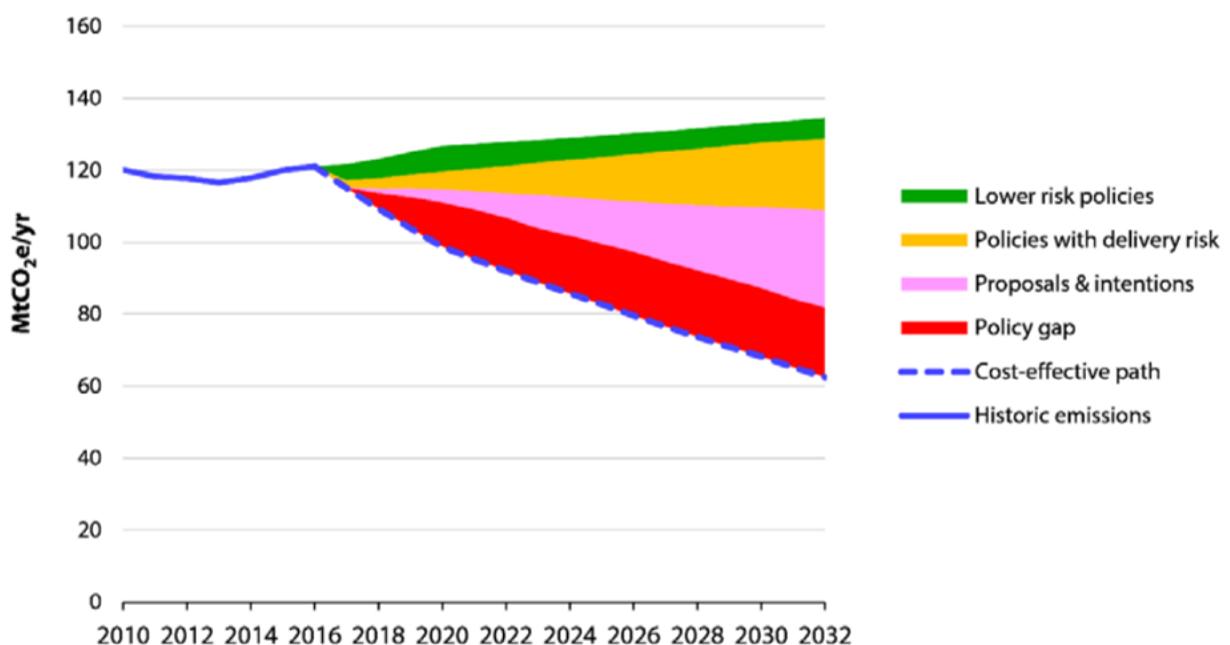
4.3 As we emerge from lockdown and move through the recovery phases there is an opportunity to deliver some lasting and sustainable improvements to the way people travel about the region and use this unprecedented opportunity and secure a fairer, greener, healthier West Midlands.

- 4.4 Equally significant is the opportunity to engage deeply with West Midlands residents over the scale of change to many aspects of life that is required to de-carbonise the transport system. Many have had opportunity to reflect on and experience new ways of living and working. Whilst many of the changes required to enable de-carbonisation and support climate change cannot be introduced before or during the lifting of lock-down, public consciousness of the potential for change is higher than ever. A large recent international poll by IPOS Mori identified that the majority of people in most developed and developing countries felt climate change remained at least as or more important than COVID-19.
- 4.5 In the short-term measures are being implemented that aim to lock in some of the positive behaviour changes and limit the number of journeys being made by private car, such as those supported by the Emergency Active Travel Fund. Unfortunately, as the Government eases lockdown restrictions and travel demand starts to recover and without full trust in the safety of public transport, there is a risk of a “high carbon rebound” from the Covid-19 pandemic.
- 4.6 On May 6th, the Committee on Climate Change (CCC) wrote to the Prime Minister urging a low carbon recovery from COVID-19. They outline 5 areas that should be expanded immediately (all of which appear in the regions plans):
- Investments in low-carbon and climate-resilient infrastructure.
 - Supporting reskilling, retraining and research for a net-zero, well-adapted economy.
 - Upgrades to our homes ensuring they are fit for the future.
 - Making it easy for people to walk, cycle, and work remotely.
 - Tree planting, peatland restoration, green spaces and other green infrastructure
- 4.7 In the CCC’s annual parliamentary progress report (published on 25 June 2020), they noted in relation to the immediate reduction in carbon emissions caused by the lockdown, *“The changes observed in 2020 are likely to be transient, as they do not reflect structural changes in the underlying economic, energy, transport or land systems. Emissions are likely to rebound in 2021”*.
- 4.8 Transport accounts for around a third of the UK’s Greenhouse Gas (GHG) emissions. The vast majority of national and local transport sector GHG emissions are from surface transport, and the majority of these emissions are attributable to passenger car travel. Car travel is the dominant mode of passenger transport in the UK and West Midlands, and is also the most “carbon intensive” – i.e. more carbon emissions per passenger mile travelled are emitted by car than other modes. Light duty vehicles and HGV emissions are also significant with sustained growth of light duty vehicle emissions having been observed since 1990 in line with the increased use of those vehicles.
- 4.9 Transport emissions have remained broadly stable over the last 30 years (with a dip during the prolonged 2008 recession and recovery) while other sectors have made more significant reductions. The transport sector is now the biggest contributor to national and local emissions as a sector (both as a source of emissions and end user see below). The CCC attributes much of the lack of progress in reducing transport emissions to insufficient progress in changing patterns of travel demand and the shift to larger personal vehicles, which has offset carbon reductions that should have been achieved by technological improvements to the fuel efficiency of internal combustion engines (ICES).



- 4.10 There is broad international consensus that we could have just 10 years left to limit extensive climate change. The Paris Agreement seeks to limit global warming to well-below 2°C (ideally no more than 1.5°C) by addressing GHG emissions but the UN's Intergovernmental Panel on Climate Change (IPCC) has warned that insufficient global progress is being made.
- 4.11 The UK Government, WMCA and its constituent authorities have committed to taking action to prevent global temperature rises (in line with the aims of the Paris Agreement made in 2015). The UK Government has statutory obligations under the Climate Change Act 2008 to reduce annual GHG emissions with an ultimate requirement to achieve a net-zero UK carbon account by 2050.
- 4.12 There are currently no statutory duties which explicitly require local government to reduce carbon emissions. However, local government does have a range of statutory functions that affect carbon emissions and statutes generally require local government to have regard to Government policy and guidance (including where this relates to climate change) as they execute their functions.
- 4.13 Making the progress needed to honour the Paris Agreement will require action across all sectors. Some may be able to make deeper cuts than others earlier/later. The CCC has previously recommended that actions are required to reduce GHG emissions from the transport sector by 48% by 2030 and that emissions from the sector would need to be near zero by 2050 for the Government to achieve its net-zero carbon account.
- 4.14 The CCC has outlined that Government policy, which has largely focussed on reducing transport GHG emissions through an accelerated shift to ultra-low and zero emission vehicles (as set out in Government's Road to Zero strategy), is insufficient and there is an "urgent need for stronger policies to reduce growth in demand for travel. There is a significant gap in transport policy.

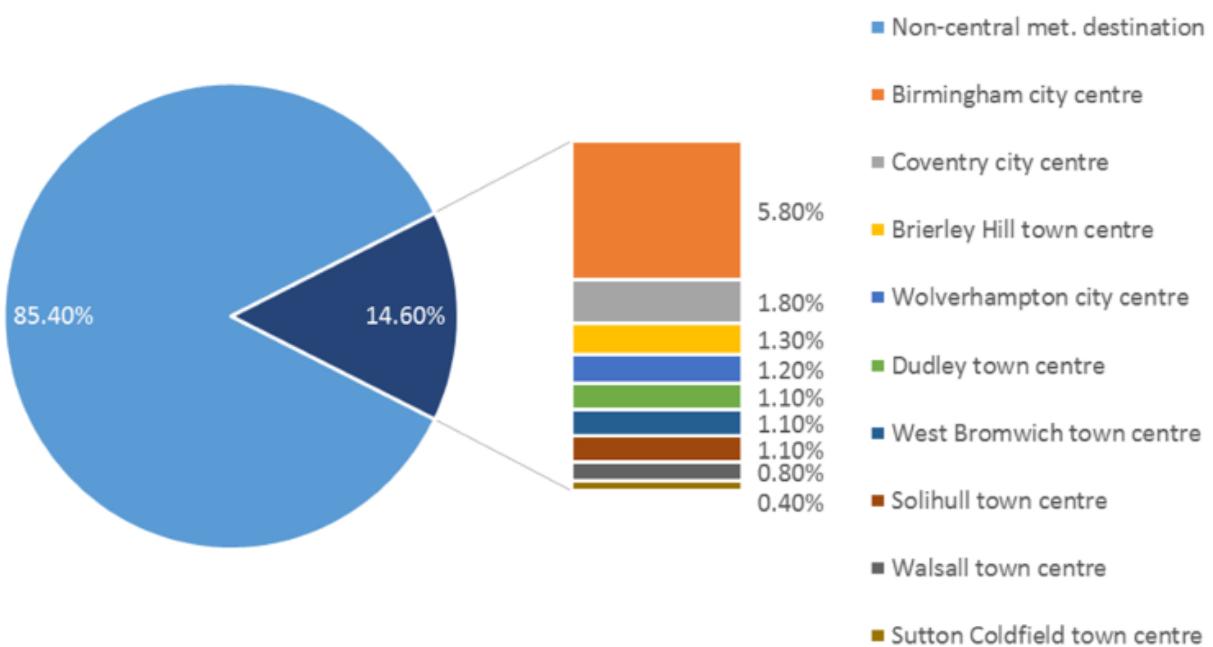
Transport emissions and impact of the Clean Growth Strategy (2010 - 2032)



- 4.15 Broadly speaking policy aimed at reducing GHG emissions from transport could require a broader mix of measures than is currently identified or in the pipeline to achieve the following:
- Reduction in travel (reduced trip frequency and reduced trip distances);
 - Mode shift to less carbon intensive means of travel – non-motorised travel, public transport, lighter vehicles;
 - Replacement of ICE with lower emission technology i.e. ULEVs;
 - More efficient driving;
 - Reduced carbon emissions from construction and manufacturing processes for transport infrastructure (including vehicles); and
 - An accelerated shift to renewable energy to ensure the shift to ULEV from ICE vehicles will not undermine efforts to reduce carbon emissions from the energy sector.
- 4.16 The current local transport plan has a stated ambition for a “shift in emphasis of travel in line with thriving, prosperous, attractive, large European city regions such as Munich, Stuttgart and Dusseldorf , where car use accounts for typically 35 - 45% of all journeys, compared to 63% in the West Midlands Metropolitan Area”. However, the overall effect of the actions that are currently being taken forward from MfG will not deliver such significant mode shift, or the reductions required in total vehicle miles travelled in our area.
- 4.17 The measures set out in the current local transport plan are primarily focused on redressing historic under-investment in transport; increasing sustainable transport capacity through a rail and rapid transit network integrated; improved local bus networks; and the creation of a strategic cycle network alongside core walking zones. This is supported by measures to improve existing capacity, such as improvements to pinch point junctions. Movement for Growth also raises the need for a West Midlands wide parking policy.

- 4.18 These actions will help maintain access to growing congested centres as population increases and improve the ability of people to access opportunities in city and town centres across the region by public transport. However, these actions in isolation will not generate the levels of behaviour change required to meet climate change commitments. Car is dominant because the conscious design of the transport system for other modes is focused heavily on access to centres, especially for peak commute times, and this is where the majority of travel is NOT to or from.

People travelling by car in the AM peak to centres vs. other destinations



- 4.19 Where climate change is concerned it doesn't matter where or when carbon emissions are produced; unlike congestion, any mile travelled at any time in any place is just as important as any other. In particular it should be considered that:

- Over 85% of car trips in the AM Peak are not to or from city and town centre locations which the public transport network is primarily focused on and designed to serve, either as destinations in their own right or as interchange hubs for a wider range of origins and destinations
- Shopping and leisure trips are the most frequent trips. Most miles are travelled for leisure purposes.
- Most passenger travel occurs in the daytime inter-peak period.
- Efforts to generate modal shift to active travel typically focus on shifting shorter journeys (under 5 miles). Whilst trips under 5 miles account for most trips, they account for a relatively small proportion of total distances travelled.
- 34.5% of UK GHG emissions from surface transport are emitted by HGVs and light duty vehicles despite only accounting for 18.4% of miles travelled per year in our area.

- 4.20 There is a real challenge facing the management and use the transport system. Various research highlights the scale of change which could be required:

- Provisional work carried out by the Tyndall Centre has found that even if all new cars were ULEVs by 2035, a 58% reduction in UK car mileage between 2016 and 2035 would be needed for car CO2 emissions to fall to an extent consistent with the Paris Agreement.
 - Analysis supporting TfGM's 5 year environment plan, which aims to set out change in Greater Manchester's transport system required to comply with the Paris Agreement, suggests the following high-level targets for TfGM by 2025:
 - 63% of all vehicles to be ULEV, 82% of buses to be ULEV, 82% rail electrified; and
 - 6% shift from car to public transport and active travel, 25% reduction in remaining car miles driven per person; and
 - 10% reduction in road freight emissions.
- 4.21 The impacts of climate Change could also have a disproportionate impact on the most vulnerable who would be less able to adapt to its impacts. Covid-19 has also exacerbated many already underlying inequalities, which disproportionately have affected certain groups. These groups are less likely to own a car, more likely to be on a low income, more likely to live in more deprived areas and be more reliant on public transport compared to higher income groups. A high carbon recovery will further exacerbate these issues.
- 4.22 Specific actions set out in the current statutory transport plan are not wrong, but as the local transport plan is reviewed and policy options are considered, far more emphasis and weight will need to be given to additional and complimentary policy and actions. These will need to support a rapid reduction in transport carbon emissions whilst ensuring benefits from the positive actions that need to be taken are enjoyed by all and that people and communities are not left behind. Additionally, there will be a need for much closer alignment of land use, energy, skills and health planning.

5.0 Public Attitudes

- 5.1 It is clear that things will not be the same as the region recovers from the pandemic, so what we do next will be very important. Whilst transport is a “means to an ends” the transport system also shapes what is possible and impacts on the people and places around it.
- 5.2 Covid-19 has given us a new perspective on what our economic, social and environmental priorities are and the sort of changes that are possible. There is an opportunity to reshape strategy; not just to try to emerge from the economic crisis as quickly as possible but to seek to emerge in a better direction.
- 5.3 To illustrate the appetite for this, TfWM has undertaken surveys of public attitude during the crisis. From over 6,000 responses the key sentiments from the survey were that people wanted to see change/ learn lessons to keep:
- cleaner air (81%) and
 - reduced traffic on roads/ reduced car use (75%), f
 - a better work/life balance (67%).

Further information on the survey responses is provided in Appendix 1

- 5.4 The sentiments were also echoed in the smaller number of responses to the consultation on the draft WMCA #2041 green paper. This highlighted that respondents felt that reducing road traffic and supporting more walking and cycling more was one of the most important actions that the region could take to tackle climate change.
- 5.5 Businesses are also suggesting that the pandemic has demonstrated that climate change is more important than ever. Covid-19 has dramatically highlighted what happens when countries and businesses do not prepare for long-term resilience, prioritising instead short-term considerations.
- 5.6 The review of the statutory transport plan represents an opportunity to consider how the region can deliver on its aspirations for a “fairer, greener and healthier region” through the Authorities ability to exercise their statutory powers and investing public resources. It is also an opportunity to influence other public authorities (including UK Government) to do the same.

6.0 Five Motives for Change

- 6.1 Work has already started to review the Local Transport Plan, including evidence base research and workshops with stakeholders to start to develop a case for change for our transport system.
- 6.2 From this **Five Motives for Change** have been developed:
- **Climate emergency** – to reduce carbon emissions that are emitted by transport in the West Midlands; honouring our commitments to do our bit to prevent climate change as part of global efforts to ensure future generations can prosper.
 - **Transport inequality** – to create a West Midlands where access to opportunity and the affordability of travel is equitable and people are protected from the negative impacts of other people’s travel choices.
 - **Supporting local communities and places** – to redress travel and traffic’s impacts on relationships in local communities, to enable streets to offer wider and more valuable functions than just transport and to support better local amenities and services.
 - **Physical inactivity** – to create a region where people can live actively so that they have more time to spend with the people with whom they love doing the things they enjoy, and where businesses have access to a healthy and productive workforce.
 - **Sustaining economic success** – to ensure people are able to access that which meets their economic and social needs and ambitions through better use of land, telecoms and sustainable transport, and to create the transport market that supports and encourages our world leading innovation in sustainable transport products and services and enables them to thrive.

7.0 Next Steps

A Short-term Interim Transport Recovery Plan

- 7.1 It is proposed to develop an interim transport plan for the region setting out the short and medium -term actions the region is taking and can take to support a low carbon, green recovery from the pandemic. This will include setting out where we can bring forward potential actions which will continue to address the challenges and opportunities already identified. This will build on the recovery plans developed by Transport for West Midlands and action plans adopted by Local Authorities partners, such as the Emergency Birmingham Transport Plan and Wolverhampton's A Step in the Right Direction.

- 7.2 In developing the measures in the plan we will use the data and intelligence on the transport network which we have collected, shared and analysed over the last three months which provides insight into key issues and the attitudes and behaviours of the public and businesses.
- 7.3 As noted a range of activity is already underway, including through the Emergency Active Travel Fund and eScooters pilots, but we will aim to identify where further regional co-ordination and collaboration can enable further action to:
- Provide travel that is safe and secure
 - Get workers and businesses back up and running (where safe)
 - Support travel to schools and keeping children and families safe
 - Keep the clean air, reduced carbon emissions and physical exercise
 - Support a green economic recovery
- 7.4 The plan will be developed by TfWM in partnership with local authorities and it is anticipated that this will be ready for launch later in the summer.

Reviewing the statutory Local Transport Plan

- 7.5 A mini prospectus for the proposed Green Paper is attached at Appendix 2 which will be used as the framework to stimulate engagement and recruit people to a conversation as we develop the full Green paper. The intent is to build on existing and on-going large-scale attitudinal surveys and hold deeper dive engagements with people from across the region. This work will require TfWM to work with local authorities and across other relevant policy areas.
- 7.6 In reviewing the statutory LTP with our Local Authority colleagues, TfWM aims to:
- support WMCA and partners to develop a new vision for a green and inclusive transport system;
 - work with stakeholders across the seven metropolitan districts/boroughs and the wider region to evolve this vision to cover the diverse places across our region and ensure alignment of transport, land use and economic plans;
 - identify the changes to the movement of goods and people that would align with a green and inclusive vision for transport; and
 - identify the actions that could / should be taken by government (locally and nationally) that are required to drive these changes - including those that are not driven by the local authorities' statutory functions as local transport, highways, and traffic authorities – this will continue to shape, inform and influence our thinking around further devolution.
- 7.7 Alongside the next steps for the WM2041 strategy document it is proposed that engagement begins to take place with key stakeholders including Leaders, relevant portfolio holders and Chief Executives as part of building understanding of the challenges and to support collaboration and coordination around strategy and delivery. This will seek to establish the appetite for travel behaviour change, new transport technology adoption and service development, flexible working, and uptake of consumer, freight and logistics behaviours in the West Midlands in a post COVID world.

- 7.8 Building on this engagement, it is suggested that TfWM consult on a 'Green Paper' and series of topic specific sub-papers later in 2020. The purpose of this will be to open a conversation with the public and business and to raise awareness on the challenges we face and how we can respond to them and highlight examples of how these are being considered and addressed elsewhere. Consultation will be both conventional mass communication and deeper drive workshops, on-line community engagement and market research activity. The work will not aim to propose the specific policies for transport for the west midlands, but instead would seek views, opinion and start a conversation on what our future strategy and policies could look like. It will be supported by a programme of deeper sentiment and attitude research.
- 7.9 The feedback from this process will then be used to inform a draft transport strategy (which would form a component part of the LTP) which will be developed with our local authorities. It is proposed to undertake formal statutory consultation on the draft strategy and LTP in summer 2021.

8.0 Steering & Governance

- 8.1 It is proposed that the newly established Strategic Transport Board (lead by the WMCA's Portfolio for Transport and comprised of the transport portfolio holders of the seven metropolitan district/borough councils) will provide the Member direction to this work. It is proposed that this group will be responsible for agreeing the decisions and actions around the interim transport plan, Green Paper and on the development of the refreshed local transport plan which would ultimately be approved by WMCA Board.
- 8.2 The Strategic Transport Officers Group (STOG) is well established and meets monthly, providing the opportunity to share and shape the progress of work and ensure co-ordination and development of the transport plan in tandem with local authority transport and wider policy agendas. STOG will support and advise TfWM and the Strategic Transport Board with regard to these matters.

9.0 Financial Implications

- 9.1 There are no direct financial implications of this report. Any specific workstreams which form part of the LTP will need to be fully costed, reflecting both initial capital or development expenditure and ongoing costs as well as any financial savings which will be generated. It is also essential that the Region optimises use of specific funding being made available to promote more sustainable travel across the Region.

10.0 Legal Implications

- 10.1 As this report sets out there is a statutory duty to produce and maintain a local transport plan. The report details how it is proposed to refresh the plan in order to maintain compliance with this duty under the particular circumstances in which the Region and the Country finds itself.

11.0 Equalities Implications

- 11.1 Aside from the general transport inequalities (of access to places, affordability of travel and impacts of transport on people and places) referenced in the body of the report that the LTP review will seek to redress, the Covid-19 pandemic represents new challenges for inclusive growth in the short-term and risks exacerbating current issues in the long-term. The following should be considered in developing a response to the covid-19 pandemic that aims to deliver inclusive growth:

- People are affected differently by the health impacts of coronavirus – The coronavirus tends to result in more serious symptoms in older people, black and ethnic minority people and people with pre-existing medical conditions.
- People are and will be affected differently by the coronavirus lockdown measures and subsequent lifting of it. This will depend on personal circumstances and Government's strategy for applying/releasing lockdown measures. Working from home will not be possible for many. Those with children are likely to face greater challenges with balancing their childcare responsibilities and work. Whilst some may be able to drive, cycle or walk to minimise exposure to infection, there are many who rely on public transport who are likely to be disproportionately affected by the restrictions on public transport in this period. Generally, bus users will be more vulnerable than train users as car access is much lower in the former group than the latter and train users tend to work in occupations where working from home is more likely to be viable.
- People will be affected differently by the economic impacts of the coronavirus – the West Midlands, along with many other places, is set to experience a new economic recession. As with any economic recession, particular groups will be at greater risk to these impacts.
- People facing the greatest deprivation are experiencing a higher risk of exposure to COVID-19 and existing poor health puts them at risk of more severe outcomes if they contract the virus. The government and wider societal measures to control the spread of the virus and save lives now are exacting a heavier social and economic price on those already experiencing inequality. The consequences of this action, and the economic recession that is likely to follow, risk exacerbating inequalities now and in years to come.

11.2 As we move from crisis management to recovery, our transport policies will need to take into account the evolving inequalities as well as the need to address the established shortcomings of our transport system.

12.0 Inclusive Growth Implications

12.1 As noted Covid-19 has exacerbated many already underlying inequalities – be it socioeconomic or health. As more evidence comes to light, it demonstrates how vulnerable groups are suffering more – the impacts of which are then further exacerbated as we move into recovery and as we then seek to tackle climate change. This will present a significant challenge for delivering Inclusive Growth and there is a need to consider how best to use existing tools such as the Inclusive Growth Toolkit through the review of the Local Transport Plan, to ensure all WMCA activity drives more inclusive and sustainable growth.

13.0 Geographical Area of Report's Implications

13.1 The WMCA exercises transport powers overwhelmingly in respect of the area covered by its constituent authority members, however, there is significant interaction with the wider area. The health and performance of the transport system in metropolitan area has a profound impact on the wider area and vice-versa. Deep engagement with surrounding Local Transport Authorities and with Midlands Connect will be essential. Additionally opportunities to align policies and timescales with surrounding Local Transport Authorities will be explored, especially noting that transport does not stop or start at administrative boundaries.

14.0 Appendices

- 14.1 Appendix 1 –Covid-19 Travel Survey Briefing Note
- 14.2 Appendix 2 – WM Local Transport Plan Review – Local Transport Plan Review Prospectus/Visioning Document.



APPENDIX 1: Covid Travel Survey Results

First Wave Results May/June 2020

To help us to understand the emerging impact of Covid-19 on the transport network an online survey was promoted via social media channels and emailed directly to members of WMCA/TfWM and Local Authority data bases.

6188 responses were received in total, of which:

- 2940 (48%) would like to receive further updates
- 2859 (46%) would like to take part in future research

The results for the survey are as follows.

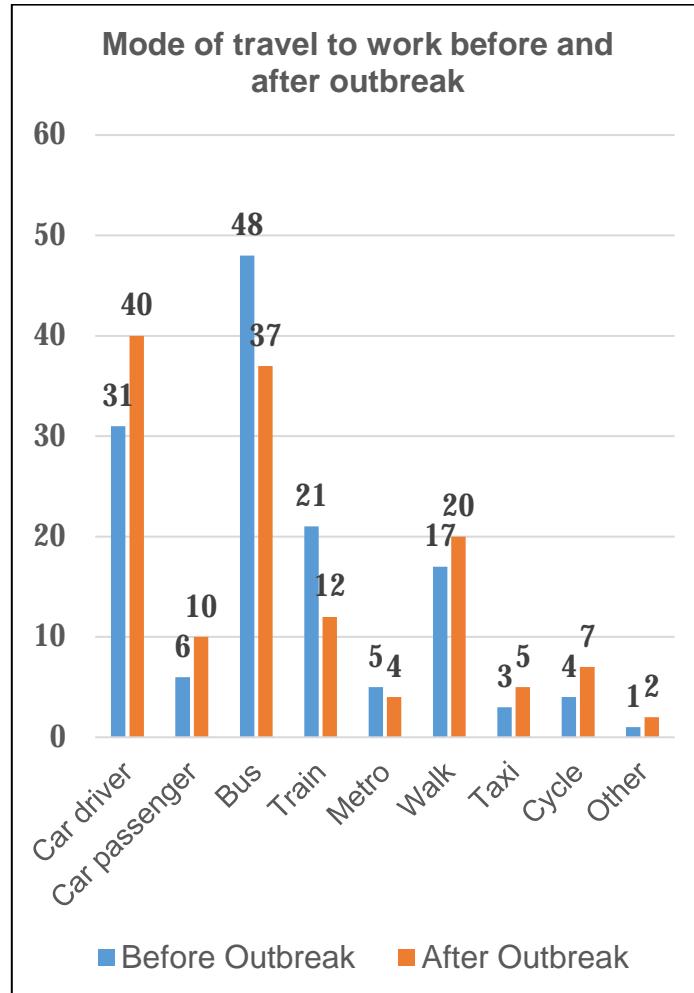
Work Journeys

- 39% of those surveyed stated they were working from home during the pandemic
- 28% of all workers had made a work related journey during the outbreak. This rose to 58% amongst just key workers.
- Car drivers were the least likely to have changed the way they travelled to work during the pandemic (97% no change). 39% of rail users who changed mode had transferred to car.
- 29% of Metro users had transferred to bus and a 24% of bus users are now walking. It is therefore important to ensure that there is enough space for people walk in a safe way and observe social distancing.
- There was also a slight increase (3%) in those cycling to work

Some statements around why people were travelling differently to work included:

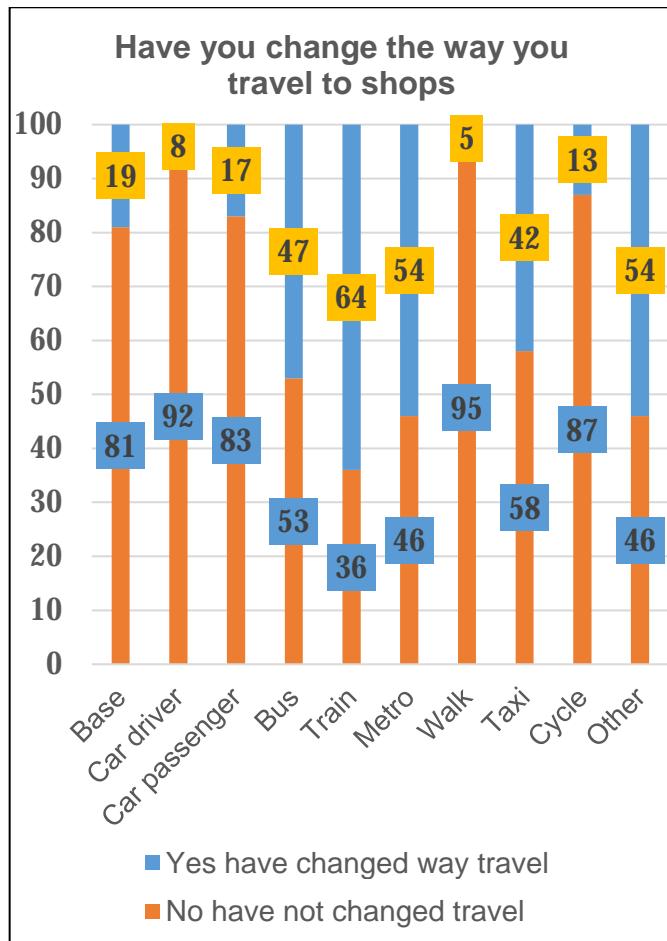
- 'Less cars on the road makes it feel safer to cycle. I would cycle more if the roads were like this'

- 'I was asked by work to try and avoid public transport. Workplace has removed their parking restrictions'



Shopping Journeys

- Out of the respondents, 71% made a shopping trip during the pandemic.
- Car drivers were the least likely to have changed the way they travel (92%).
- There was a 13% increase in walk-based shopping trips. This highlights need to support walking/cycling infrastructure
- 26% of respondents shopped online for groceries more/for 1st time, and 15% did so less.



Public Transport Sentiments

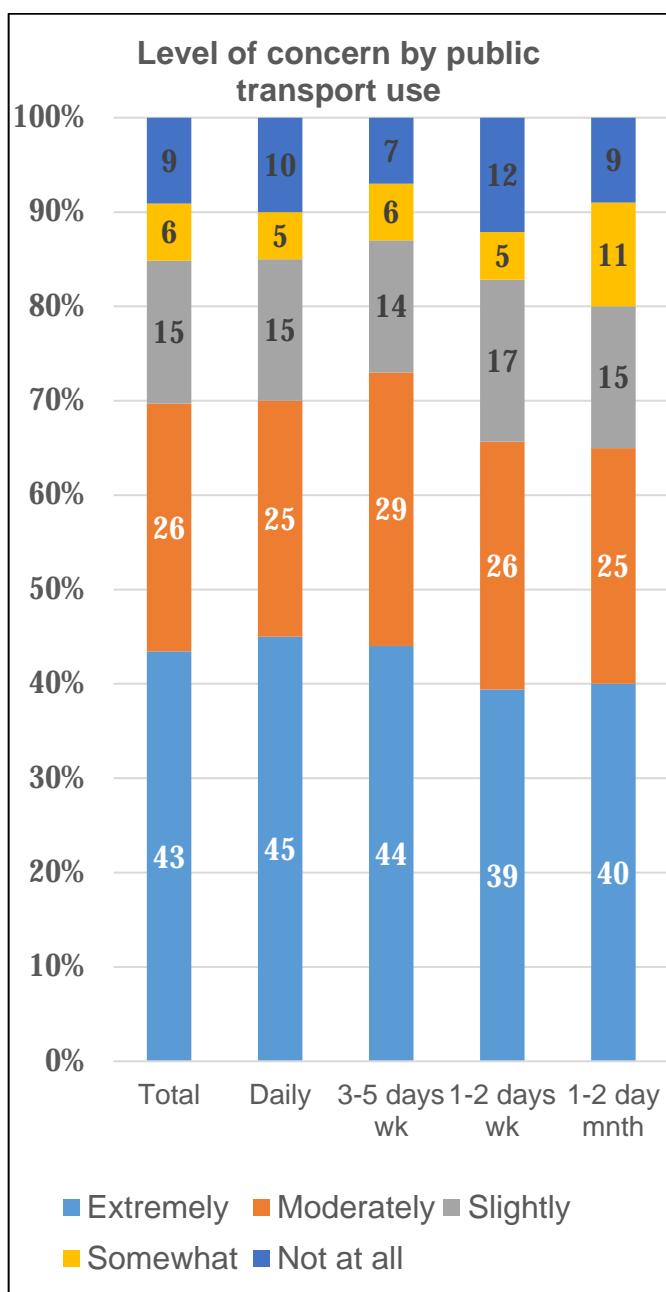
- Prior to the outbreak, 34% used public transport daily, this rose to 55% amongst the youngest group of respondents
- Of those expressing an opinion, 65% felt that the bus operators' response had been excellent/good. 61% held a similar opinion in respect of rail operators and 59% in respect of Metro.
- 43% of public transport users are extremely concerned about using public transport post-lockdown.
- Increased cleaning patrols (88%), social distancing when queuing (82%) and when travelling (72%) are essential in renewing passenger confidence.
- Half (51%) thought the encouraging of face covering was essential

Looking to the Future

- The top-3 things respondents wanted to see change/ learn lessons from were cleaner air (81%) and reduced traffic on roads/ reduced car use (75%), followed by a better work/life balance (67%).
- The two things people are most likely to do when lockdown restrictions are lifted are **walk more (47%)** and **working from home more (39%)**. The thing they are most like to do less of is use public transport (36%). 17% thought they would cycle more.

Exercise

- Overall 37% of respondents thought they were exercising less since the outbreak, outweighing the 32% who stated they were exercising more.
- This proved to be the case across all age groups, particularly those aged 16-24 (a quarter hadn't exercised since outbreak) and those aged 65+ (a fifth hadn't exercised since).
- The main barriers to exercise was fear of catching the virus (23%), followed by poor health in general (19%).
- There were increases in jogging (14%), and cycling (12% on road). It is therefore important that we put measures in place to allow people to be active in a safe way.



safe for users as Covid-19 restrictions are lifted. In addition to this we must ensure that the public is not deterred from using public transport in the longer term, if we are to meet our wider regional objectives around congestion, climate change and clean air.

Furthermore, the survey shows some increases in cycling and walking during the pandemic. **Active travel is being encouraged by government to help ensure social distancing, and for the benefit of people's mental and physical wellbeing as well as being a green way of travelling.** In February government announced a £2 billion package to create new era for cycling and walking, which includes emergency funds relating to pop-up bike lanes with protected space for cycling, wider pavements, safer junctions to help support safe travel during the pandemic.

This survey will help to inform how TfWM and Local Authorities can continue to encourage walking and cycling as we enter into the 'new normal', post Covid-19.

Further Information

TfWM Policy, Strategy and Innovation Directorate

Conclusion

This research is being used to inform the region's response to the pandemic in partnership with key stakeholders including local authorities and operators. The research will also inform our plans for further research on the ongoing impacts of covid-19 on travel behaviour.

It is critical to ensure that transport is

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A transport system fit to tackle climate change?



We are facing one of our greatest challenges with COVID-19.

The events of 2020 have impacted our citizens, especially the elderly and most vulnerable in our region. We have seen the biggest impact on the transport system since the Second World War with traffic reduced to levels not seen since the 1950s and people advised not to use public transport (buses, trams and trains) for the first time.

“Less traffic, more cycling. I love hearing birdsongs & quiet. Better mental health for me.”

“A chance to get some exercise, on quieter/safer roads.”

Although the Covid-19 pandemic has had a tremendous negative effect on many people, for some it has given them the opportunity to change the way they live their lives in a positive way. More people are walking and cycling, working from home and spending time in their local communities – the air is cleaner, the roads are quieter and carbon emissions are down.

“Less cars on the road makes it feel safer to cycle. I would cycle more if the roads were like this.”

“Fewer larger shopping trips. Walked and cycled to shops more due to quiet streets.”

Following our survey in May many people have told us that they want to keep these changes if possible and we are already investing in a range of measures to support walking, cycling and safe social distancing, ensuring that the network is available for those who need it most.

A fairer, greener, healthier recovery

Transport for West Midlands, part of the West Midlands Combined Authority, plays an important role in the region's ten-point recovery plan that has been designed to enable and support a strong and successful recovery for our residents and businesses.



1. Ensure our residents are kept safe and healthy



2. Accelerate our transport construction plans



3. Build more homes, faster and reshape town centres



4. Get people who lose their jobs back into work quickly



5. Supporting local businesses

Connectivity is key to a successful economy and we will continue to build our key infrastructure projects. This will increase choice and capacity on the network, while continuing to lead the UK in transport innovation, delivering new, greener solutions that remain affordable and accessible to all.



6. Huge investments in technology and innovation



7. Step up Green Growth Plans



8. Take the West Midlands out to the world



9. Making sure recovery is inclusive and works for everyone



10. Regain control of our own recovery

The Climate Emergency

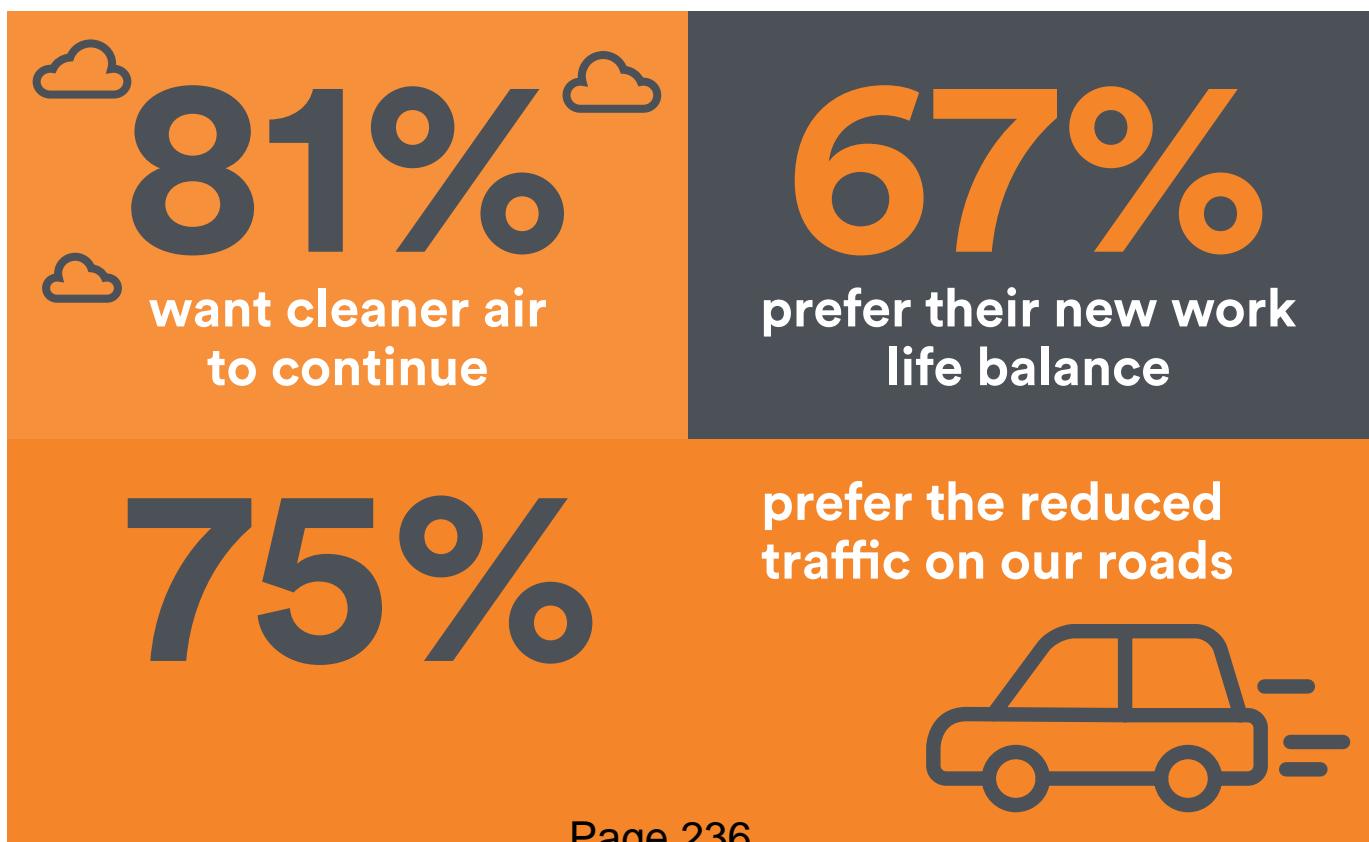
The West Midlands Combined Authority with the support of its member authorities has set a target for the West Midlands to be carbon neutral by 2041.

There is international consensus that we could have just 10 years left to limit extensive climate change. Our local actions will help the UK to meet the national target to be carbon neutral by 2050 in line with the Paris Agreement which seeks to limit global warming to well below 2°C (ideally no more than 1.5°C).

Short-term measures being rolled out in light of the Covid-19 recovery will help to lock in some of the positive behaviour changes being undertaken by citizens and limit the number of journeys being made by private car.

However, with social distancing reducing public transport capacity there is a danger that our recovery is a high carbon one. We have seen car use start to climb back towards pre-covid levels, so fast action and targeted interventions are needed to support our ambitions.

Public feedback from our recent covid recovery survey says:



Our Transport Challenges

3,000

People die each year prematurely in the West Midlands due to bad air quality

978

People are killed or seriously injured on the West Midlands roads



Transport accounts for over a third of all of the West Midland's carbon emissions – the majority from private cars

62%

of all car trips are single occupancy

73%

of all car trips are under 5 miles, 41% less than 2 miles

94%

of all cycle trips are under 5 miles

37%

Childhood obesity levels are one of the highest in the country - 37.1% of year 6 children are overweight or obese, compared to 31.1% nationally.

Our Transport Plan

We developed the West Midlands Local Transport Plan in 2006 and have made huge progress in delivering Movement for Growth which had a target date of 2026. However, recent events have highlighted the need to revisit our plan earlier and ensure it is fit to meet the needs of a greener and fairer society.

The image below sets out the key issues we will need to tackle if we are to have a transport system fit for the 21st Century.



A new journey starts here

The West Midlands transport recovery is being implemented in collaboration with our local authority partners and it begins our push towards a greener and fairer transport system.

We have immediate actions to focus our efforts in line with the regional recovery plan and supporting the needs of our residents and businesses.

1

Travel that is safe and secure

3

Supporting travel to schools and keeping children and families safe

5

Supporting a green recovery

2

Getting workers and businesses back up and running (where safe)

4

Keeping the clean air, reduced carbon emissions and physical exercise

We are already making significant improvements to the West Midlands transport system.

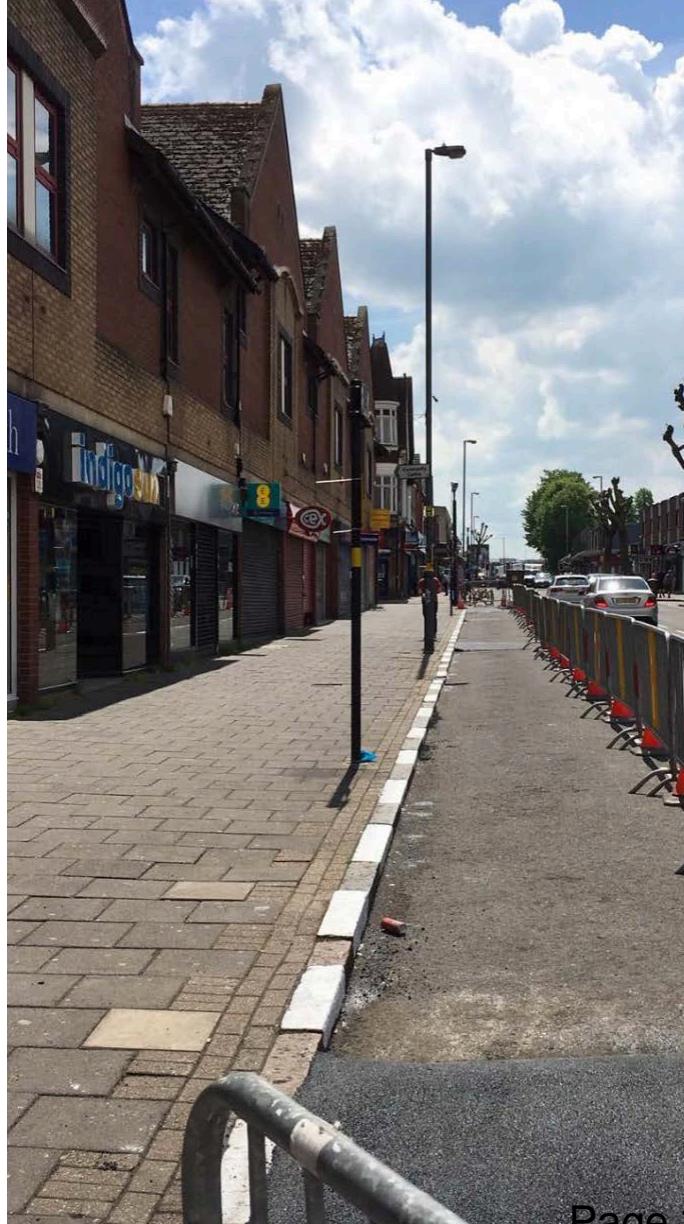
Measures to improve walking, cycling and wheeling are already being implemented.

We will shortly be publishing our Recovery Transport Plan setting out how we will ensure that the transport system is ready to respond to the challenges of the pandemic over the next 12 to 18 months.

We will continue to deliver our major infrastructure projects delivering better bus, metro and rail services and targeted highway improvements as we get the region ready for the Commonwealth Games and HS2.

E - scooters – First UK trial area

As one of the UKs Future Transport Zones we are also at the forefront of trialling the use eScooters to provide a financially viable and sustainable mode of transport that encourages a transition from single occupant car travel.



Social distancing –

More space for walking, cycling and wheeling is being created across the region such as in Kings Heath in Birmingham.

Continuing major transport initiatives using new funding is addressing historic under investment and building new capacity.



Delivering our integrated transport system - improved Bus, Sprint, Metro, Rail, Cycling



Commonwealth Games



HS2



Walking & Cycling



What does a transport system fit to tackle climate change look like?

As we recover from the pandemic some of the changes we have been happy to see will need to be the new normal in the future. Tackling climate change creates new opportunities for us to improve the transport system and to do things better. We think transport should be about ‘connecting people, cleanly and safely’.

We are working to make the West Midlands a global lead for clean mobility, putting people first and designing our integrated and inclusive transport system so it delivers real benefits for residents, business and the environment in a rapidly changing world.

We know that people want things to change. We already have some understanding and ideas about how our transport system could adapt to create the sorts of places that people in the West Midland want to live, work and visit.

We have sketched our some examples of how the places we live, work and shop could be different in the future. Could you imagine yourself in one of these locations?





A POSSIBLE FUTURE VISION FOR TRANSPORT ON OUR HIGH STREET:

Your local High Street is designed for you, rather than for other people's cars. There are plenty of green spaces, wide footways and places for you to sit.

The street is accessible, regardless of age or ability, and provides a pleasant and safe environment for you to enjoy. There are many local shops and services and flexible co-working spaces save you making longer trips out of your neighbourhood.

The street is connected by shared and active transport, including bike and scooter hire schemes, as well as car-clubs and ride hailing services. Access to all of these services is available via one app and at your nearest travel hub.

WHAT COULD WE DO TO ACHIEVE THIS IN THE WEST MIDLANDS?

Taking public transport or walking and wheeling on your journey reduces traffic on your own and other people's high streets.

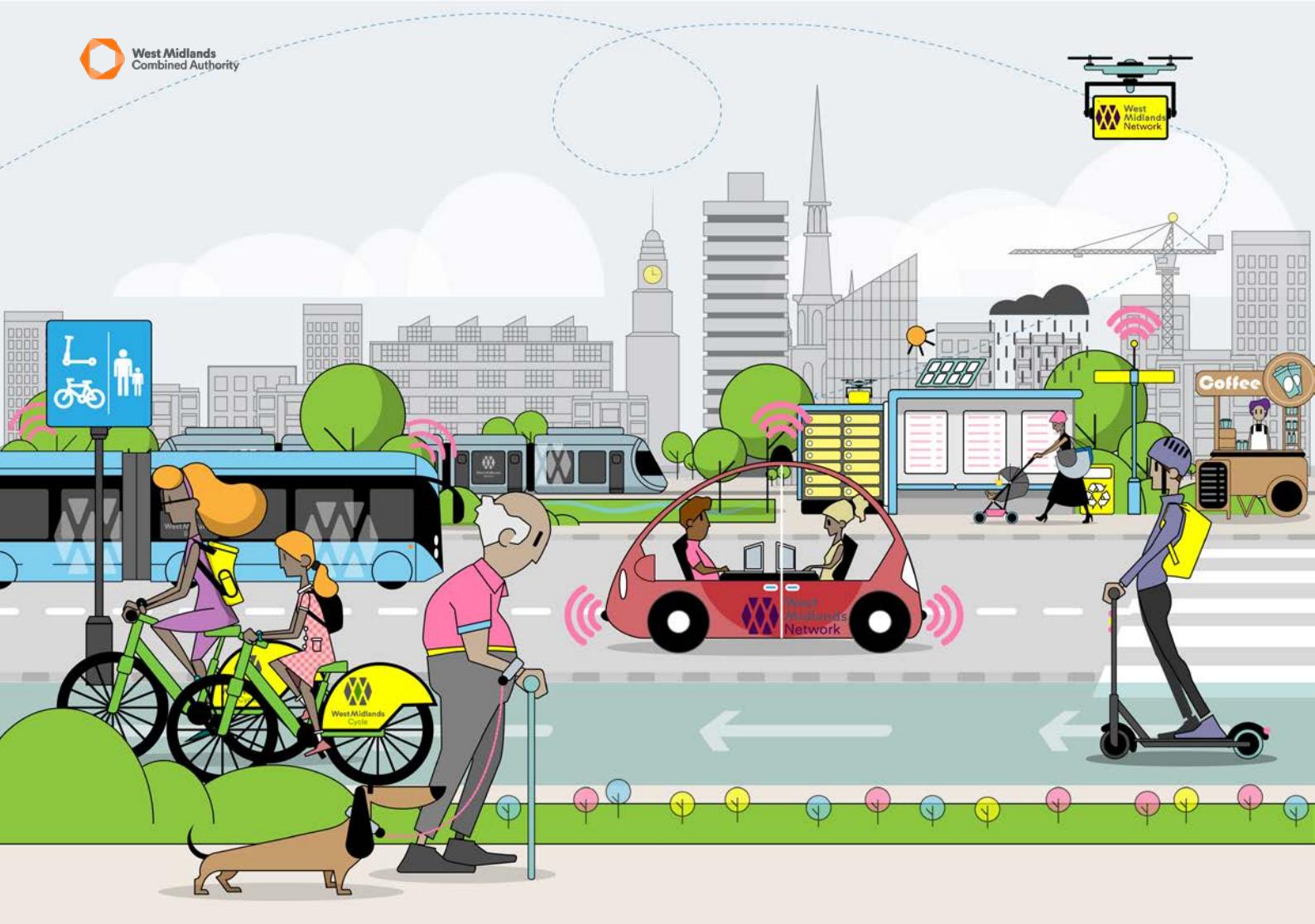
Think before you travel outside of your own neighbourhood - can you make a shorter trip to stay local.

Spaces for people are provided instead of space for cars.

Parking spaces will be limited and reserved for those who really need them.

HOW WOULD YOU FEEL ABOUT USING A LOCAL PARCEL LOCKER IF IT WAS ATTACHED TO A BUS/ TRAM STOP OR TRAIN STATION RATHER THAN ALWAYS HAVING DELIVERIES DIRECT TO HOME?

HOW WOULD YOU FEEL ABOUT WALKING MORE TO THE SHOPS IF YOUR LOCAL SHOPS WERE ARRANGED TO DELIVER HEAVY AND BULKY ITEMS LATER THAT DAY USING AN CARGO BIKE OR AN ELECTRIC VEHICLE?



A POSSIBLE FUTURE VISION FOR TRANSPORT ON OUR MAIN ROADS:

This street prioritises walking, cycling, wheeling and public transport. The cleaner air and reduced noise levels results in a welcoming place for you to access different travel options. Travel information, booking and payment that is personalised to you makes travel easy and enjoyable.

The streets are active with more people around, heading to many dynamic workplaces and leisure activities. There is more space for you to walk, cycle and scooter, and the street is designed to be accessible to everyone, including people of all ages and abilities.

It is easy to travel without having a negative impact on the planet - public transport is cleaner and more comfortable and with less traffic on the roads it is faster and more reliable

Roads will be clean, safe and smooth with vehicles communicating with each other to reduce accidents and potholes detected and fixed before they appear.

WHAT COULD WE DO TO ACHIEVE THIS IN THE WEST MIDLANDS?

Public transport might look different with shared autonomous vehicles operating alongside conventional buses and trams.

More of the space on our streets will be given over to cycling and walking.

We will use our cars less as we work from home more and use new, innovative and clean transport services.

All of these services can be booked through an easy to use app that lets you know you are getting good value for the journey you are taking

HOW WOULD YOU FEEL ABOUT WALKING AND CYCLING MORE IF YOU HAD PRIORITY OVER CARS AND VANS AND IF THERE WAS LESS TRAFFIC?

HOW WOULD YOU FEEL ABOUT GETTING IN A SHARED VEHICLE (WITH COMFY SEATS AND WIFI) WITH OTHERS TO GET TO YOUR NEAREST PUBLIC TRANSPORT HUB OR DESTINATION?



A POSSIBLE FUTURE VISION FOR YOUR LOCAL NEIGHBOURHOOD

There is a greater sense of community spirit as you spend more time in your neighbourhood. Your local neighbourhood is safe, quiet and pleasant to walk around. The street has become a social space and is now designed for people. There is safe space for kids to play outside and for you to stop and chat with your neighbours.

Working from home is easy and you can receive your online shopping to your door by cargo bike or electric van. When you need to leave the neighbourhood there is public transport and cycle paths nearby.

People own fewer cars and remaining cars are electric and shared within the community. This results in a quieter and cleaner environment which is positive for people's physical and mental health. Reduced need for parking results in space you can use for other needs.

WHAT COULD WE DO TO ACHIEVE THIS IN THE WEST MIDLANDS?

You might not own your own car, but you will have access to car sharing, public transport and walking and cycling paths.

If you do need to own a car, electric vehicles will be the default option with easy access to EV charging solutions.

Saving a journey by working from home or online shopping will result in less traffic in your neighbourhood.

Your neighbourhood is inclusive, safe and enjoyable as there is a greater sense of community.

HOW WOULD YOU FEEL ABOUT WALKING MORE IF PEDESTRIANS WERE PRIORITISED OVER CARS IN YOUR NEIGHBOURHOOD?

HOW WOULD YOU FEEL ABOUT NOT HAVING YOUR OWN CAR AND USING AN ELECTRIC CAR CLUB IF IT WAS AVAILABLE NEAR YOUR HOME INSTEAD?

HOW WOULD YOU FEEL ABOUT LETTING YOUR KIDS PLAY IN THE STREET IF THE MOVEMENT OF CARS WAS REDUCED AND RESTRICTED?



A POSSIBLE FUTURE VISION FOR OUR CITY AND TOWN CENTRES:

This is an inclusive urban centre that attracts all kinds of people and businesses. The many unique experiences on offer has created an exciting and popular destination in which to live, work and play. Deliveries are made to the area using small electric vehicles and cargo bikes that are effective but low impact.

Getting to your nearest urban centre is quick and easy using the clean and efficient public transport network that connects the region. An increase in digital working and shopping means that people travel at different times, resulting in quieter and more reliable transport network.

Moving around the centre itself is easiest by walking, wheeling and cycling which is prioritised and provided with plenty of space. Low levels of traffic have created a quieter and cleaner urban centre for you to enjoy. Public spaces are engaging and fun places for you to interact with the environment and with other people.

WHAT COULD WE DO TO ACHIEVE THIS IN THE WEST MIDLANDS?

There will be more opportunities to live within urban centres close to transport hubs which will make it easier for you to travel by sustainable modes.

Embrace changes to our lifestyles and working practices which allow us to think about how and when we travel differently.

You will have the opportunity to try out and support new transport innovations which help to you to connect with people and places cleanly and safely.

HOW WOULD YOU FEEL ABOUT SHARING YOUR DATA IN ORDER TO GET A MORE PERSONALISED TRANSPORT SERVICE?

HOW WOULD YOU FEEL ABOUT WORKING FROM HOME MORE (IF IT WAS POSSIBLE FOR YOU) IN ORDER TO REDUCE THE LEVEL OF TRAFFIC IN YOUR NEIGHBOURHOOD?

We're better connected together

We want to develop a new transport plan that is inclusive and considerate of everyone's needs. To do this we will be using the intelligence we gather from the work we are undertaking now in the recovery from Covid-19 and engaging the local community, businesses, transport partners and professionals to shape a new future of transport in the West Midlands. This work will inform the creation of a new Local Transport Plan which will guide the delivery of projects and services over the next 10 years.

We will be undertaking a range of online engagement sessions over the Summer and Autumn to help shape this new vision and to understand what measures are needed to create a greener and fairer transport system that works for you.

If you want to take part and help us become better connected, sign up at: **futuretransportwm#**



Transport for
West Midlands

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WMCA Board

Date	24 July 2020
Report title	West Midlands Bike Share Scheme
Portfolio Lead	Transport - Councillor Ian Ward
Accountable Chief Executive	Laura Shoaf, Managing Director, Transport for West Midlands tel: 07766 206413 email: laura.shoaf@tfwm.org.uk
Accountable Employee	Stuart Everton, Black Country Director of Transport tel: (01902) 554097 email: stuart.everton@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Leadership Team Strategic Transport Officers Group

Recommendation(s) for action or decision:

The WMCA Board are recommended to:

- (1) Note the progress made with regards to the Bike Share procurement exercise and approve that WMCA can enter into a detailed dialogue with the preferred supplier.
- (2) Note the potential delay due to unprecedented demands on the supply chain supplying bikes and parts this has arisen due to the Covid 19 Lockdown.
- (3) Note the current central case financial deficit as detailed in Section 7 which WMCA will look to manage down once it is able to enter into a dialogue with the preferred supplier.
- (4) Approve the anticipated 5 year budget of £15.9m budget to commission the scheme.
- (5) Delegate the authorisation of the award of the contract for the service and maintenance of the Bike Share scheme to the WMCA Monitoring Officer.

- (6) Delegate the approval of delegation/s to the Transport for West Midlands Managing Director, WMCA Monitoring Officer and WMCA Finance Director to enter into any other funding agreements or contracts which would be reasonably required for the Bikeshare Scheme.

1.0 Purpose

1.1 To update the WMCA Board on the progression of the West Midlands Bike Share Scheme and approve the contract award.

2.0 Background

2.1 The West Midlands Cycling Charter was adopted in September 2015 to outline key principles among partners to deliver a required step change in cycling across the West Midlands.

2.2 A detailed Action Plan was outlined in September 2015 and is currently being delivered with the target of increasing levels of cycling to 5% of all trips by 2023.

2.3 The Cycling Charter is based on the following four principles:

- Leadership and Profile
- Cycling Network
- Promoting and Encouraging Cycling
- Funding

2.4 From the core principles of the Cycle Charter an action was to investigate a bikeshare system for the West Midlands. This is also a priority action within the West Midland's Physical Activity Strategic Framework, 'West Midlands on the Move'.

2.5 Since 2016, Local Authority partners and TfWM have been investigating the potential for bikeshare within the region. On 13th October, 2017, WMCA Board approved TfWM as the lead organisation for a West Midlands Bikeshare scheme, based on a previous feasibility study commissioned through Integrated Transport Planning (ITP). The key recommendations of this study comprised a singular West Midlands approach to ensure user consistency, the implementation of a high-quality docked system to better manage the city scape within urban centres, and integration with the Swift payment system. This provided a clear mandate for TfWM to progress with a docked bikeshare scheme.

2.6 Due to heavy theft and vandalism on schemes elsewhere in the UK, it was determined the most sensible option would be a docked scheme, with a minor amount of Geo fencing to allow for key peak demand sites such as New Street Station at rush hour.

2.7 A supplier was appointed in August 2018 via a concession contract to deliver a bikeshare scheme. This arrangement was terminated in July 2019 as a result of numerous contract breaches.

2.8 Following a full review of the original concession agreement, it was determined that the Client would need to inject some funding to make the scheme commercially viable. The only method to allow authorities to undertake this is to re-procure via a Service Contract.

2.9 Before progressing with the revised contract the bikeshare market was re-engaged to understand the changes and appetite of a scheme for TfWM. Meetings were held with many different suppliers to understand how the market was changing fast. A supplier day was held in September 2019, whereby 9 suppliers presented their expertise and gave an insight into the current bikeshare market. From this the following was recognised;

- There is no longer an appetite from suppliers to enter into concession agreements to deliver bikeshare schemes

- There is a need to include a proportion of e-bikes in any future schemes in order to cater for a wider market and extend the range of trips people are willing to make by bike
- 2.10 Through this market engagement, it was established that a Service Contract is the only appropriate model to deliver a scheme of this nature. Following Legal advice, and to ensure the most robust process, TfWM have led a procurement exercise via competitive dialogue. Stage 1 consisted of a supplier questionnaire being issued to the market whereby we were able to gain an insight into the experience of suppliers delivering complex and large schemes akin to the proposed TfWM scheme. A total of 12 suppliers from around the world responded to the Supplier Questionnaire. Evaluation of submissions resulted in the 3 highest scoring suppliers moving to the next stage
- 2.11 The three short listed suppliers have gone through 3 further tender submission stages, in addition to TfWM and each respective supplier holding 2 in-depth dialogue sessions. At each stage the supplier's responses were comprehensively scored by a panel of subject matter experts within TfWM. Each additional procurement stage has seen an increase in quality submissions, as well as reduction in the tendered scheme costs, resulting in a preferred supplier being identified.

3.0 Impact on the Delivery of WMCA Strategic Plans

3.1 *Movement for Growth's (MfG) (Metropolitan and Local Tiers)* – the key MfG policy relating to this Scheme is the development of a strategic cycle network which will be progressively integrated with the local cycle network. The ten year delivery plan also commits to several cycle schemes which will showcase and support a new West Midlands Strategic and Local Cycle Network Programme. This is in line with the Mayor's commitment to spend £10 per head on cycling. Moreover, a secure and safe strategic network will enable greater take-up of a bikeshare scheme as well as overall increase cycling participation levels.

3.2 MfG policies that are supported include:

- Policy 1 – To accommodate increased travel demand by existing transport capacity and new sustainable transport capacity.
- Policy 3 – To maintain existing transport capacity more effectively to provide greater resilience and greater reliability for the movement of people and goods.
- Policy 4 – To 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.
- Policy 10 – To help tackle climate change by ensuring a large decrease in greenhouse gases from the West Midlands Metropolitan Area's transport system.
- Policy 11 – To significantly increase the amount of active travel in the West Midlands Metropolitan Areas.
- Policy 12 – To significantly reduce road traffic casualty numbers and severity.
- Policy 13 – To assist with the reduction of health inequalities in the West Midlands Metropolitan Area.
- Policy 14 – To increase the accessibility of shops, services and other desired destinations for socially excluded people.

- 3.3 WMCA's *Health and Transport Strategy* is a key document to demonstrate the important relationships between health, wellbeing, and wealth and highlights that the way people travel plays an important part in both their physical and mental health. The establishment of a Bike Share Scheme will contribute to greater levels of physical activity during travel, which in turn will help reduce obesity and risk of associated conditions - saving £17 billion in NHS costs over 20 years.
- 3.4 *West Midland's On the Move Strategic Framework* recognises the importance of walking and cycling to encouraging more people to adopt an active lifestyle, reducing the west midlands chronic levels of physical inactivity and in turn improving both physical and mental wellbeing, whether by cycling for leisure or to work. Public Health England predicts that getting 1 more person to cycle to work rather than go by car could generate between £539-£641 public health saving long term.
- 3.5 Besides health implications, the West Midlands area suffers from significant air quality problems. Public Health England figures suggest approximately 1,500 adult deaths each year are attributable to poor air quality in the West Midlands. Introducing policies such as Clean Air Zones (CAZ) will improve air quality and contribute significantly to our Health and Transport policies. Encouraging active travel, in this case through bikeshare schemes, will form a key element of our overall approach to improving air quality and the health of our residents, as well as reduce the number of motorised vehicles on the road.

4.0 Wider WMCA Implications

- 4.1 Transport for West Midlands (TfWM) and the Constituent Local Authorities will work collaboratively to strengthen cross-border relationships and align cycling and walking schemes to ensure consistency in access and quality.
- 4.2 Several members of the West Midlands Cycling Charter Group have remits that cover the wider WMCA 3 LEP geography.
- 4.3 The WM Bikeshare scheme will also support Physical Activity and Public Health agendas by encouraging more people across the region to use bikes for shorter journeys rather than using a car.
- 4.4 During the Covid 19 lockdown there has been a large increase in the use of bikes and the bikeshare scheme will complement that movement onto using bikes. In some European cities their bikeshare scheme has been the only form of public transport during the Covid 19 pandemic. The bikeshare scheme will support the reintroduction of public transport to the West Midlands.
- 4.5 There has been an increase in the use of bikes in the UK and other European countries which is putting pressure on the supply chains lead times.
- 4.6 The bikeshare scheme supports the transition from lockdown and lays foundations for long-term change as we enter the Covid-19 recovery phase. There is new demand for active travel including key workers, disabled people and those in low socioeconomic groups. The appetite and need for an inclusive recovery is supported by pre Covid-19 data, including 10% of West Midlands citizens cycling at least once per week, and 30% of residents not currently cycling, agreeing that they would like to start. Across the West Midlands, there has been an observed increase in the number of people cycling on routes across the region before and after lockdown. The West Midlands Bikeshare scheme will assist in overcoming bike ownership as a key barrier preventing people from making journeys via bicycle.

5.0 Progress of West Midlands Bike Share Scheme

- 5.1 WMCA undertook a procurement process which commenced on 27th September 2019 for a service contract to operate a Bike Share Scheme across the West Midlands. The scheme will initially operate over the 7 constituent Local Authority areas. There is opportunity for expansion across the non-constituent local authorities in the future.
- 5.2 All suppliers that registered an interest in the scheme, all flagged that they would only be interested in a scheme under a Service Contract that had the support and funding of the client. No Supplier was willing to commit to a contract via a concession arrangement.
- 5.3 Other authorities are following the same path with contracts as proposed as TfWM. The scheme in London, which has been in operation for ten years, is a service contract and recently Manchester have started their own procurement process for a service contract.
- 5.4 Following assessment of the tenders by the evaluation panel the successful operator, the supplier will be informed on August the 3rd 2020, followed by a Standstill Period. During September, a joint press release was/ will be issued.
- 5.5 The supplier will provide initially 1500 Bikes this is a combination of 150 Ebikes and 1350 pedal bikes within the West Midlands. The service contract with the supplier is for an initial term of five years with a possible three-year extension exercisable at WMCA's discretion. The supplier will provide the infrastructure and a high-quality maintenance regime for cycles and docking stations over the contract period.
- 5.6 The infrastructure is comprised of docking stations, which require no electricity inputs as the Ebikes are powered by interchangeable batteries. The cycles are the latest generation of hire cycles, which have been adapted to the West Midland's topography by including 3 gears. Advantageously, the docking stations can be easily relocated for large scale events, such as the Commonwealth Games or we have the facility to use Geo-Fenced areas for short term overflow requirements like festivals.
- 5.7 The hardware will be TfWM grey Pantone Colour Grey 11 (RAL 7043 Traffic Grey) as this is a recognised colour used by TfWM branding. This colour will be resistant to marking excessively through normal wear and tear.
- 5.8 The scheme is forecast to have trials in late autumn of 2020 and start the implemented in the spring of 2021 and the rollout taking 6 months to fully implement. The phasing will be subject to relevant approvals.
- 5.9 The supplier will work with TfWM to integrate with Swift from the initial trials of the scheme, enabling Swift customers to access the cycles using their Swift card or the Swift app.
- 5.10 Users will also be able to asses the bikes via the suppliers own payment system, this gives a backup system if there are issues with the integration between the supplier and swift.
- 5.11 Charges will be set by TfWM, this enables control of the revenue that's generated and to implement special tariffs for groups that we are actively looking to engage with the scheme. Research will be undertaken to understand the optimal revenue.

- 5.12 TfWM and the supplier will be able to provide a number of other incentives and support packages, including supporting unemployed customers and corporate membership packages.
- 5.13 The supplier will deliver 25 new jobs to the region, providing local job opportunities.
- 5.14 There will be opportunities to add further value to the scheme, through social and technological innovations, such as air quality monitoring or cycles for a variety of user's needs like cargo bikes or tricycles.

6.0 The Next Stages in Delivery

- 6.1 The key milestones for delivery are set out in Table 3 below.

Table 2: Delivery Milestones

Date	Activity
8 June 2020	Issue Invitation to Submit Final Tenders.
12 June 2020	Deadline for clarification.
19 June 2019	Deadline for receipt of Final Tender.
June 2020	Final Tender clarification and evaluation period.
June - July 2020	Authority to undertake internal governance processes including acquiring approval from the WMCA Board.
July - August 2020	Issue of Decision Letter to Participants confirming the outcome of the procurement and mandatory standstill period observed.
August 2020	Following expiry of the mandatory standstill period, contractual documents with the successful Participant confirmed and contract award notice published by the Authority.
Q4 2020	Trial of scheme
Q1 2021	Launch of Scheme

7.0 Financial Implications

- 7.1 The report details the arrangements of the Bike Share project should WMCA let a contract with the preferred supplier over a 5 year term.
- 7.2 The total cost over 5 years including WMCA support costs and VAT on income totals £15.8m.
- 7.3 WMCA Board approved £5m of Transforming Cities Funding to be used against this scheme as part of the wider £21m investment in cycling.
- 7.4 Supplementing this, commercial income to support the scheme is expected from two sources, those being a charge for usage of the bicycles and corporate sponsorship.

- 7.5 Given that a scheme of this scale is untested in the West Midlands there remains a risk around the central assumptions for variable revenues and as such, WMCA will seek to mitigate this risk by taking a prudent view on commercial incomes.
- 7.6 Excluding the additional risk mitigation measures, the standard central case operating deficit is £2.7m over 5 years and the project will break-even if revenues amount to circa 56% over the standard, central case estimate.
- 7.7 In the current economic and financial context WMCA as a public body cannot take on any undue financial risk exposure. As such, to protect against any downside risk, a total financial provision of £4.6m over the 5 year period (including the central case deficit of £2.7m) will be set aside from Tfwm re-prioritised resources. The requirement to hold this provision will reduce over time as the scheme's success can be measured and projected with greater certainty.
- 7.8 As the detailed contractual discussions begin with the preferred supplier, the specific financial aspects, terms and conditions of the scheme may change. As such no contracts will be entered into until WMCA S151 Officer has confirmed that the financial provisions detailed above are adequate and that the contract has been structured in a way which best mitigates against any serious down-side risk to WMCA.
- 7.8 Should the project out-perform expectations, then the initial surpluses will be used to provide a proportionate financial reserve to ensure the scheme remains financially resilient against any future unforeseen impacts such as the 2020 pandemic.

8.0 Legal implications

- 8.1 WMCA Legal Services supports the appointment of the supplier. External legal support, DWF in conjunction with the in-house legal officer have prepared the contract in accordance with Regulation 30 of the Public Contracts Regulations 2015 ("PCR 2015"). Assistance will be provided by DWF and the in-house legal officer in order to finalise the contract (contractualising the bid) to allow the contract to be formally entered into with the supplier.

9.0 Equalities implications

- 9.1 WMCA Equalities Officer supports the appointment of the supplier following satisfactory completion of the equality's questionnaire. The supplier showed a strong emphasis on social values and equality and deliver equality awareness training to their employees. Their projects and schemes have strong equality emphasis and one of their main aims is to improve accessibility, social inclusion and encourage under-represented groups such as women, disabled people and people from lower socioeconomic backgrounds.

10.0 Other implications

- 10.1 Increasing cycling and walking helps improve public health, air quality, reduce carbon emissions and reduces overall noise pollution.
- 10.2 Covid 19 could change the profile of the user of the bikeshare scheme in the West Midlands, we are unsure if Covid 19 will increase or reduce the number of rides per day
- 10.3 During the Covid 19 lockdown there has been a sharp increase in the public riding bikes, this has created strain on the supply chain which supplies the bikes and parts into the UK market.

10.4 E-scooters and other micro mobility solutions are being looked at being trialled in the West Midlands. Following the trial period, an evaluation exercise needs to take place to review whether e-scooters represents a viable long-term form of transport in the West Midlands. Whilst the implementation of e-scooters provides opportunities and risks to the bikeshare scheme, if the schemes work together or are combined then they have the potential to complement each other.

11.0 Delegation to Officers

- 11.1 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:
- Secure funding
 - Contract with the preferred supplier

12.0 Schedule of Background Papers

- 12.1 [West Midlands Cycling Charter](#)
12.2 [West Midlands Cycling Charter Action Plan](#)

13.0 Supporting Documentation

- 13.1 On request the Contract Approval Report for Bikeshare
13.2 On request the Bikeshare Basic Model

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WMCA Board

Date	24 July 2020
Report title	University Station Full Business Case - Revised 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: 07766 206413
Accountable Employee	Malcolm Holmes, Director of Rail, Transport for West Midlands email: malcolm.holmes@wmre.org.uk tel: 07912 148643
Report has been considered by	Strategic Leadership Team - 3 June 2020 Investment Board - 15 June 2020 Strategic Leadership Team - 24 June 2020 Programme Board

Recommendation(s) for action or decision:

WMCA Board is recommended to:

- (1) Authorise the Full Business Case for the redevelopment of University Station.
- (2) Authorise the £56.0m budget to complete the scheme.
- (3) Delegate the authorisation of the award of contracts to the successful tenderer for the design and build stage are entered into, subject to:
 - (i) The contract being within the approved budget;
 - (ii) All funding agreements being signed and sealed to the satisfaction of the WMCA Finance Director and the Monitoring Officer;
 - (iii) The operating costs of the station being fully quantified and affordable.

- (4) Approve delegation/s to the WMCA Monitoring Officer and WMCA Finance Director to enter into the various funding agreements and contracts which would be reasonably required to enable delivery of the station improvements, including (if necessary) the issuing of a Letter of Intent of ensure the project schedule is maintained whilst funding agreements are being finalised subject to the risks of doing so being acceptable to the WMCA Section 151 Officer and the Monitoring Officer.

1. Purpose

- 1.1 WMCA Board was due to receive the Full Business Case for approval in March 2020 but due to the Covid-19 pandemic, the WMCA Board meeting was cancelled.
- 1.2 Since this time, the University Station project team have continued to engage with contractors to help refine the costs of the scheme and have revised the Full Business Case accordingly.
- 1.3 To maintain project programme and deliver a functioning station before the Commonwealth Games, it is essential that the FBC is approved by WMCA Board in July 2020.

2. Background

- 2.1 University Station was built in 1978, to accommodate half a million passengers per year, between the University of Birmingham to the east and Queen Elizabeth Hospital and Medical School site to the west. Latest figures released in January 2020 indicate that it is currently being used by circa four million passengers per year.
- 2.2 Provision of a larger, sustainably designed station for the long-term capacity requirements will encourage more staff, students, hospital patients and visitors to arrive by train, benefitting traffic congestion and the local environment.
- 2.3 The University of Birmingham is also due to host two events for the Commonwealth Games in 2022 (squash and hockey) and an upgraded station to meet the additional demand for the games is vital as part of the wider transport plan. The project is currently working towards this important milestone.
- 2.4 The immediate surrounding area is the largest employment site in Birmingham outside the city centre and one of the busiest arterials in Birmingham (the A38 corridor) passes through the station's catchment area. A lack of peak station capacity threatens successful growth of the University and NHS Trust's plans and sustainable development, with a consequent risk of increasing peak traffic levels on the A38.
- 2.5 WMCA has been actively developing a solution to the above issues which consists of the rebuilding of the station building and associated infrastructure. As the scheme has a number of direct beneficiaries, WMCA have worked hard to bring all these key stakeholders together to recognise the importance of the scheme and provide a financial contribution towards the re-development.

3. Financial Implications

3.1 Funding Sources:

Funding Body	Amount
WMCA funding: <ul style="list-style-type: none">• Transforming Cities Fund• MHCLG Economic Growth Bid	£3m £13.1m

Department for Transport	£12.0m
Greater Birmingham and Solihull LEP	£8.0m
University of Birmingham	£10.0m
Other funding sources	£9.9m
TOTAL	£56.0m

3.2 The funding package for the scheme is complex – with a number of funding partners, including WMCA.

3.3 Further detail on the financial implications is found in the confidential Appendix 1 included elsewhere on the agenda.

4. Legal Implications

4.1 Part 3 of the West Midlands Combined Authority Order 2016 conferred powers to the Authority relating to public transport functions for the constituent authorities to the Combined Authority. TfWM is the executive body of the WMCA responsible for carrying out its transport related functions and to implement policies and strategies. TfWM is the body responsible for co-ordinating and promoting the use of public transport.

4.2 Section 113A(1)(a) of the Local Democracy, Economic Development and Construction Act 2009 gives the Authority a power of competence appropriate for the purposes of carrying-out any of its functions. This includes enhancements to the transport network and delivery of new transport infrastructure.

4.3 The Delivery of the new University Station requires a number of legal issues being addressed. These include the ownership of land, the procurement and delivery of the scheme and connectivity with the Hospital and University sites. These are being managed as part of the project process.

5. Equalities Implications

5.1 Diversity Impact Assessments have been undertaken by the project which identify and address key equality issues and their mitigating measures. This project provides a positive impact on accessibility at University station, with plans for more and larger lifts, a dedicated passenger assistance area and clearer signage amongst others.

6. Inclusive Growth Implications

- Economic Growth – the enhanced station will provide capacity for the economic growth planned to be delivered through the University and Hospitals Masterplan.
- Transport – Improving connectivity by providing extra capacity at the station which in conjunction with WMT plans to introduce new rolling stock in 2021 will benefit allow for increased passenger numbers in line with anticipated growth.
- Accessibility – A key aspect of this scheme is to improve access to the University/Hospitals Masterplan area by reducing pedestrian delays and improving train reliability. The area is already connected to the rail network and by bus services, so the accessibility impacts will be incremental.

- Fiscal Impact – The larger facility will increase operating and maintenance costs for the station. The scheme also includes new retail facilities which will help offset these costs.
- Environmental impact – the current congestion at the station has a risk of discouraging the choice to use rail, resulting in more car traffic and increasing peak traffic levels on the A38. The project is also installing solar panels to contribute towards energy needs and reduce the carbon footprint of the new station and installing hundreds of cycle storage spaces to encourage cycle use to the station.

7. Geographical Area of Report's Implications

- 7.1 The project targets a specific place. The walking distance buffer surrounding University Station includes the Queen Elizabeth Hospital and University of Birmingham. Therefore, the bulk of the resulting accessibility benefits will be perceived by staff, students and a vulnerable subsection of the population.
- 7.2 The railway line divides the land uses with the University of Birmingham (UoB) to the east of the line and the Queen Elizabeth Hospital, Medical School and other NHS sites to the west of the line.
- 7.3 With a student population of 34,000 and 7,500 staff the University of Birmingham (UoB) is the 4th largest in the UK. Student numbers have increased by 25% since 2012 corresponding with a 22% increase in rail journeys.
- 7.4 In 2010 the new Queen Elizabeth Hospital opened, becoming the largest single site hospital in the UK. There was a 21% increase in University station passengers in the year after the hospital opened. The overall hospital facilities employ 16,500 staff, serve 275,000 patients per year and generate over 200,000 visitors per year.
- 7.5 One of the busiest arterials in Birmingham – the A38 corridor – passes through the station's catchment area. Lack of peak station capacity threatens successful growth of the University and NHS Trust's plans and sustainable development, with a consequent risk of increasing peak traffic levels on the A38.
- 7.6 However, this also translates to a significant employment area, the business of which will be greatly impacted by the station's improvements.
- 7.7 Together, the campus is the largest employment site in Birmingham outside the city centre. Over 25,000 people are employed within walking distance of University station, as shown in Figure 2. This figure does not include students regularly commuting to the area.

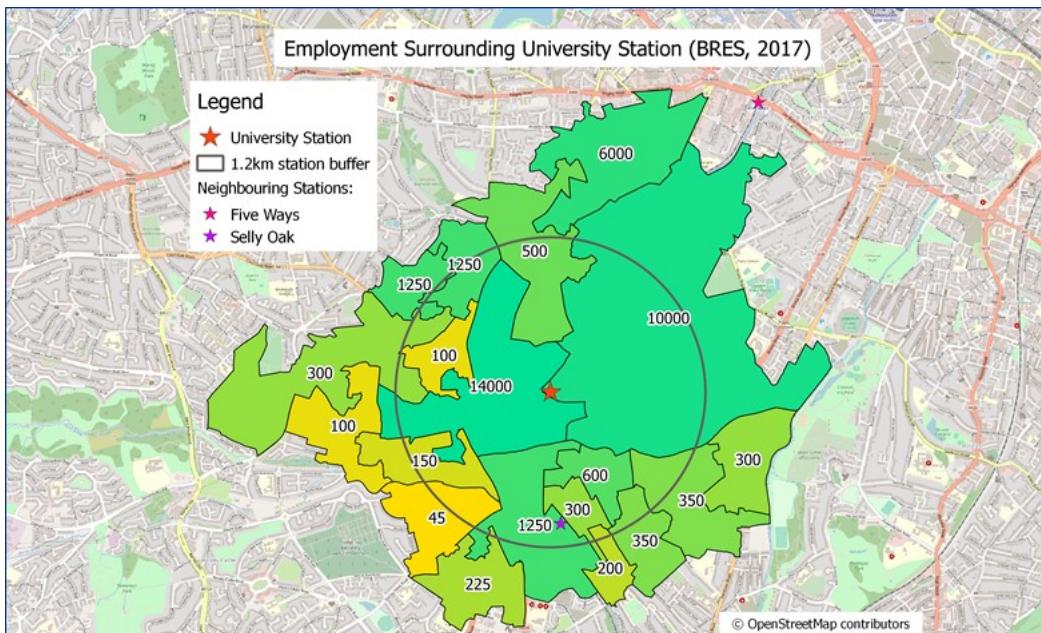


Figure 2: Employment surrounding University station. Source: National Business Register and Employment Survey, 2017.

8. Other Implications

The Scheme

8.1 The Station scheme will comprise a new station building and bridge providing access to both platforms, wider platforms, a small car park area and access point as well and a direct link with the university campus with a new footbridge over the Worcester Canal. There will also be enhanced public realm. The works will all be procured by the West Midlands Combined Authority (WMCA). WMCA is seeking planning permission for the works and this is currently out for consultation, with a decision due in March 2020. A suite of legal agreements will be entered into between WMCA, the University of Birmingham, Network Rail and the Canal & River Trust to allow development to progress, to provide asset protection for the existing railway, to provide for the handover to the relevant stakeholder when completed and to address property rights and ongoing responsibilities going forward. WMCA will be managing the delivery of the development and managing the construction contract.

Connectivity

8.2 It is proposed that the area of Public Realm will provide a new pedestrian route from the hospital site to the new station building. The new station being the point of access to train services with the old station building is proposed to be exit only. The Station Platforms will be connected by a new footbridge extending from the station building across to the second platform. There will be a passenger drop-off area adjacent to Vincent Drive for the new station building. There will be no general right of public access across the bridges although there will be permissive rights as needed. The station will also connect with a new footbridge proposed across the Canal that will provide direct access to the University campus, including accessible access to the site.

- 8.3 It is predicted that passenger numbers passing through the station will increase from c.3.9m to c.7m a year by 2043, based off predicted growth from the local masterplan. The improvements to station facilities and the revised circulation will assist with the increased level of usage, with the new station designed for 7.2m people per year.

9. Schedule of Background Papers

- 9.1 WMCA University FBC – Final (Private)

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**West Midlands
Combined Authority**

Strategic Economic Development Board Meeting

Wednesday, 20 May 2020 at 10.00am

Notes

Members

Greater Birmingham & Solihull LEP	Tim Pile (in the Chair)
Black Country LEP	Tom Westley
Cabinet Portfolio - Economy & Innovation	Councillor Ian Brookfield
Deputy Mayor	Councillor Bob Sleigh
Solihull MBC	Councillor Ian Courts
Warwickshire County Council	Councillor Peter Butlin

Officers in Attendance

Black Country LEP	Sarah Middleton
Black Country LEP	Prof Delma Dwight
Coventry & Warwickshire LEP	Paula Deas
Greater Birmingham & Solihull LEP	Katie Trout
City of Wolverhampton	Tim Johnson
West Midland Combined Authority	Julia Goldsworthy
West Midland Combined Authority	Rebecca Riley
West Midland Combined Authority	Jonathan Skinner
West Midland Growth Company	Roger Mendonca

Item

No.

53. Apologies for absence

Apologies for absence were received from Nick Abell, Matthew Hammond, Prof John Latham and from Councillors Adrian Andrew, George Duggins, Angus Lees, Izzi Seccombe.

54. Declarations of Interest

No declarations were made.

55. Notes of the Strategic Economic Plan Board Meeting held 8th January 2020

Resolved:

That the notes of the meeting held on the 8th January 2020 be approved as an accurate record.

56. Notes of Teleconference held 18th March 2020

Resolved:

That the Teleconference notes of the meeting held on the 18th March 2020 be approved as an accurate record.

57. SED Board Tracker Log

The Chair noted that many of the actions had been completed or were now no longer required given the need to re-assess the focus of the SED Board and stated that he and officers would review the Tracker Log prior to the next meeting.

Resolved:

That the SED Board Tracker Log be reviewed in light of the comments from the Chair and the emerging role for the SED Board in light of the impact of Covid-19 on the West Midlands economy.

58. Forward Plan

The Chair asked that the dates of submission of reports be reviewed and it was noted that further work was required to populate the forward plan.

Resolved:

That the Forward Plan be updated and noted.

Economic & Innovation Portfolio

59. Covid-19 Recovery Planning

Julia Goldsworthy referenced the two sets of slides circulated in regard to the overall economic approach.

The Chair advised that Members could either respond today or that officers should pick up SED Board Members input outside of the meeting.

Councillor Ian Courts referenced the loss of 9,000 Rolls Royce jobs and expressed concern that key regional assets were clearly not referenced in the Prospectus, highlighting JLR in Solihull. Whilst the Recovery Strategy looked fine it was relevant to include the key companies.

Julia Goldsworthy stated that there had been engagement with the key regional assets, the document was seeking to identify key gear changing for all companies. The next steps were to ensure that the set of interventions were relevant to all business assets in the region.

Councillor Ian Courts advised that the document needed to be more easily navigated for the target audience and stated that the regions' assets of Birmingham Airport, JLR etc. needed to be referenced at the front of the document. Julia Goldsworthy advised she would take away for the Executive, summary.

Councillor Ian Brookfield noted the comments and stated that he had issue with highlighting the key assets but stated that the region's SME's significantly outnumbered these large companies.

The Chair was of the view that the assets, both current and potential future needed referencing, to include the NEC. He wanted clarity around objectives and that it needed to be a lot clearer for the target audience. The Chair expressed reservations at the need for 6 business cases by Friday but was reassured by Julia Goldsworthy that this was not the deadline.

Councillor Peter Butlin stated that the vision should be recovery. In respect of JLR he noted that the supply line was currently holding up but if they could not sell vehicles then those lines would disappear. In regard to JLR it could impact 250,000 jobs.

Katie Trout advised that the three LEPs and WM Growth Company were working on 10 growth sectors for recovery, plus retail and academia. They were reviewing the risk in sectors, by looking at furloughing data across sector and region. She stated that they had considered the assets and anchor institutes which had provided huge opportunities for the Local Industrial Strategy but now these posed risks i.e. Birmingham Airport and JLR. Now there would be a need to consider transition requests and what those sectors required in order to support recovery. The sector work needed to be overlaid with skills and unemployment to bring together the information to identify the required interventions.

Councillor Bob Sleigh stated that the focus needed to be recovery. The politicians needed guidance and that the evidence came from the sectors. He stated that the Prospectus needed to be clear on "Asks" from Government where interventions/resources were required.

Councillor Ian Courts added that there was need to be clear who the document was directed and was required to make a difference now. The longer-term strategy could come later.

The Chair commented that there was a need to pivot activity to Recovery and therefore should be ALL about actions required. Thus, there was a need to articulate into a set of Asks – what were the critical interventions and identify the gaps i.e. where economy was, where risks were and what was needed. This would represent first wave of critical interventions. He added there was a need to make an economic difference now, highlighting that the WM had been the fastest growing economy before Covid-19 and could be again but that resilience and recovery should be the imperative drive in the short term.

Julia Goldsworthy advised that the next steps were for PWC to produce a piece of work with small number of the most critical propositions for an immediate recovery piece and to work with the local authorities and LEPs to build a package of propositions over the next 4-6 weeks. She expected the role of the SED Board was how to organise and galvanise as a region and that that the short piece of work on the propositions would provide greater detail on what was required now. She stated that the Executive Summary would inform the package and the pitch but that the Asks would be very specific.

The Chair advised that a meeting of the SED Board was required in next 3 weeks and noted need to link across all CA budgets i.e. Housing and Regeneration and skills.

Councillor Bob Sleigh queried how the Asks would link into the Comprehensive Spending Review (CSR) being developed for the Autumn, that is would these Asks being developed be reflected in the CSR.

Julia Goldsworthy stated that the starting priority for the Asks would be to link in with colleagues across local authorities and LEPs, linking them into the Investment Programme and pull together into critical programmes. The Asks would be for delivery now and that this was a baseline for all work being undertaken now. She highlighted that working with higher education, one of the biggest changes would be to secure a Gigafactory, to focus an impact on the regional economy.

Katie Trout stated that it was important to draw on all the work undertaken, she noted the announcement of Rolls Royce and thus highlighted that it was important to be in a position to accelerate all sectors across the piece in real time.

The Chair concluded that the propositions should provide framework for everything, not just new propositions, which were required, but to include the CSR Asks. There needed to be 6-10 initial inputs ready in 6-8 weeks that would provide a boost for jobs

Resolved:

- 1) That Officers and PWC review the Recovery Prospectus in line with the comments made by Members, outlined above; and
- 2) That the emerging submission to Government be reported through to the Board in the next month.

60. Refreshing the SED Board's Purpose in light of COVID-19

The Chair advised that he had reflected on the Terms of Reference for the SED Board and that there was a need to pivot the Board to a short-term focus on recovery, as economic development could be considered later, which would include a reflection on membership and the frequency of meetings.

Councillor Ian Brookfield agreed that there was a need to consider the frequency of meetings, noted that this Board provided the opportunity for an open discussion and welcomed the review of the Terms of Reference.

Julia Goldsworthy that this presented an opportunity to review how all parties worked together and stated that the Terms of Reference review should consider how the SED Board related to other groups, to include the Economic Impact Group.

The Chair stated that the LEPs needed to feed in to the economic recovery and that the Board should help drive this.

Resolved: That the Board request the Board's Secretariat, working with Chair and the WMCA Governance Team, to review the Terms of Reference and present these to the next meeting, noting the ambition to for the Board to meet more frequently.

61. Future Mobility Update

Julia Goldsworthy advised that this represented an update for the Board on the work being undertaken on Future Mobility.

Resolved: that the SED Board receive and note the update.

62. Notes for WMCA Energy Capital Board held on 5th March 2020

The Chair noted that Matthew Rhodes had not joined the meeting and thus advised that these could be reported through to a future meeting.

Resolved: that the minutes of the WMCA be deferred to a future meeting.

63. Date of Next Meeting

Resolved: that it be noted that the next meeting would be held in the next month on a date to be agreed.

The meeting closed at 11.00am

Chair

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Transport Delivery Committee

Monday 8 June 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 Mary Locke	Birmingham City Council
Councillor Celia Hibbert	City of Wolverhampton Council
Councillor Les Jones	Dudley Metropolitan Borough Council
Councillor Chaman Lal	Birmingham City Council
Councillor Roger Lawrence	City of Wolverhampton Council
Councillor Ted Richards	Solihull Metropolitan Borough Council
Councillor Alan Taylor	Dudley Metropolitan Borough Council
Councillor David Welsh	Coventry City Council

In Attendance

Councillor Cathy Bayton	Shadow Portfolio Holder for WMCA Business - Dudley MBC
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Item Title

No.

1. Apologies for absence

Apologies for absence were received from Councillors Shaheen Akhtar, Samiya Akhter, Adrian Andrew, Mohammed Fazal and Diana Holl-Allen.

2. Chair's Remarks

- (i) WMCA Overview and Scrutiny (O&S) Committee Review of Transport Governance Report

The Chair reported that she would circulate the report to members that would be considered by the O & S Committee at its meeting on 15 June.

- (ii) Dave Reeves- Midlands Bus Company

The Director of Integrated Network Services advised the committee that Dave Reeves, Midlands Bus Company had died of a heart attack last month. It was noted that Mr Reeves had played a key role in created an environment where bus operators worked together prior to the establishment of the Bus Alliance.

3. To note the schedule of meetings for 2020/21

The committee noted the schedule of meetings for 2020/21 as set out below:

20 July
14 September
9 November
11 January 2021
8 February
15 March

All meetings are scheduled from 1.00pm-3.00pm

4. Minutes of the last meeting

The minutes of the meeting held on 16 March 2020 were agreed as a correct record.

5. Action Tracker

The Chair reported that the action pertaining to the Financial Monitoring Report had been discharged.

Resolved: That the report be noted.

6. Correspondence/ Petitions

None submitted.

7. Financial Monitoring Report

The committee considered a report of the Finance Director that set out the financial outturn position for 2019/20 subject to external audit.

Councillor Pervez Akhtar, Lead Member for Finance and Performance outlined the key areas within the report.

In relation to comments regarding the loss of revenue as a result of Covid-19, the Financial Services Manager, Louise Cowen reported that this was being closely monitored on a daily basis and consideration would be given to re-prioritising projects if no Government funding was available. The Managing Director TfWM, Laura Shoaf, added that the loss of revenue funding from all sources was significant and referred to the loss of revenue from Metro operations that was supported by the DfT up until August. She added that the WMCA/TfWM was continuing to negotiate with Government to provide further funding.

Resolved.

1. That the net revenue expenditure final outturn position for the 2019/20 financial year after contributions to earmarked reserves shows a minor adverse variance of £0.020m compared to budget and the final outturn position before contributions to earmarked reserves was a £1.274m favourable variance against forecast and a £3.839m favourable variance against budget be noted and

2. That the total capital expenditure to the end of March 2020 for the overall transport programme was £130.6 million, which was £72.0m below the budget of £202.6m and the actual costs were marginally below (£4m) the annual forecast of £134.6m be noted.

8. Capital Programme Delivery Monitoring Report

The committee considered a report of the Director of Development and Delivery that provided a progress monitoring update on the approved TfWM 2020/21 programmes and projects.

Councillor Pervez Akhtar, Lead Member for Finance and Performance, outlined key highlights within the report.

Resolved:

1. That the achievements since the March meeting of the committee be noted;
2. That progress of the deliverables and the outturn of 2019/20 Capital Programme be noted and
3. That variations to the baseline programme as highlighted in paragraph 4 of the report be noted.

9. 2022 Commonwealth Games Transport Delivery Update

The committee considered a report of the Director of Network Resilience that provided an update on the progress of delivery for the Integrated Transport Programme for the Birmingham 2022 Commonwealth Games.

The Director of Network Resilience, Anne Shaw outlined key areas of the report. This included an overview of the operations workstream, regional and spectator transport operations and transport infrastructure projects. In relation to the impacts of Covid-19 on the Integrated Transport Programme, it was noted that these are currently being assessed and further details on the workstreams would be provided later in the year.

Resolved: That the report be noted.

10. Transport Network and Covid-19

The Managing Director, Laura Shoaf reported on the impact of Covid-19 on the transport network during the last 12 weeks and the steps being taken in the short-term and long-term to recover the transport network and the challenges to overcome.

The committee had also received various briefing notes on the impact of Covid-19 on the bus network, the implications of social distancing for transport modes/ transport infrastructure and the findings from travel surveys taken during the current crisis.

The Managing Director also reported on the opportunities for the West Midlands to obtain funding from the Government's emergency Active Travel Fund and TfWM's involvement in the E-Scooter trials in the coming months.

The Managing Director expressed her appreciation to transport officers within TfWM and local authorities for their work in looking to rebuild the transport network.

In relation to the travel survey results, the Chair asked for the committee to be advised of the geographical spread of the respondents as she was interested in learning where people lived.

Resolved: That the contents of the briefing notes and verbal update be noted.

11. Bus Recovery Plan

The committee received a presentation from the Head of Network Delivery, Jon Hayes on the Bus Network Covid-19 Recovery Plan.

The presentation outlined the current position with regards to the bus network, the 4 key principles of the bus recovery plan and the key milestones.

The Head of Network Delivery provided an update with regards to the Government mandatory requirement to wear face coverings on public transport from 15 June and how this would be implemented across the bus network working with operators.

Councillor Alden asked that TfWM give consideration to the disposal of face coverings and gloves on buses and at its sites including notices/ signage at appropriate locations and for the committee to be kept informed of progress on this matter.

The Head of Network Delivery undertook to keep members updated on the matter and also outlined the enhanced cleaning regime that has been put in place by TfWM and bus operators following an enquiry from Councillor Jones.

The Chair thanked Jon Hayes for his informative presentation.

Resolved: That the presentation be noted.

12. Safer Travel Update

The committee considered a report of the Head of Safety, Security and Emergency Planning that provided an update on the performance and operations of the Safer Travel Partnership including their recent work.

The Head of Safety, Security and Emergency Planning, Mark Babington highlighted key areas in the report. This included an update on performance, public transport crime analysis, an update on the safer travel plan and Covid-19 and policing.

In relation to an enquiry from Councillor Lal as to whether the committee could receive a breakdown of the crime statistics, the Head of Safety, Security and Emergency Planning advised that he could provide this data to members on a bi-monthly basis via Councillor Holl-Allen, Lead Member for Safe and Sustainable Travel.

In relation to the recently awarded security contract that would provide for a private company (Man Commercial Protection Ltd) to have enforcement powers on the public transport network, the Head of Safety, Security and Emergency Planning undertook to provide the committee with a briefing note with further information on the matter by the end of the month.

Resolved:

1. That the details of the report be noted;
2. That the overall current crime trends as referred to in paragraph 3.1-3.3 of the report be noted and
3. That the crime analysis within section 4 of the report be noted.

13. Rail Business Report

The committee considered a report of the Director of Rail that provided an update related to the performance, operation and delivery of rail services in the West Midlands including updates on rail operator partnership agreements and West Midlands Rail Executive.

The Lead Member for Rail and Metro, Councillor Lawrence, introduced the report and highlighted key issues and challenges that would be facing the rail industry and rail operating companies as result of Covid-19.

The Head of Rail Franchising and Partnerships, Tom Painter provided an update on rail patronage since the lockdown and reported on key areas within the report.

In relation to future new stations, referred to in paragraph 7.3.5 of the report and a request from Councillor Alden for the committee to receive further information following the outcome of the DfT bidding process and a request for further information from Councillor Huxtable on the proposed Stratford-Upon- Avon line via Honeybourne, the Head of Rail Franchising and Partnerships reported that he would provide a briefing note to pick-up this matters although he advised with regards to the Stratford-Upon- Line, this scheme at this stage has not been actively promoted by West Midlands Rail Executive.

In relation to the future options being considered for Stourbridge to Brierley Hill following the draft study received from consultants and a request for a briefing note on the subject, the Head of Rail Franchising and Partnerships undertook to refer the matter to TfWM Transport Planning colleagues to take forward.

Resolved: That the contents of the report be noted.

14. Park and Ride Update

The committee considered a report of the Director of Integrated Network Services that provided an impact on park and ride matters within the West Midlands Combined Authority Area and the impacts of Covid-19 on operations and development.

The Head of Park and Ride, Babs Spooner, outlined key areas within the report which included park and ride usage, Longbridge Park and Ride delivery and park and ride development.

Resolved: That the contents of the report be noted.

15. Air Quality, Congestion and Environmental Sustainability Lead Member Reference Group - Impacts of Covid-19

The committee considered a report of the Air Quality, Congestion and Environmental Sustainability Lead Member Reference Group that reported on the impacts of Covid-19 with regards to the work of the group.

The Lead Member for Air Quality, Congestion and Environmental Sustainability Councillor Worrall, introduced the report and highlighted the positive impacts to the environment following a reduction in traffic volumes as a result of the lockdown that was introduced in March.

The Associate Policy Advisor, Jake Thrush, reported that data contained in the report was an extract from a report produced by Birmingham University and he could provide a full copy of the interim report on air quality if required.

Resolved: That the impacts of Covid-19 on air quality, congestion and carbon emissions in the West Midlands and the possible actions that could be taken in light of these impacts be noted.

16. Notices of Motion

The committee considered a motion submitted the Vice-Chair, Councillor Worrall on 27 May 2020.

"West Midlands Transport Delivery Committee welcomes the Government's announcement of £2 billion national funding for the urgent provision of cycle and walking routes (of which £250m in the current financial year), which is to be spent on main corridors for work journeys to and from major centres of employment.

The TDC expresses its full support and encouragement to TfWM officers working to achieve this in partnership with District Council colleagues, and others, such as the Canals and Rivers Trust, Network Rail, Sustrans, Cycling UK, and other cycling, disability and community organisations.

The TDC further notes Cllr. Worrall's report, appended to this Notice of Motion, and asks all concerned to do whatever they can to achieve an early, fit-for-purpose, well used, permanent, strategic network of cycling and walking routes to serve the whole of the West Midlands, both for work and recreational purposes."

Resolved: That the motion be supported.

17. Questions

The committee considered a question submitted by the Vice-Chair, Councillor Worrall on 27 May 2020.

"Given that, for the initial period of lockdown, and in some cases longer, older and disabled users of railcards were not allowed to use, or otherwise have been discouraged from using, train services, would TfWM call upon and lobby National Railcards, view to them agreeing to compensate for the lost discounted rail travel opportunities by extending the validity of existing railcards beyond their current expiry dates by the amount of time lost to would-be users as a result of the Covid-19 restrictions on travel?"

Councillor Worrall advised that following the submission of his question, he would also like to include reference to the young persons' rail card as young people were similarly impacted by Covid-19 travel restrictions.

The Director of Integrated Network Services had submitted the following response:

Transport for West Midlands (TfWM) is supportive of requests by national Railcard holders to extend the validity of Railcards to reflect non-use as a result of Covid-19 travel restrictions.

TfWM's Rail Team has raised this matter directly with the Department for Transport (DfT) to understand what action can be taken to compensate customers. DfT has confirmed it is working with the Rail Delivery Group (RDG), as the owning body for Railcards, to consider options for customers but that no decision has been made as yet. TfWM is seeking an appropriate contact and will then also raise this matter directly with RDG.'

Resolved: That the question and response be noted.

18. Date of Next Meeting -20 July 2020

The meeting ended at 3.27 pm.

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Investment Board

Monday 15 June 2020 at 10.00 am

Minutes

Present

Councillor Bob Sleigh (Chair)
Nick Abell

Councillor Mike Bird
Councillor Tristan Chatfield
Councillor Steve Clark
Councillor Karen Grinsell
Councillor Tony Jefferson
Councillor Jim O'Boyle
Gary Taylor

Portfolio Lead for Finance & Investments
Coventry & Warwickshire Local Enterprise Partnership
Walsall Metropolitan Borough Council
Birmingham City Council
Dudley Metropolitan Borough Council
Solihull Metropolitan Borough Council
Non-Constituent Authorities
Coventry City Council
Greater Birmingham & Solihull Local Enterprise Partnership

In Attendance

Peter Alford
Sarah Middleton

Richard Lawrence
Helen McCourley
Victoria Swash
David Hope
John Seddon
Ellie Horwich-Smith
Martin Clayton
Perry Wardle
Lisa Whittton
Susan Barrett
James Bretherton
Carl Craney
Serena Dhanoa
Linda Horne
Stephen Manners
Ian Martin
Pauline Russell
Danny Wood
Nick Oakley
Matthew Hammond
James Callingham

Amion
Black Country Local Enterprise Partnership
City of Wolverhampton Council
City of Wolverhampton Council
City of Wolverhampton Council
Coventry City Council
Coventry City Council
Energy Harmonics
Solihull Metropolitan Borough Council
Solihull Metropolitan Borough Council
Solihull Metropolitan Borough Council
Urban Growth Company
Urban Growth Company
West Midlands Combined Authority
West Midlands Development Capital
West Midlands Growth Company
West Midlands Rail Executive

Item Title

No.

1. Chair's Announcement

The Chair thanked Members and Officers for joining this virtual meeting of the Investment Board. He explained that it had been necessary to distribute the supporting papers for the meeting in three separate bundles with the first bundle containing the items to be considered in the public session of the meeting. He assured the Board that he would allow sufficient time for each Member to locate the relevant report. He added that any Member wishing to speak on any item should use the appropriate icon or the tool bar or indicate their wish in the 'chat' box which would be monitored throughout the meeting.

2. Apologies for Absence (if any)

Apologies for absence had been received from Councillor Harman Banger (City of Wolverhampton Council), Paul Brown (Black Country Local Enterprise Partnership) and Sue Summers (west Midlands development Capital).

Apologies had also been received from Councillor Cathy Bayton (WMCA Overview and Scrutiny Committee), Richard Mason and Andy Williams (Coventry City Council), Paula Deas (Coventry and Warwickshire Local Enterprise Partnership), Joanne Foley (Solihull Metropolitan Borough Council) and Tim Martin (West Midlands Combined Authority).

3. Notification of Substitutes (if any)

No substitutes had been nominated.

4. Declarations of Interests (if any)

The Chair, Councillor Bob Sleigh and Councillor Keren Grinsell declared non-pecuniary interests in Agenda Item Nos. 11. (UKC – Infrastructure Solihull Town Centre – Low Carbon Network – outline Business Case (OBC)), 12. (UKC – infrastructure Phase 1 Kingshurst Village Centre Regeneration – Outline Business Case (OBC)) and 16. HS2 Parallel Lines – Presentation) as Members of Solihull Metropolitan Borough Council.

Councillor Tristan Chatfield declared a non-pecuniary interest in Agenda Item No. 16 (HS2 Parallel Lines – Presentation) as a Member of the Board of Birmingham Airport.

5. Minutes of last meeting

The Chair referred to Minute No. 129 insofar as it referred to the discussions with Coventry City Council in relation to Intellectual Property Rights in respect of the Very Light Rail scheme and appraised the Board of the current position. A presentation in relation to the development of the Very Light Rail scheme was to be made to the July 2020 meeting of the Board.

The Chair referred to Minute No. 130 (investment Board - Role and Remit) and advised that a report on this matter would be submitted to the July 2020 meeting of the WMCA Board for consideration.

Resolved:

That the minutes of the meeting held on 20 April 2020 be confirmed as a correct record and signed by the Chair.

6. Investment Programme Update and Dashboard

Ian Martin presented a report on the status of the Investment Programme to assist the Board in setting out the context for any investment decisions to be made by the Board.

He reported that approved funding from the WMCA Investment Programme for programmes totalled £768.9 million as at 30 April 2020 (£775.0 million as at 31 March 2020). The movement was as a result of reimbursement of metro programme cash flow funding from approved grant funding by the Department for Transport. This was consistent with the expectations as at 8 November 2019, when the WMCA Board had agreed to hold approvals at the current affordable limit of £801 million.

He reminded the Board of the five-yearly gateway review period which formed part of the Devolution Deal agreement in 2016 and that the 2020/21 financial year was the fifth and final year of the first gateway review period. A meeting had been held between the WMCA Finance Directors and SQW on 20 February 2020 to discuss the draft evaluation plan for the West Midlands and a baseline report was expected in June 2020 with the aim of providing a recommendation to this Board in November 2020. A report on the processes would be submitted by the WMCA Strategic Hub (new name for Programme Management Office) to the next meeting of this Board.

The Chair drew to the attention of the Board the current rating of the HS2 Hybrid Act Change (HS2 Parallel Lines) and A46 Stoneleigh Junction (A46 Link Road Phase 1) schemes. Ian Martin advised that there was to be a presentation later in the meeting in connection with the HS2 Parallel Lines scheme and that a Change Request submission was awaited. He suggested that the Board authorise expenditure on the scheme to be continued pending the formal submission of the Change Request. An extension in respect of the A46 Stoneleigh Junction scheme was also anticipated.

Resolved:

1. That the report and Dashboard be received and noted;
2. That continuation of expenditure on the HS2 Parallel Lines scheme be approved pending consideration of the formal Change Request.

7. WMCA Collective Investment Fund (CIF) - Dashboard

The Board considered the WMCA Collective Investment Fund (CIF) Dashboard (public iteration) as at 1 June 2020. Nick Oakley reported that all schemes had been delayed due to the Covid-19 pandemic but that work had recently re-commenced. West Midlands Development Capital did not at this stage anticipate any losses to occur resulting from the delays. The CIF portfolio had strong bias towards industrial development (9 out of 12 live projects), this sector was perceived to be holding up well during the downturn, indeed some professional valuers had now removed the 'market uncertainty' clause from their valuations in respect of industrial schemes as they considered that the market was holding up well. He updated the Board on the latest position in respect of the Complex – Telegraph – 88 bed hotel scheme. The Developer was continuing to complete the project with practical completion scheduled for October 2020. It is anticipated that WMCA agreed debt facility would not be fully drawn at that time, thus reducing the WMCA risk exposure.

Resolved:

That the Dashboard be received and noted.

8. WMCA Brownfield Land and Property Development Fund (BLPDF) - Dashboard

The Board considered the WMCA Brownfield Land and Property Dashboard (public iteration) as at 1 June 2020.

Resolved:

That the Dashboard be received and noted.

9. WMCA Revolving Investment Fund (RIF) - Dashboard

The Board considered the WMCA Revolving Investment Fund (RIF) Dashboard (public iteration) as at 1 June 2020. Nick Oakley highlighted that two projects (MIA Selly Oak and Ladywood) which had been approved some twelve months ago had been removed from the Dashboard but were likely to re-appear on future iterations. In response to a question from Councillor Tristan Chatfield, Nick Oakley explained that the Selly Oak scheme was the subject of on-going discussions with the Planning Department at Birmingham City Council. He also commented on the progress with the Urban Splash Homes – Port Loop scheme and advised that drawdown in relation to the Complex Developments Projects Ltd – Carver Street scheme was expected shortly.

Resolved:

That the Dashboard be received and noted.

10. Land and Property Investment Fund (LPIF) - Dashboard

The Board considered the Land and Property Investment Fund (LPIF) Dashboards as at 1 May 2020 and 1 June 2020 respectively.

Resolved:

That the Dashboards be received and noted.

11. 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).

12. UKC - Infrastructure Solihull Town Centre - Low Carbon Network - Outline Business Case

Lisa Whitton supported by Martin Clayton and Ellie Horwich-Smith presented a report on the Outline Business Case, the key purpose of which was to provide a robust assessment of the opportunity to develop a Low Carbon Energy Network within Solihull Town Centre which would underpin the request for funding to develop the project to Full Business Case.

The Officers responded to various questions posed by the Board.

Ian Martin stated that as one of the principles of the Investment Programme was recycling so that projects should return funds where possible – for use later by others. Solihull MBC had agreed that this could be the case and in accordance with comments from the Investment Advisory Group the Funding Agreement would accommodate this potential, adopting the principles that this should be as simple as possible to administer and proportionate.

Resolved:

1. That the request set out in the Outline Business Case to progress the Solihull Town Centre Low Carbon Energy Network through to Full Business Case be approved;
2. That it be noted that the amount requested was included within the current WMCA Investment Programme affordable limit (as approved by the WMCA Board on 8 November 2019 and of the expenditure which had been approved to date);
3. That it be noted that the remaining allocation related to project development costs associated with progression of the project to the next approval stage i.e. Full business Case;
4. That it be noted that Solihull Metropolitan Borough Council was pursuing actively opportunities to secure supplementary funding to secure the full delivery of the Low Carbon Heat Network beyond Full Business Case stage through the Heat Networks Investment Project (BEIS) predominantly.

13. UKC - Infrastructure Phase 1 Kingshurst Village Centre Regeneration - Outline Business Case (OBC)

Lisa Whitton supported by Martin Clayton and Peter Alford presented a report on the outline Business Case and which provided a detailed assessment of the opportunity to redevelop the Kingshurst Village Centre and a request for funding to develop the project through to Full Business Case.

Lisa Whitton responded to various questions posed by Members of the Board. Ian Martin commented that the report referred to exploring funding through the Single Commissioning Framework and other WMCA funding resources and reminded the Board that commitments could not be made to award funding which was not yet available. This point was acknowledged by Martin Clayton who assured the Board that funding was only being sought at this point to progress the Outline Business Case to a Full Business Case.

Resolved:

1. That the request set out in the Outline Business Case to progress the Kingshurst Village Centre Redevelopment scheme through to Full Business Case be approved;
2. That it be noted that the money requested was included within the current WMCA Investment Programme affordable limit as approved by the WMCA board on 8 November 2019;
3. That it be noted that Solihull Metropolitan Borough Council was working with the WMCA in developing a funding strategy to address current funding challenges in order to facilitate the full delivery of the WMCA Investment Programme;
4. That it be noted that in addition to the above, Solihull Metropolitan Borough Council would also pursue actively alternative funding sources to secure the full delivery of the Kingshurst Village Centre beyond the Full Business Case stage.

14. Perry Barr Railway Station and Bus Interchange - Change Request

Malcolm Holmes and James Callingham presented a report which sought approval, subject to various conditions, for a revised budget for the scheme to include additional works which would include design, land assembly and enabling works, this being an extension to the sum authorised previously. It was intended that a report detailing the Full Business Case would be submitted to the September 2020 meeting of this Board prior to consideration by the WMCA Board. Linda Horne explained that the request was within the funding package agreed previously but related to the release of monies from within the agreed package. She assured the Board that under the delegated authorities sought she would need to be satisfied that the scheme could be delivered within the approved funding envelope before approval was granted for the payment of the land acquisition referred to in the report.

The Officers responded to various questions raised by Members of the Board. Councillor Mike Bird requested that it be noted that no further monies should be allocated to this scheme and that it should be delivered within the budget approved previously.

Resolved:

1. That the revised budget for the scheme to include design, land assembly and enabling works, being an extension of the sum approved previously, be approved;
2. That it be noted that the increase in the budget was critical if the completion of the scheme was to occur before the Commonwealth Games opening in 2022;
3. That delegated authority be granted to the WMCA Section 151 Officer and the WMCA Monitoring Officer for approval to release the budget for land assembly and enabling works (as contained within the budget request) subject to those Officers receiving satisfactory evidence that the total project would be affordable within the overall anticipated final cost;
4. That the current progress being made to date and the work to manage the overall costs of the scheme be noted;
5. That the intended funding sources for the project and the associated risks around third party funding be noted;
6. That the timescale for the submission of the Full Business Case be noted.

15. University Station Full Business Case (FBC) - Revised Submission

Malcolm Holmes presented a report which sought to obtain approval for the budget to July 2020 (including some early interventions and risk mitigation work) and which also outlined the anticipated final cost based on discussions with contractors to date, albeit that final prices had only been received recently. Work was on-going to attempt to reduce the contractors' prices to within the approved funding package but costs had increased largely due to the uncertainties arising from the impact of Covid-19 and the heated construction sector in the West Midlands. He reminded the Board that the project was to be funded through a variety of sources and partners.

Linda Horne explained that this report was not a request for additional WMCA Investment Programme funding but for the release of internal TfWM funds approved previously prior to the consideration of the Full Business Case by the WMCA Board in July 2020. She assured the Board that legal agreements would be required in regard to the funding contributions from partner organisations before the main 'Design and Build' contract was awarded and further project expenditure was incurred.

Malcolm Holmes, James Callingham and Linda Horne responded to questions raised by Members of the Board.

Resolved:

1. That the submission of a report to the July 2020 meeting of the WMCA Board in relation to the following matters be agreed:
 - a) Recommending that the Full Business Case for the redevelopment of the Station be approved;
 - b) Recommending that the budget to complete the scheme be approved;

- c) Recommending that the contracts for the design and build stage be entered into subject to:
 - i) The contract being within the approved budget as now referred to;
 - ii) All funding agreements being signed and sealed to the satisfaction of the WMCA Finance Director;
 - iii) The operating costs of the station being quantified fully and being affordable;
 - d) Recommending that the approval of delegations to the WMCA Monitoring Officer and WMCA Finance Director to enter into the various funding agreements and contracts which would reasonably be required to enable delivery of the station improvements;
2. That the cost pressures encountered in developing the scheme budget, particularly given the uncertainty arising from the impact of Covid-19 on the construction sector be noted;
 3. That the budget request now considered makes no assumptions about the WMCA awarding to any specific contractor and allows flexibility to let the contract with the most suitable contractor when final prices were agreed on 30 June 2020, following the receipt of preliminary final prices referred to above;
 4. That the expenditure as detailed in the report be incurred in developing the scheme up to the point of the WMCA Board considering the Full Business Case be approved;
 5. That the inherent risk within the funding package for the scheme and complex stakeholder management requirements be noted.

16. Coventry South Package

John Seddon presented a report which requested that all elements of the Coventry Centre South investment package be progressed to the Outline Business Case stage with the reallocation of funding between the various elements.

The Board was of the view that, in future, individual Business Cases should be submitted for the elements of such packages. Ian Martin explained that it was unusual for permission of the Board to be sought for such relatively small amounts of money as delegation was provided to the WMCA senior Leadership Team, but that previously the Board had been of the view that its permission should be sought, with consideration being given to sums that were no longer required being returned to the Investment Fund for use elsewhere.

Resolved:

1. That the reallocation of funding within the Coventry South Package as detailed in the report be approved;
2. That in future, individual Business Cases be submitted for each aspect of such packages.

17. HS2 Parallel Lines - Presentation

The Board received a PowerPoint presentation from Jonathan Bretherton on the HS2 Parallel Lines scheme.

Resolved:

That the presentation be received and noted.

18. WMCA Collective Investment Fund (CIF) - Dashboard

The Board received the WMCA Collective Investment Fund (CIF) Dashboard (private iteration) as at 1 June 2020.

Resolved:

That the Dashboard be received and noted.

19. WMCA Brownfield Land and Property Investment Fund (BLPDF) - Dashboard

The Board received the Brownfield Land and Property Development Fund (BLPDF) Dashboard (private iteration) as at 1 June 2020.

Resolved:

That the Dashboard be received and noted.

20. WMCA Revolving Investment Fund (RIF) - Dashboard

The Board received the Revolving Investment Fund (RIF) Dashboard (private iteration) as at 1 June 2020.

Resolved:

That the Dashboard be received and noted.

21. Future Meetings

Councillor Jim O'Boyle questioned the arrangements for future meetings of the Investment Board. He commented that whilst virtual meetings were a workable option the quantity of papers presented made participation difficult at times. The Chair reminded the Board that reports were submitted by various partner organisations and it was for those organisations to determine the quantity of information submitted for consideration. Councillor Mike Bird suggested that a brief report often sufficed but if this was not practical a summary of the main points should be provided. Ian Martin advised that he would be requesting partners to limit reports to a maximum of eleven pages with reference to appendices which could be made available on request.

Carl Craney outlined the current legal position with traditional meetings being deemed unnecessary given the provision for virtual meetings under the recent legislation. He reminded the Board that invitations had been extended for all meetings of the Board for the 2020/21 Municipal Year.

The meeting ended at 11.52 am.

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Public Document Pack Agenda Item 16



**West Midlands
Combined Authority**

Overview & Scrutiny Committee

Monday 15 June 2020 at 10.00 am

Minutes

Present

Councillor Lisa Trickett (Chair)	Birmingham City Council
Councillor Cathy Bayton (Vice-Chair)	Association of Black Country Authorities
Councillor Ahmad Bostan	Sandwell Metropolitan Borough Council
Councillor Richard Brown	Coventry City Council
Paul Brown	Black Country Local Enterprise Partnership
Councillor Chris Cade	Warwickshire Non-Constituent Local Authorities
Councillor Peter Fowler	Birmingham City Council
Councillor Angus Lees	Dudley Metropolitan Borough Council
Councillor Dr. Simon Peaple	Staffordshire Non-Constituent Local Authorities

In Attendance

Gareth Bradford	West Midlands Combined Authority
Councillor Ian Brookfield	Portfolio Lead for Economy and Innovation
Deborah Cadman	Chief Executive, West Midlands Combined Authority
Paul Clarke	West Midlands Combined Authority
Ed Cox	West Midlands Combined Authority
Louise Cowen	West Midlands Combined Authority
Dan Essex	West Midlands Combined Authority
Julia Goldsworthy	West Midlands Combined Authority
Clare Hatton	West Midlands Combined Authority
Tim Martin	West Midlands Combined Authority
Aisha Masood	Young Combined Authority

Item Title

No.

47. Inquorate Meeting

Tim Martin, Head of Governance, Clerk and Monitoring Officer, indicated that this meeting was inquorate and therefore any decisions taken at the meeting would be submitted to the WMCA Board on 24 July 2020 for formal approval.

48. Apologies for Absence

Apologies for absence were received from Councillor Dean Carroll (Shropshire Non – Constituent Local Authorities), Councillor Mike Chalk (Worcestershire Non – Constituent Local Authorities) and Mike Lyons (Greater Birmingham & Solihull Local Enterprise Partnership).

49. Minutes - 9 March 2020

The minutes of the meeting held on the 9 March 2020 were agreed as a correct record.

50. Recovery Planning: Current Position, Approach and Portfolio Updates

The committee received a presentation from Deborah Cadman, Chief Executive, on the work being undertaken by the WMCA to support the economic recovery of the region following the COVID-19 pandemic. This work included identifying the form that recovery might take, arrangements to provide the strategic leadership and co-ordination of recovery priorities, and workstream planning activities across the WMCA's portfolio areas.

Councillor Ian Brookfield, Portfolio Lead Economy & Innovation provided an overview on the economic recovery so far, including information on the work of the Economic Impact Group, and the thematic priorities that would form the region's asks to attract new Government investment. Laura Shoaf, Managing Director of Transport for West Midlands, gave the committee an overview of the impact COVID-19 has had on the provision of public transport services within the region and outlined various elements for TfWM's recovery plan. Clare Hatton, Head of Skills Delivery, outlined the key issues and challenges to the delivery of the Adult Education Budget and skills portfolio.

Councillor Ahmad Bostan noted the disproportionate impact on the region's Black, Asian and minority ethnic communities of the COVID-19 pandemic. Deborah Cadman recognised this and indicated that work was currently being undertaken to analyse Public Health England's recent report on this issue, which would help to understand the causes and shape the recovery work that would be undertaken. Aisha Masood drew attention to the impact on youth unemployment, especially graduate students entering the jobs market and being unable to secure a job. Julia Goldsworthy reported that the WMCA was working closely with the university sector to help develop a support package to address these concerns.

Councillor Cathy Bayton stressed the importance of having a clear understanding of the different sectoral challenges, particularly as furlough arrangements ended and the economic impact on individuals became more apparent. She also stressed the importance of understanding differential sub-regional impacts, rather than imposing one-size-fits-all solutions.

The committee requested further information on the work of the WMCA in respect of 'social recovery' in addition to the economic recovery work that had been outlined. Members also wished to see in more detail the data and evidence base that had helped form the investment 'asks' to Government.

It was recommended to the WMCA Board that:

- (1) The presentation be noted.
- (2) Further consideration of the investment case being submitted to Government for additional funding for economic recovery within the region be given at the next meeting of the committee, following discussions between the Chair and Chief Executive as to the most effective way to undertake this.

51. Scrutiny Review: ‘Effectiveness of Transport Delivery Committee in Overseeing the Delivery of WMCA Transport Policies’ - Progress Update on Recommendations

The committee considered a report of the Head of Governance, Clerk and Monitoring Officer on how the recommendations arising out of the transport governance scrutiny review would now be taken forward following the approval of these recommendations by the WMCA Board.

The report sets out the progress made to date in respect of the proposals to establish a Strategic Transport Board and a Transport Scrutiny Sub-Committee, along with a refresh of the Transport Delivery Committee. The committee stressed the importance of implementing the recommendations considering the upcoming challenges and ensuring there was rigours scrutiny transport policy making and delivery.

It was recommended to the WMCA Board that:

- (1) The work programme taking forward the recommendations arising out of the Transport Governance Review be noted.

52. Forward Plan

The committee noted a forward plan on items that were to be reported to future meetings of this committee and the WMCA Board.

53. Monday 13 July 2020 at 10.00am

The date of the next meeting was noted.

The meeting ended at 12.10 pm.

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**West Midlands
Combined Authority**

Strategic Economic Development Board Meeting

Wednesday, 17 June 2020 at 12.00pm

Minutes

Members

Greater Birmingham & Solihull LEP
Black Country LEP
Coventry & Warwickshire LEP
Cabinet Portfolio - Economy &
Innovation
Solihull MBC
Warwickshire County Council
West Midland Growth Company

Tim Pile (in the Chair)
Tom Westley
Sarah Windrum

Councillor Ian Brookfield
Councillor Karen Grinsell
Councillor Peter Butlin
Matthew Hammond

Officers in Attendance

Black Country LEP
Black Country LEP
Coventry & Warwickshire LEP
Greater Birmingham & Solihull LEP
City of Wolverhampton
Energy Capital
Solihull MBC
West Midland Combined Authority
PWC
PWC
PWC
PWC

Sarah Middleton
Prof Delma Dwight
Paula Deas
Katie Trout
Tim Johnson
Matthew Rhodes
Perry Wardle
Julia Goldsworthy
Lisa Hamilton
Ian Martin
Tim Martin
Rebecca Riley
Jonathan Skinner
Jodie Townsend
Mark Ambler
Vikki Holland
Tara Shrestha Carney
Jing Teow

**Item
No.**

64. Apologies for absence

Apologies for absence were received from Nick Abell, Prof John Latham and from Councillors Adrian Andrew, Ian Courts, George Duggins, Angus Lees, Izzi Seccombe and Ian Ward.

65. Declarations of Interest

Matthew Hammond declared his interest in Minute 71 Economic Recovery Plan, as Chairman of the Midlands Region and Senior Partner at PWC, as PWC had been commissioned to lead on the work.

No other declarations were made.

66. Notes of the Strategic Economic Plan Board Meeting held 20th May 2020

Resolved:

That the notes of the meeting held on the 20th May 2020 be approved as an accurate record.

67. Forward Plan

Resolved:

That the Forward Plan be updated and noted.

68. Terms of Reference

The Chair advised that the CA was currently updating their Assurance Framework and that the Recovery Plan was the current priority.

Katie Trout advised work had been taken to refresh the Board's Term of Reference in light of the focus on economic recovery and to review the membership of the Board.

Primarily the amendments included an increase in private sector membership and an increase in academic sector representation to include two universities and FE College. The aim was to retain that membership at 20, in line with the National Assurance Framework provisions, however if there was to be an increase in political membership then the size of the Board would need to be greater than 20. She advised that the Board would meet as regularly as required. It was noted that these proposed revisions needed to be undertaken in the context of a wider CA review of their Assurance Framework and all Theme Boards.

Jodie Townsend advised that the CA were working with central Government to provide a revised Single Assurance Framework (SAF), the theme groups would have a series of core roles to support the SAF, Annual Business Plan priorities, as well as a continuing management and advisory role for their portfolio area.

Tim Martin added that he felt that this had been a useful exercise to provide for discussion. He commented that a Board of 20 was already quite a large number.

The Chair advised that the Board already received a large number of apologies thus his view was that a slightly larger Board provided the opportunity, especially with the right balance of members would ensure better attendance.

Cllr. Karen Grinsell queried what the proposed numbers Katie Trout advised that for elected Members it was proposed to have 2 members per LEP geographical area, 1 member from a non-constituent borough and the Portfolio lead at the CA.

Julia Goldsworthy queried the mechanics of appointing the private sector members such as ensuring key sectors were represented, the business base and diversity. She stated that the agenda was fast moving and related to the wider recovery in the region, highlighting other groups involved to include the Mayor's Business Advisory Group.

The stated that he wanted to ensure that the SED Board remained for purpose and in regard to membership advised that his view was that it should reflect the geography and sectors represented. Whilst Matthew Hammond represented the WM Growth Company, there was a need for greater representation from the Business and Professional Service sector. He stated that the 3 LEP Boards had a mix of private sector representation.

Councillor Peter Butlin stated that in respect of the private sector representation, the big companies had direct access to Government thus his view was that representation should come through the SMEs, utilising the Federation of Small Businesses, Chambers of commerce etc. It was noted that there should also be consideration of the number of employees a representative company had.

Sarah Windrum, attending as alternate for Nick Abell, echoed the comments of the Chair in that each LEP knew their geography's strengths and thus the representatives could come through LEPs and the Growth Hubs. She noted that Create Central were on the Screen Industry Body and suggested that they could be used as business representation.

Katie Trout stated that the LEPs had a good geographical and business split plus the university sector representatives on LEPs also had links with sectors.

Councillor Ian Brookfield welcomed the review as a start but commented that there were too many proposed changes at present with new people and new businesses to come onto the Board.

Jodie Townsend stated that her role in the overall SAF review was emerging and that this report and suggestions represented a good background to her work.

Whilst the Chair recognised that, he highlighted that the SED Board was already established differently to other CA Boards, in that as well as business representation the Board had included University representation.

Julia Goldsworthy suggested that the emerging governance review work for the CA be shared with the Chair and noted that further discussions could be undertaken with Jodie Townsend, to inform the final SAF.

Resolved:

- 1) That the update be received and noted; and
- 2) That officers of the CA keep the Chair and LEP representatives appraised of the work being undertaken on the SAF and, more specifically, the SED Board Terms of Reference work.

Economic & Innovation Portfolio

69. West Midland CA Covid Economic Monitoring – WM Redi weekly monitor and the updated SED Board Economic Dashboard

Prof Delma Dwight and Rebecca Riley were in attendance to provide economic monitoring reporting.

Rebecca Riley advised that the WM Redi weekly monitor was published each Friday and asked that Members review the issues the information focused on and if there was anything else felt to be required. She advised that in 2008/09 the WM had taken the biggest economic hit but had also come out of their recession the quickest and the current data coming out was that WM was again the worst hit region with the higher education, automotive and supply chain sectors all taking a hit. A lot of people were furloughed and there was a lot of uncertainty, with a number of redundancy announcements imminent. She agreed to send the updated dashboard when published.

It was noted that detailed mapping was being undertaken on furloughed employees, which equated to 0.5million across the CA region, representing 26.9% of people in employment.

The Chair expressed concern for youth employment and hoped that the region could drive a strong economic recovery.

Councillor Peter Butlin referred to his experience and advised that Warwickshire County Council had seen a large increase in planning applications, highlighted that there had been a spike in patent registrations and new business start-ups. He commented that he felt there was confidence across businesses.

The Chair welcomed the optimism and stated that whilst he hoped the region would come out stronger, it would be different.

Resolved:

- 1) That Officers and PWC the WM Redi weekly monitor and the updated SED Board Economic Dashboard be circulated to Members; and
- 2) That the data submitted and comments thereon be noted.

70. State of the Region - Approach

Rebecca Riley outlined the paper and what the team were trying to achieve in a compressed timescale. She highlighted the sources of data and that given the 3-month time-lag, at present did not assist with the current situation. It was noted that horizon scanning would be necessary to consider the impact of the crisis and what outcomes would be required. She advised that the local authority data collated at a regional level would be helpful.

The Chair noted the aim was to publish the document in July and asked that the first draft be shared with him and the Board.

Resolved: That the Board receive a draft of the State of the Region report.

71. Economic Recovery Plan

- Overall approach
- Immediate proposition to Government
- Roadmap
- Sub-regional activity

Julia Goldsworthy advised that there was a Fiscal event scheduled on 7th July, which would require immediate propositions ready for Government but also a developing road map to mobilise support for a longer-term recovery.

Mark Ambler, PWC, referenced the focus on Propositions and Packages, highlighting that the initial pipeline of projects grew to 170 projects. Thus, there had been a need to consider which projects were ready to go with tangible activity; the material impact of a project; and did they provide a coherent transformational package to help the WM recover from the pandemic.

He referenced the following three Recovery Drivers: -

- 1) Green Growth and Electrification
- 2) Making the most of Our Assets
- 3) Data driven health and life sciences and a healthy workforce

The following three Enablers: -

- 1) Digital and physical connectivity
- 2) Housing
- 3) People, Skills and Employability

Mark Ambler advised that each of these were cross cutting themes and that draft business cases were being produced for the identified interventions and referenced the outputs being produced for Government and Local Authority audiences.

The Chair advised that there was a need to see the scale and ambition of the recovery plan.

Cllr. Karen Grinsell highlighted the need for early wins, such as HS2, but also the need to target youth unemployment. It was noted that a detailed text version had been shared with Members for comment.

Sarah Middleton asked what aspects of the programmes had been picked up, referencing Very Light Rail as an example. She stated that there was a need to understand what was included and what was excluded, so that local authorities' and LEPs could identify the gaps and consider other funding packages available, if required.

The Chair agreed that it would be good for all to understand and asked if there was a process for feedback. Julia Goldsworthy advised that there was a draft content and design for each key package, with a two-page underlying summary. The Chair understood it represented a start but stated that for local authorities, LEPs and the university partners, there was a need for them to see the detail.

Councillor Peter Butlin stated that Germany had provided €134BN for their recovery and commented that whilst £3BN appeared to be a lot, given what the region contributed to the economy, there was a need to be ambitious with the recovery plan.

Councillor Karen Grinsell referenced the plans for the older unemployed and Jing Teow advised that there were three strands to the plan – Young People; WM Back to Work – helping older workers back into work through retraining i.e. logistics and the health and care sector; and Future Jobs i.e. upskilling workers for green growth, construction and digital.

The Chair advised that the Health and Care Sector alone had 1.5million employees across the region and asked about the next steps. Julia Goldsworthy advised that the Plan would go back through to the Economic Impact Group, incorporating the comments of the Board. The Chair advised that the more information shared with the Board would in turn enable the Board to be more supportive for officers.

In respect of the longer-term recovery road map the meeting was advised that Vikki Holland at the PWC had been leading on this element of the overall plan for the region.

On a question posed regarding what success would look like in delivering economic recovery, the Chair advised that in respect of delivering the carbon zero agenda, success would feature a strong sustainable element. He added that Members should provide feedback off-line through Julia Goldsworthy on the Roadmap slides.

Matthew Hammond and Julia Goldsworthy referenced the scale of support and ambition in the plan but advised that the plan also needed to be credible. Thus, there was a balance regarding maximising the scale of the plan against the speed of access to necessary resources.

The Chair commented that there was a need to be ambitious and be seen to be ambitious for the fiscal event on 7th July and also for the Autumn spending review.

Sarah Windrum advised that she would wish to see more emphasis on capital investment in place i.e. housing.

Julia Goldsworthy advised that the CA were working closely with LEPs and local authorities for the longer-term ambitions and impact. The Chair advised that he would welcome a “heat map” to understand the economic impact across the region of the proposals thus far.

Julia Goldsworthy advised that another impact would be the latest economic data and the impact on jobs. The Chair advised that jobs need to be the number one deliverable for the region. Mark Ambler advised that for construction the interventions should provide for 75,000 jobs, whilst non-construction would be between 55-65,000 jobs.

Resolved: that the PWC and officers consider the comments of the Board Members detailed in the above narrative and incorporate them into the Economic Recovery Plan.

72. Notes for WMCA Energy Capital Board held on 4th March 2020

The Chair noted that Matthew Rhodes had joined the meeting. Matthew Rhodes advised that the Minutes of the WMCA Energy Capital Board held on 5th March 2020 were submitted for the Board’s information.

Resolved: that the minutes of the WMCA Energy Capital Board held on 5th March 2020 be received and noted.

73. Notes for WMCA Innovation Board held on 5th March 2020

The Minutes WMCA Innovation Board held on 5th March 2020 were submitted for the Board’s information.

Resolved: that the minutes of the WMCA Innovation Board held on 5th March 2020 be received and noted.

74.

Date of Next Meeting

Resolved: that it be noted that the next meeting would be held in the next month 23rd July 2020.

The meeting closed at 1.25pm

Chair



Environment Board

Thursday 25 June 2020 at 10.30am

Minutes

Present

Councillor Ian Courts (Chair)
Councillor Oliver Butler
Councillor Maria Crompton
Councillor Ian Kettle
Councillor Andy Mackiewicz
Councillor Barbara McGarry

Portfolio Lead for Environment, Energy & HS2
Walsall Metropolitan Borough Council
Sandwell Metropolitan Borough Council
Dudley Metropolitan Borough Council
Solihull Metropolitan Borough Council
City of Wolverhampton Council

In Attendance

Alex Chapman
Ed Cox
Councillor Peter Fowler
Cheryl Hines
Jackie Homan
Nicola Jones
Jasmeet Phagoora
Richard Rees
Callum Ringer
Claire Williams

New Economics Foundation
West Midlands Combined Authority
Overview & Scrutiny Committee
Energy Capital
West Midlands Combined Authority
West Midlands Combined Authority
New Economics Foundation
West Midlands Combined Authority
West Midlands Combined Authority
Transport for West Midlands

8. Apologies for Absence

Apologies for absence were received from Councillor Jim O'Boyle (Coventry) and Councillor Waseem Zaffar (Birmingham).

9. Chair's Remarks

(a) Environmental Thread Running Through COVID-19 Recovery

The Chair referenced the work of the WMCA that focussed on the economic recovery of the West Midlands from the COVID-19 pandemic, and noted that there was a strong environmental thread running through much of this work, including brownfield land remediation and work to bring a Gigafactory to the region. This pointed to a key role in the coming months for the environment portfolio and this board.

10. Minutes

The minutes of the meeting held on 27 February 2020 were agreed as a correct record.

11. WM2041: A Programme for Implementing an Environmental Recovery

The board considered a report from the Director of Public Service Reform and the Head of Environment outlining the feedback that was received from the consultation on the WM2041 plan, along with the next steps that were proposed to be taken in order to progress regional work responding to the climate emergency.

The WM2041 green paper was formally launched at an event on 23 January, which began the period of consultation. This ran until 12 March and, during this time, a significant amount was done to publicise the document and promote the opportunity to provide comment and input into it. As a result of the consultation, 415 people were reached through the questionnaire hosted on the WMCA's website, 401 people through the Facebook Messenger chatbot, 16 people through the Democratic Society workshops, and 31 businesses and organisations. The responses to the consultation drew attention to several cross-cutting issues around finance, engagement, behaviour change, communications, monitoring and reporting. The report set out how these would then be taken forward.

The Chair stressed the importance of identifying how success would be measured with each of these workstreams. There was also an important role for the WMCA in working through tensions that might exist within communities or businesses that could be resistant to the societal changes needed.

Resolved:

- (1) The next steps for the delivery of WM2041, as outlined in the report and signed off by the WMCA Board on 5 June 2020, be noted.
- (2) It be noted that the WMCA Board agreed that this board should take over the decision-making and overview of progress on work on WM2041.

12. Energy Transition

The board considered a report from the Director of Public Service Reform and the Director of Energy Capital highlighting the need to ensure that the region's energy infrastructure could enable the delivery of a net zero West Midlands by 2041, as part of the WMCA's Climate Change Delivery Plan.

Work being undertaken by Energy Capital since 2018 had led it to conclude that energy infrastructure costs and investment mechanisms were a barrier to regional economic growth in the West Midlands, and particularly its ambitions for a green and equitable recovery. It was intended therefore to instigate a process with Western Power Distribution, which was recognised by OFGEM, to demonstrate how greater regional understanding and governance of energy infrastructure could enable a green and equitable recovery in the region and support the national energy system's path to net zero. In order make any difference over the next six years, Energy Capital would need to influence the upcoming price control mechanism. This meant starting to work with, and influence, Western Power Distribution and OFGEM during the summer of 2020, when OFGEM would publish its sector specific guidance on how the key aspect anticipatory investment would be addressed.

The Chair welcomed the report on this key issue, and stressed the importance of explaining it to stakeholders outside the sector in an accessible manner that highlighted its importance in driving sustainable growth. He undertook to meet with the Director of Energy Capital in the coming weeks to consider further how this board and the WMCA could support the issues identified.

Resolved:

- (1) The role of energy infrastructure as a foundation of clean economic growth in the West Midlands and in supporting the region's recovery and decarbonisation objectives at the lowest cost to the region be recognised.
- (2) Energy Capital be endorsed to seek external funding for the projects identified in the report to address energy infrastructure issues in the region equitably.
- (3) The WMCA be encouraged to engage with the Department for Business, Energy & Industrial Strategy on energy devolution and to seek its inclusion as part of the forthcoming White Paper on Devolution or any other appropriate initiatives, including the 'Distributed Level Future Energy Scenarios' process regulated by the Office of Gas & Electricity Markets, in support of the region's growth and decarbonisation plans.
- (4) Energy Capital be approved to work with the wider WMCA to secure investment into a revolving financial mechanism to support green infrastructure investment.

13. Funding Opportunities: Clean Growth Innovation Challenge and Community Green Grants

The board considered an update from the Director of Public Service Reform and the Head of Environment on proposals to make funding available to small and medium-sized enterprises to develop green initiatives or ideas to a scale that would enable them to be brought to the market. Discussions were currently being held with West Midlands 5G Ltd on the funding of these grants.

The board also received a presentation from Alex Chapman and Jasmeet Phagoora from the New Economics Foundation on a study they had undertaken on the public use of urban green space during the COVID-19 pandemic. Evidence had suggested that poorer areas had a lack of access to green spaces, and further studies were being undertaken on the proximity, accessibility and quality of green spaces and the wider health implications for communities. The New Economics Foundation was now working with local authorities in drawing up a series of recommendations. Ed Cox highlighted the potential value of this study in identifying local 'hot spots' that may benefit most from Community Green Grants.

The Chair recognised that there were significant land use planning implications arising out of this work, but looked forward to a further report being submitted to the next meeting of the board.

Resolved:

The updated be noted, and the New Economics Foundation be thanked for their informative presentation.

14. WM2041: Introduction to Circular Economy Project

The board considered a report from the Director of Public Service Reform and the Head of Environment on an overview of the upcoming work on holding workshops with key stakeholders, forming a Task Force and producing a Circular Economy Routemap for the West Midlands.

In June, the WMCA Board approved 'WM2041: A Programme for Implementing an Environmental Recovery' which included the need to establish a Circular Economy Taskforce for the West Midlands and produce a routemap to identify the possible benefits from a circular economy approach for the region, as well as the priorities to begin a local movement across different sectors and how this could be scaled up over time. Rather than depend on linear and extractive processes, the circular economy encouraged repair, reuse and regeneration. As resource productivity was maximised, waste streams were redirected, pushing the economy towards a closed-loop, zero waste system. This was further coupled with a transition to renewable energy, allowing the circular economy concept to redefine growth and build economic, natural and social capital.

The Chair stressed the importance of identifying measurable objectives and quick wins that could be achieved, recognising that there were significant behavioural issues that needed to be influenced by this workstream.

Resolved:

- (1) The next steps in the production of the West Midlands Circular Economy Routemap be agreed.
- (2) Any stakeholders critical to include in the workshops and Taskforce be identified.

15. Active Travel

The board considered an update from the Cycling & Walking Manager on the bids submitted for funding from the Emergency Active Travel Fund. This was a national £2bn Government fund, of which £17.2m would be allocated to the region. Tranche 1 of the fund would be for schemes that were able to be delivered within eight weeks of the award of funding. The WMCA submitted 51 bids on behalf of the seven constituent authorities to provide for pop-up cycle lanes, modal filters and pavement widening across a total of 23 miles of routes. The WMCA was working closely with cycling and walking partners in preparing the bids, and the results of the tranche 1 schemes were expected later in the day.

An update would be presented to the next meeting of the board on the outcomes of these bids.

Resolved:

The update be noted.

16. WM2041 - Five Year Plans

The board considered a report from the Director of Public Service Reform and the Head of Environment on an overview of the upcoming work on a Five Year Plan to begin to deliver on the WM2041 ambitions for the West Midlands.

In June, the WMCA Board approved 'WM2041: A Programme for Implementing an Environmental Recovery' which set out the urgent activity and need for the WMCA and stakeholders to produce five-year delivery plans with targets, to include interim carbon budgets and other metrics in support of delivering the zero carbon target for the West Midlands by 2041. The first Five Year Plan would:

- Provide an evidence based spatial plan, linking up potential delivery projects and investments and group them into type/location across the West Midlands region to ensure an efficient, cost-effective and prioritised approach to WM2041 delivery;
- Create a common vision for stakeholders with a strategic plan, policies and outline practical devolution opportunities;
- Outline different routes to delivery and where this would be led by communities, local authorities, the WMCA, the private sector, or a mixture;
- Outline the funding sources, financing and investment to deliver the Five Year Plan;
- Represent a step change in the way the region worked together to deliver against environmental priorities for an inclusive, prosperous and fair transition to a net zero carbon emissions society and economy.

The WMCA was working with local authorities to determine how they best wished to be engaged in the five year plans so as to ensure that the region's work was co-ordinated up to 2041. Further reports on the production of the five year plans would be submitted to future meetings of the board.

Resolved:

- (1) The next steps identified within the report be approved.
- (2) The timetable for the Five-Year Plans be approved.

17. Environment Board Terms of Reference

The board considered a report from the Head of Environment on its focus as part of its annual review of its terms of reference, and to consider amendments to the terms of reference to ensure the board was best able to fulfil its role.

The synergies between the work on environment and energy mean that this board would benefit from becoming the Environment & Energy Board, receiving updates and making decisions on the work on WM2041 as well as work undertaken by Energy Capital. Up until now, Energy Capital had only reported into the Strategic Economic Delivery Board but much of its work aligned with WM2041, eg. on retrofit, electric vehicle charging infrastructure and the regional energy transition.

The discussion on the terms of reference needed to be had in the context of the ongoing work the WMCA was doing to develop a Single Assurance Framework. This framework would provide a single set of systems, processes and protocols designed to provide an evidence-based and independent assessment of the governance, risk management and control processes of the WMCA. It was intended to submit a report on the Single Assurance Framework across all boards to the WMCA Board on 24 July.

The Chair welcomed the review of the board's terms of reference, proposing that its membership be expanded to include representatives from Energy Capital and the Environment Agency. He also wished to see biodiversity to be included within this board's specific remit.

Resolved:

- (1) The future focus of the Environment Board, including agreeing the change of name to the Environment & Energy Board, and including representatives from Energy Capital and the Environment Agency within its membership, be approved.
- (2) The workstreams of the Single Assurance Framework project that had implications for the terms of reference of this board be noted.

18. West Midlands National Park Memorandum of Understanding

The Head of Environment reported that Birmingham City University had developed the concept of a 'West Midlands National Park'. It was intended that the WMCA would formalise its involvement in this initiative through a Memorandum of Understanding, which would be the subject of a full report to a future meeting of the board.

Resolved:

The update on the West Midlands National Park initiative be noted.

The meeting ended at 12.40pm.



Housing & Land Delivery Board

Monday 6 July 2020 at 10.00 am

Minutes

Present

Councillor Mike Bird (Chair)

Councillor Sharon Thompson

Councillor Jacqueline Sweetman

Bill Blincoe

Councillor Angus Lees

Marc Liddeth

Simon Marks

Councillor Julie Jackson

Councillor Joanne Hadley

Councillor Ian Courts

Councillor Daren Pemberton

Councillor David Wright

Kevin Rodgers

Councillor Cathy Bayton

Walsall Metropolitan Borough Council

Birmingham City Council

City of Wolverhampton Council

Coventry and Warwickshire LEP

Dudley Metropolitan Borough Council

Environment Agency

Greater Birmingham and Solihull LEP

Nuneaton & Bedworth Borough Council

Sandwell Metropolitan Borough Council

Solihull Metropolitan Borough Council

Stratford on Avon District Council

Telford and Wrekin Council

West Midlands Housing Association

Partnership

Overview and Scrutiny Committee

In Attendance

Richard Lawrence

David Harris

Rachel-Ann Atterbury

Jack Averty

Gareth Bradford

Carl Craney

Neil Elkes

Rob Lamond

Stephen Manners

Tim Martin

Gurdip Nagra

Alex Read

Lyndsey Roberts

Meera Sonecha

Patricia Willoughby

City of Wolverhampton Council

Transport for West Midlands

West Midlands Combined Authority

Item No.	Title
1.	Apologies for Absence (if any) Apologies for absence had been received from Sarah Middleton (Black Country Local Enterprise Partnership), Councillor George Adamson (Cannock Chase District Council), Councillor Robert Macey (Shropshire Council) and Councillor Peter Butlin (Warwickshire County Council).
2.	Notification of Substitutes (if any) No notification of Substitute Members had been received.
3.	Declarations of Interests (if any) No declarations of interests were made relative to items under consideration at the meeting.
4.	Minutes of last meeting
	Resolved: That the minutes of the meeting held on 27 April 2020 be confirmed as a correct record and signed by the Chair.
5.	Housing and Land: Update on Economic Recovery Strategy Gareth Bradford introduced a report which updated the Board on progress made by the WMCA Housing and Regeneration Team since the last Board meeting working closely with partners in local authorities, the private sector and a series of expert taskforces, to develop the Portfolio Economic Recovery Strategy and Intervention Plan commissioned by the Board in response to the challenges and opportunities brought about by the Covid-19 pandemic. The Board received a complimentary PowerPoint presentation from Rob Lamond which provided further information on this work and its purpose/remit and how it directly informed the refreshed Portfolio Business Plan. Councillor Joanne Hadley commented that as the 'lockdown' was lifted, she was concerned as to the likely increase in the number of homeless people and those who could be ejected from temporary Bed and Breakfast accommodation and that this should be considered in this work. Rob Lamond explained that this issue was addressed in the Strategy/Plan and that working with the Homelessness Task Force, bids would be made by WMCA to the capital fund launched by the Government. Rob Lamond identified opportunities for investigating funding regionally for accommodation for that cohort which was to be provided.

Councillor Angus Lees sought clarification as to when the funding would be made available from the Government to support this Portfolio Recovery Strategy and Interventions Plan and the proposed approval mechanisms to enable schemes to be implemented. Rob Lamond advised that the Comprehensive Spending Review was expected in Autumn and that further announcements on funding were anticipated in the coming weeks building on the recent brownfield funding announcement. This would afford an opportunity for appropriate business cases to be developed over the summer period linked to the recovery strategy for submission to HMG with updates on the business cases provided to future meetings of this Board.

Councillor Cathy Bayton raised the issue of the possible conversion of redundant office buildings to residential accommodation under Permitted Development rights, without the benefit of planning permission or any requirement of developers to make appropriate contributions towards the provision of essential infrastructure such as roads or health facilities. She asked that the WMCA make it clear that this permitted development was not its preferred option to address the current housing shortage in the region. The Chair advised that whilst it was not his preferred option, he understood that this change had now become put forward as part of amendments to planning legislation.

The Chair went on to highlight the Government proposed reforms to the planning system and the potential regional impact. He emphasised the importance of a coordinated response. He referred to the commission from the Board for a report on 'Town Centre Living' for consideration at a future meeting of this Board.

Gareth Bradford added that the 'ask' to Government from the Covid-19 recovery work was not expected to be limited to requests for additional finance but also for an opportunity to influence policy, guidance or legislation. Councillor Daren Pemberton enquired whether the WMCA would be lobbying Government in relation to the proposed reforms to the planning system and providing a single regional response rather than separate responses from each local authority. Gareth Bradford sought the Board's steer on this agenda item given the WMCA did not have statutory planning powers and it was a very sensitive topic. The Chair's steer was that the planning reforms and the region's response to it should be considered as part of the Recovery Plan programme of work.

Resolved:

1. That the draft Housing and Land Economic Recovery Plan document, as appended to the report, be approved as a positive way forward in response to the Covid-19 challenges and for framing the Housing and Land Board Business Plan revisions;
2. That the excellent engagement and on-going development of the Portfolio Recovery Strategy and Implementation Plan through strong collaboration with local authorities, LEPs, and expert advisory groups and task forces be noted;
3. That the next steps for this work be noted;

4. That the Government's planning reforms and the region's response to it should be considered as part of the Recovery Plan programme of work.

6. Advanced Manufacturing in Construction: Update

By way of an introduction to this matter, Gareth Bradford reported that the WMCA was at the forefront of discussions on Advanced Manufacturing in Construction (AMC) nationally and that positive discussions with the Government had been conducted on a £50 million 'ask' which was referred to in the recent £3.2bn Investment Case Document. Rachel-Ann Atterbury then presented her report and gave a PowerPoint presentation which updated the Board on research which was being undertaken as part of the joint work by the public and private sector partners to develop a comprehensive AMC strategy and roadmap throughout 2020.

The Chair welcomed the information contained in the report and the presentation but asked what steps were being taken to encourage manufacturing companies to locate in the West Midlands. These remarks were echoed by Councillor Ian Courts who advised that he had accompanied the WMCA Mayor on a visit to Hadley's to view the steel components to be used in AMC. He commented on the need to attract those companies which could achieve scale and flexibility of construction. The Chair also requested that, in future, presentations be circulated in advance of meetings in order to afford members an opportunity to consider the detail in advance. Gareth Bradford undertook to ensure that future presentations were circulated wherever possible, in advance of meetings. He advised that Officers were working with the West Midlands Growth Company to support companies to locate / relocate in the region.

Councillor Jacqueline Sweetman supported the comments made previously but sought an assurance that a co-ordinated approach to AMC provision would be taken in order to ensure that the inward investment plans of local authorities were not compromised. She also requested further information on plans for discussions with training providers and the market intelligence information, as requested at the last meeting. Councillor Daren Pemberton asked whether the proposed Housing Delivery Vehicle would have a role in the utilisation of AMC. Gareth Bradford confirmed that the Delivery Vehicle would have a role to play and reminded the Board that the WMCA had the advantage over other regions inasmuch as it had a Single Commissioning Framework with its requirement for use of AMC methods and a pipeline of sites to which AMC could be deployed. The Chair commented that the WMCA had a role to play in promoting AMC including assisting with the provision of financial assistance in locating manufacturing facilities in the region. Gareth Bradford reported this was where the £50m ask of HMG was important as a step in that direction.

Resolved:

1. That the update on the AMC research undertaken to date, which informed the development of a comprehensive AMC routemap and strategy, which would be submitted to the next meeting of the Board, be noted;

2. That the excellent collaboration and support from the AMC Working Group of local authority Officers and the AMC Expert Panel (Chaired by Mark Farmer), on this research and the joint development of the wider regional AMC routemap and strategy, which would be submitted to the next meeting of the Board, be noted;
3. That the 'ask' to Government for £50 million 'enabling funding' to support the development of the AMC Industry in the West Midlands (land, skills, and facilities), as set out in the Investment Case Document submitted to Government by the West Midlands on 23 June 2020, be noted;
4. That a future report include details of discussions with training providers and on market intelligence;
5. That any presentations to be made to future meetings of the Board be circulated, wherever possible, in advance.

7. 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).

8. Affordable Housing Delivery Vehicle: Update

Gareth Bradford referred the Board back to the history of the Affordable Housing Delivery Vehicle and that the programme of work remained on schedule for an Autumn 2020 launch, subject to due diligence and business case. Rob Lamond then presented a comprehensive report which sought approval to the proposed Memorandum of Understanding (MoU) between the WMCA and six regional housing associations as a key stepping-stone to the launch of the Delivery Vehicle. He explained that this formed the next stage of progress in developing the Board's proposal to establish a new Affordable Housing Delivery Vehicle with Registered Providers operating in the West Midlands. Rob Lamond referred the Board back to the purpose of the Vehicle agreed previously by this Board which was to unlock challenging brownfield opportunities in the region which would not come forward through other means and to thus deliver genuinely additional affordable housing supply – providing added value to the work of the WMCA under the Single Commissioning Framework, local housing partnerships, Homes England and local authorities on affordable housing delivery. The proposed MoU set out the rationale, principles and structure of the proposed Vehicle as agreed previously but would not be a legally binding agreement. The Heads of Terms would be finalised and submitted for endorsement to a future meeting of this Board.

The Chair referred to that part of the MoU which referred to the admission of new parties requiring the consent of the WMCA and suggested that the wording needed to be more specific, for example: approval by the WMCA Board or this Board or through delegated authority being granted to the Director of Housing and Regeneration.

Councillor Joanne Hadley expressed concern that the Vehicle could operate in competition with similar Vehicles established by local authorities. Rob Lamond explained that the purpose of this Vehicle was to bring additionality and to assist in delivering those sites which had stalled and would not be delivered without its involvement. He advised that it would not operate in competition with other similar Vehicles. Councillor Darren Pemberton was not convinced and suggested that the Principles of Collaboration needed detailed work to address this issue.

Gareth Bradford assured the Board that the WMCA would continue to work closely with all local housing associations and local authorities so that the vehicle brought genuine additionality. It would concentrate on those matters over and above that which Registered Providers did now, over and above what the WMCA did through its Single Commissioning Framework and over and above what other local housing delivery vehicles would do. He reminded the Board that this was the Memorandum of Understanding stage and that future reports would address how the Vehicle would operate in practice. Kevin Rodgers advised that the Vehicle would secure the construction of housing units which would then be passed on to the most appropriate housing provider to manage.

Resolved:

1. That the proposed Memorandum of Understanding between the West Midlands Combined Authority (WMCA) and the West Midlands Housing Association Partnership Investments (WMHPI), as appended to the report, be approved with a view to establishing a corporate joint venture whose primary objectives would be to develop and build additional new affordable housing in the West Midlands subject to a further report addressing the matters now referred to i.e. wording relating to admission of new parties and details ensuring that the Vehicle would not operate in competition with other local authority housing Vehicles;
2. That the legal basis of the MoU as a statement of intent and not a legally binding agreement be noted.

9. Brownfield Land Funding

Gareth Bradford reported on the award to the WMCA by the Government of £84 million, to be administered through WMCA's Single Commissioning Framework, for the remediation of brownfield land and on the intention to submit a further bid for the remaining £40 million in the Fund. WMCA was been leading the charge nationally for this funding for over a year so it was encouraging to see it coming forward. In response to a question from Councillor Angus Lees, Gareth Bradford confirmed that the monies had been allocated to the WMCA to deploy through its Single Commissioning Framework. The Chair commented that the award of new brownfield funding once again demonstrated the Government's confidence in the WMCA's delivery record, ability to deliver on land remediation, its commission framework and the use of such land for housing provision. The Chair also emphasised this should be viewed as a key success story for this Board.

The meeting ended at 11.05 am.

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Public Document Pack Agenda Item 20



**West Midlands
Combined Authority**

Overview & Scrutiny Committee

Monday 13 July 2020 at 10.00 am

Minutes

Present

Councillor Lisa Trickett (Chair)	Birmingham City Council
Councillor Cathy Bayton (Vice-Chair)	Association of Black Country Authorities
Councillor Richard Brown	Coventry City Council
Paul Brown	Black Country Local Enterprise Partnership
Councillor Chris Cade	Warwickshire Non-Constituent Local Authorities
Councillor Peter Fowler	Birmingham City Council
Councillor Angus Lees	Dudley Metropolitan Borough Council
Councillor Lucy Seymour-Smith	Birmingham City Council
Councillor Stephen Simkins	Association of Black Country Authorities
Councillor Kate Wild	Solihull Metropolitan Borough Council

In Attendance

Deborah Cadman	West Midlands Combined Authority
Paul Clarke	West Midlands Combined Authority
Louise Cowen	West Midlands Combined Authority
Dan Essex	West Midlands Combined Authority
Julia Goldsworthy	West Midlands Combined Authority
Councillor Julian Grubb	Worcestershire Non-Constituent Local Authorities
Linda Horne	West Midlands Combined Authority
Mohammed Lukeman	Young Combined Authority
Tim Martin	West Midlands Combined Authority
Aisha Masood	Young Combined Authority
Rebecca Riley	West Midlands Combined Authority
Lyndsey Roberts	West Midlands Combined Authority

Item Title

No.

54. Inquorate Meeting

Tim Martin, Head of Governance, Clerk and Monitoring Officer, indicated that this meeting was inquorate and therefore decisions taken at the meeting would be submitted to the WMCA Board on 24 July 2020 for formal approval.

55. Apologies for Absence

Apologies for absence were received from Councillor Ahmad Bostan (Sandwell Metropolitan Borough Council), Councillor Paul Sweet (City of Wolverhampton Council), Councillor Dean Carroll (Shropshire Non-Constituent Local Authorities), Councillor Mike Chalk (Worcestershire Non-Constituent Local Authorities), Mike Lyons (Greater Birmingham & Solihull LEP) and Councillor Diane Todd (Staffordshire Non- Constituent Local Authorities).

56. Minutes - 15 June 2020

The minutes of the meeting held on the 15 June 2020 were agreed as a correct record.

57. Matters Arising

Membership

The Chair welcomed Councillor Diane Todd as the Staffordshire non-constituent local authorities and Councillor Robert Grinsell as the joint Coventry/Solihull representative to the committee. She thanked Councillor Simon Peable for his input and engagement with the work undertaken by the committee.

The Chair asked that a letter be sent to both Councillor Simon Peable and Councillor Lynnette Kelly to thank them for their work and valued contributions made during the course of the year.

Mayoral Question Time: Connectivity – Response from the Mayor to recommendations presented to the WMCA Board on 5 June 2020

The committee noted the response received from the Mayor in respect of the issues it had identified following the Connectivity Q&A on 13 February 2020. The committee sought further clarity on funding allocation relating to the Emergency Active Travel Fund, of which will be provided by the Director of Finance. The issue relating to a change in policy for 16 – 18 Photocard Travel pass would be reviewed by the Transport Scrutiny Sub-Committee.

58. Covid-19 Regional Recovery

The committee received an overview of the work undertaken to date to respond, support and accelerate economic recovery from the Director of Strategy. An overview of the State of Region report was provided which provided analysis of the region's economic strength, weaknesses, opportunities and threats.

The committee also received information on the emergency economic response and measures taken at a national, local, regional and sub-regional level. Members were given an overview of regions investment case to Government which set out the key immediate asks of the Government from the West Midlands which totalled £3.2bn of investment over a three-year period. It was also recognised that the West Midlands had secured up to £66m for schemes to drive economic recovery and six areas had been identified to reset, rebuild, recharge, create and safeguard jobs for the West Midlands economy.

The Chair stressed the importance of ensuring that the pursued methods of growth for the region reflected and addressed the inequalities, ensuring a difference was made to communities and local economy. Further to the announcement relating to the £66m of Government funding awarded to the West Midlands, the committee was keen to have sight of the criteria being used to assess approved schemes going forward for approval to Government.

Councillor Cathy Bayton raised concerned that the schemes being progressed did not adequately address the retail and hospitality industry and questioned as to why the WMCA was seeking funding for a project such as the Creating Grand Central Diagnostics Hub at Birmingham New Street station that they had no responsibility over. The Director of Strategy assured the committee that schemes going forward were in collaboration with a range of institutions across the region and that the WMCA would often play a 'convening' role. The Director of Strategy undertook to confirm the delivering body for the diagnostics hub scheme.

Councillor Stephen Simkins indicated that work needed to be undertaken to address the delivery and financial impact the scheme being considered would have on local authorities, which were themselves facing financial pressures. The Director of Strategy understood the committee's concerns that the schemes taken forward did not address all areas, but the Recharge for West Midlands investment case was focused on projects that could be delivered within the current financial year, would deliver immediate impact in the real economy and would help the Governments priority of 'levelling-up.'

Councillor Cathy Bayton noted that a number of projects within the asks of Government, including the Dudley Interchange and Very Light Rail schemes, were essential projects to support local economic recovery and redevelopment and had previously been supported by the WMCA. The implications of these schemes now losing out on funding to other schemes would be significant. Councillor Angus Lees endorsed these comments. The Chair undertook to speak further with Black Country representatives on this committee about this issue.

Members of the committee stressed the importance of ensuring clarity between those scheme with existing funding commitments and those that were seeking the new funding sources targeted at post-Covid-19 regional economic regeneration.

The committee discussed a number of work areas it wished to pursue during the year. These included assessing the extend that projects contained within the Recharging the West Midlands investment case addressed structural needs within the region, ensuring that the brownfield land remediation funding contributed to local housing need, and a tracking document that mapped Government funding allocations against the 'asks' made with the regional investment case.

In addition, the Director of Strategy was asked to provide further details on the favourable assessment of achieving zero hunger within the State of the Region report, given the experiences of communities during the COVID-19 pandemic.

It be recommended to the WMCA Board that:

- (1) The report be noted.
- (2) Further work be undertaken to develop the actions and workstreams identified by members into a work programme for the committee for the coming year.

59. Transport Scrutiny Sub-Committee Governance Arrangements

The committee received a report from the Governance Services Manager informing it of the governance arrangements for the Transport Scrutiny Sub-Committee for 2020/21, including the appointment of a Chair for the sub-committee, its terms of reference and the appointments made by constituent authorities. It was noted that although non-constituent authorities representation was not reflected in the membership (which mirrored the membership arrangement of the Transport Delivery Committee and the Strategic Transport Board) invites would be made to attend meetings when it was considering items impacting on non-constituent areas.

It be recommended to the WMCA Board that:

- (1) The Terms of Reference for the Transport Scrutiny Sub-Committee be approved.
- (2) Councillor Cathy Bayton be appointed as Chair of the Transport Scrutiny Sub-Committee.
- (3) The members nominated by constituent authorities to sit on the Transport Scrutiny Sub-Committee as detailed in the report be noted.
- (4) The Monitoring Officer be given delegated authority, in consultation with the Chair and Vice-Chair of the committee to approve any subsequent minor changes to individual appointments made to the Transport Scrutiny Sub-Committee.
- (5) The timetable of meetings for 2020/21 be noted.

60. Forward Plan

The committee noted a forward plan of items that were to be reported to future meetings of the WMCA Board.

A briefing note that outlined the work programme for the forthcoming year would be circulated to the committee prior to its next meeting.

61. Date of Next Meeting

Monday 7 September 2020 at 10.00am.

The meeting ended at 11.45 am.

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Round up of Young Combined Authority (YCA) activity, July 2020

Helping to inform the region's recovery from Covid-19

The Mayor, Andy Street, and Councillor Brigid Jones (WMCA Inclusive Communities Portfolio Lead) were invited to join the YCA's meeting on 24 June 2020 for a discussion about the impacts of the coronavirus (Covid-19) crisis on young people.

YCA members shared their views about the impact of Covid-19 on them and their hopes & concerns for the future.

The YCA were also asked to talk about their priorities for recovery in the West Midlands. These ideas have been shared with WMCA Officers and the Regional Recovery Co-ordination Group (RCG) to inform recovery planning.

Black Lives Matter

At WMCA Board on 5 June 2020, Eman Mowatt read out the YCA's statement on Black Lives Matter. You can read it here at:

<https://twitter.com/wmyoungboard/status/1268574932180652034>

Stay up to date:

Twitter: @wmyoungboard

Instagram: @wmyoungboard

Email: Lucy.Gosling@wmca.org.uk

Last week we spoke to [@andywm](#) and [@brigidjones](#) about the impacts of the [#coronavirus](#) pandemic on young people and our thoughts on what the region should prioritise during recovery.

Read the thread 1/5

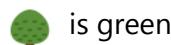
We spoke about our experiences... added anxieties disruptions to learning & uncertainty for the future feeling cut off without public transport and knowing how disadvantaged communities are being hit the hardest.

... Sound familiar? 2/5

We also highlighted opportunities that have arisen. How our natural world is recovering & our air is cleaner How many are finding a better balance between work & wellbeing How this could be a chance to improve education and skills

We shifted focus to the future. 3/5

We talked about hoping for a recovery that...



is green



boosts education, training and jobs



maximises on opportunities coming to the region



engages young people – gives us hope!



supports Mental Health and wellbeing



is inclusive

4/5

Thank you [@andywm](#) and [@brigidjones](#). It is so powerful to know that our voices are heard, and that our experiences and ideas will help to shape recovery in the West Midlands. We are excited to be [#BuildingTheFuture](#) together.

[#RunYourRegion #PowerOfYouth](#) 5/5

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Agenda Item 23

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

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