



WMCA Board

Date: Friday 19 March 2021

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

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

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

Councillor Izzi Seccombe
Tom Westley
Councillor David A Wright

Observers Awaiting Membership

Councillor Andrew Day
Mandy Thorn

Warwick District 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.	Chair's Remarks (if any)	Chair	None
4.	Minutes - 12 February 2021	Chair	1 - 8
5.	Forward Plan	Chair	9 - 10
Finance			
6.	Financial Monitoring Report 2021/22	Councillor Bob Sleigh	11 - 36
Environment, Energy & HS2			
7.	WM2041 Five Year Plan: 2021 - 2026	Councillor Ian Courts	37 - 146
Economy & Innovation			
8.	Economic Update and Next Steps	Councillor Ian Brookfield	147 - 172
Transport			
9.	Coventry Electric Bus City - Full Business Case	Councillor Ian Ward	173 - 182
Governance			
10.	Adoption of a Revised Code of Conduct for the Mayor and Members of the Combined Authority	Chair	183 - 202
Minutes			
11.	Housing & Land Delivery Board - 13 January 2021	Councillor Mike Bird	203 - 210

12.	Audit, Risk & Assurance Committee - 18 January 2021	David Lane	211 - 216
13.	Strategic Economic Development Board - 20 January 2021	Tim Pile	217 - 230
14.	Transport Delivery Committee - 8 February 2021	Councillor Kath Hartley	231 - 236
15.	Investment Board - 15 February 2021	Councillor Bob Sleigh	237 - 244
16.	Housing & Land Delivery Board - 3 March 2021	Councillor Mike Bird	245 - 250
17.	Audit, Risk & Assurance Committee - 4 March 2021	David Lane	251 - 258
18.	Public Service Reform Board - 4 March 2021	Councillor Maria Crompton	259 - 264
19.	Overview & Scrutiny Committee - 4 March 2021	Councillor Lisa Trickett	265 - 272
20.	Young Combined Authority - March Update	YCA Representative	273 - 274
Date of Next Meeting			
21.	Friday 11 June 2021 at 11.00am (AGM)	Chair	None



**West Midlands
Combined Authority**

WMCA Board

Friday 12 February 2021 at 11.00 am

Minutes

Constituent Members

Andy Street (Chair)

Councillor Bob Sleight (Vice-Chair)

Councillor Wasim Ali

Councillor Mike Bird

Councillor Ian Brookfield

Councillor Ian Courts

Councillor George Duggins

Councillor Patrick Harley

Councillor Brigid Jones

Councillor Abdul Khan

Councillor Ian Ward

Mayor of the West Midlands Combined
Authority

Solihull Metropolitan Borough Council

Sandwell Metropolitan Borough Council

Walsall Metropolitan Borough Council

City of Wolverhampton Council

Solihull Metropolitan Borough Council

Coventry City Council

Dudley Metropolitan Borough Council

Birmingham City Council

Coventry City Council

Birmingham City Council

Non-Constituent Members

Councillor George Adamson

Councillor Matthew Dormer

Councillor Julie Jackson

Councillor Tony Jefferson

Councillor Peter Nutting

Councillor Jeremy Oates

Tim Pile

Councillor Heather Timms

Tom Westley

Cannock Chase District Council

Redditch Borough Council

Nuneaton & Bedworth Borough Council

Stratford-on-Avon District Council

Shropshire Council

Tamworth Borough Council

Greater Birmingham & Solihull Local

Enterprise Partnership

Warwickshire County Council

Black Country Local Enterprise

Partnership

Co-Opted Member

Lee Barron

Midlands Trades Union Congress

Observer Members

Councillor Greg Brackenridge

Waheed Saleem

West Midlands Fire Authority

West Midlands Deputy Police & Crime

Commissioner

In Attendance

Councillor Cathy Bayton

Councillor Kath Hartley

Councillor Lisa Trickett

Overview & Scrutiny Committee

Transport Delivery Committee

Overview & Scrutiny Committee

124. Apologies for Absence

Apologies for absence were received from Nick Abell (Coventry & Warwickshire LEP), Councillor Maria Crompton (Sandwell), Councillor Shaun Davies (Telford & Wrekin), David Jamieson (West Midlands Police & Crime Commissioner) and Councillor Izzi Seccombe (Warwickshire).

125. Minutes - 15 January 2021

The minutes of the meeting held on 15 January 2021 were agreed as a correct record.

126. Forward Plan

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

127. WMCA Budget 2021/22

The board considered a report from the Director of Finance on the WMCA's final budget for 2021/22 for approval.

This report represented the final stage of the budget setting process for the WMCA and incorporated the final revenue and capital budget for 2021/22 as well as the associated policies as required by statute. There were no changes from the financial plans included within the draft budget report considered by the WMCA Board on 15 January 2021. The Mayor and the WMCA had considered feedback on the draft budget report since January board meeting from both constituent members of the WMCA and other key stakeholders.

Councillor Bob Sleight thanked all Portfolio Leads for the work they had undertaken to prepare their budgets for the forthcoming year.

Resolved:

- (1) The West Midlands Combined Authority consolidated revenue budget be approved. This included:
 - (a) the budget requirement for transport delivery 2021/22 comprising three elements:
 - (i) £114.7m a year to be funded from the existing transport levy mechanism;
 - (ii) £3.9m to be funded from grant awarded by the Commonwealth Games Organising Committee; and
 - (iii) a transfer from earmarked reserves of £3.9m.
 - (b) the West Midlands Combined Authority delivery budget requirement for 2021/22 of £141.9m comprising of five elements:
 - (i) £129.7m Adult Education spending to be funded from Adult Education Budget funding devolved by the Department for Education;

- (ii) £5.1m to be funded from other devolution deal grants;
 - (iii) £4.6m to be funded from Constituent Authority fees (fees to remain at the same level as 2020/21);
 - (iv) £0.4m to be funded from Non-Constituent Authority and observer fees (fees to remain at the same level as 2020/21); and
 - (v) £2.1m to be funded from other income, including a £1.2m use of reserves created from WMCA's share of 2020/21 Business Rates.
- (2) The inherent risks included within 2021/22 budget assumptions be noted.
 - (3) The Mayoral Office budget for 2021/22 of £0.8m to be funded from additional Mayoral Capacity Funding of £0.8m be approved.
 - (4) It be noted that there would be no Mayoral Precept during 2021/22.
 - (5) The West Midlands Combined Authority's indicative 5 year Medium Term Financial Plan be noted.
 - (6) It be noted that a full Strategic Plan would be completed following the 2021 Mayoral election, to inform the annual Medium Term Financial Planning exercise to be completed in 2021/22.
 - (7) The Capital Programme be approved.
 - (8) Authority be delegated to the Director of Finance in consultation with the Portfolio Lead for Finance to make any final changes that might result from the final Local Government Finance Settlement.
 - (9) The following policies and strategies be approved, as required by statute:
 - (a) The West Midlands Combined Authority Treasury Management Strategy;
 - (b) The West Midlands Combined Authority Capital Strategy and Minimum Revenue Provision Statement; and
 - (c) The West Midlands Combined Authority Pay Policy Statement.

[In accordance with the requirements of the Combined Authorities (Finance) Order 2017, the Mayor and Constituent Authority members voted on these resolutions as follows:

FOR (11): Andy Street, Councillor Bob Sleight, Councillor Wasim Ali, Councillor Mike Bird, Councillor Ian Brookfield, Councillor Ian Courts, Councillor George Duggins, Councillor Patrick Harley, Councillor Brigid Jones, Councillor Abdul Khan and Councillor Ian Ward.

AGAINST (0): none

ABSTAIN (0): none]

128. Regional Approach to Culture - Update

The board considered a report from the Director of Strategy providing an update on the opportunities and challenges in the region relating to culture, and to secure agreement of the strategic priorities for culture which had been co-developed with the regional Cultural Officers Group and the Cultural Leadership Board.

The culture portfolio used the Department of Culture, Media & Sport's definition of the cultural sector, which included arts, film, TV and music, radio, photography, crafts, museums and galleries, libraries and archives, cultural education and heritage. Whilst the region had a rich intangible and tangible cultural heritage, further work was still needed to ensure that the region could fully maximise on its cultural assets to promote and brand the region nationally and internationally. This included maximising the opportunity of Coventry City of Culture 2021, British Art Show No9, Black Country UNESCO Geopark and Birmingham 2022 Commonwealth Games in reanimating its high streets, creating new jobs and supporting small businesses, and maximising opportunity for hyper-diverse communities.

Councillor Ian Courts welcomed the report and stressed the value that culture brought to communities, particularly given the challenging times over the last year. Councillor Ian Ward noted the key role that constituent authorities had in supporting their local cultural sector, which often resulted in additional Arts Council funding being secured.

Resolved:

- (1) The update on culture, following the 11 January 2019 report to this board on this topic, be noted.
- (2) The proposed regional strategic priorities for culture be agreed.
- (3) It be agreed that the Cultural Leadership Board and Culture Officers Group would be responsible for co-ordinating regional activity to make progress on these strategic priorities.

129. Dudley Interchange - Full Business Case Submission

The board considered a report from the Managing Director, Transport for West Midlands, seeking approval of the full business case for the Dudley Interchange project.

The Dudley Interchange proposed to deliver a world class multi-modal interchange for Dudley, part of a fully integrated transport system that would act as a catalyst to the redevelopment of the town centre and support inclusive and sustained growth. The Interchange would link seamlessly to the new metro extension, providing a key link between the existing town centre and the new developments

Councillor Patrick Harley welcomed the report and the role the Dudley Interchange project had in unlocking further development in the town centre, including helping to enable the proposed Portersfield development.

Resolved:

- (1) The full business case for Dudley Interchange be approved.
- (2) The budget and funding for delivery of £24.1m to include the bus and metro interchange, utility diversions and highway works be approved.
- (3) The revisions to the allocations of Transforming Cities Funding as agreed by the Strategic Transport Officers Group be endorsed.
- (4) The capital and land contributions valued at £3.5m from Dudley Metropolitan Borough Council towards the delivery of the scheme be noted.
- (5) It be noted that as the construction and utility scope for the scheme was not yet finalised, the project team would need to flexibly manage the scheme in order to maintain the overall budget, and that this would need to be managed in a way that ensured the benefits were not materially affected and appropriate change control processes implemented to manage any changes.
- (6) The delegation of authority to officers as set out within the report be approved.
- (7) It be noted that Dudley Interchange had a Benefit to Cost Ratio classification of 'medium' and that the overall level of economic benefit was £33m.
- (8) The interface with the Wednesbury to Brierley Hill Metro extension construction programme be noted.
- (9) It be noted that no contracts would be let until all funding was secured, signed and sealed and the confidence in being able to accommodate any future revenue costs falling to the WMCA was to the satisfaction of the Director of Finance and the Monitoring Officer.

130. Regional Road Safety Progress

The board considered a report from the Managing Director, Transport for West Midlands, on the progress being made in relation to the region's target to reduce killed and seriously injured by 40% by 2028, and to provide an update on the establishment of the Regional Road Safety Strategic Partnership and the development of the regional Road Safety Action Plan and priorities established.

At the WMCA Board on 11 January 2019, the Regional Road Safety Strategy was approved. This recognised a multi-disciplinary approach amongst regional partners to sustain reduced road traffic collisions to meet the killed and seriously injured targets for the region. The strategy included the establishment of a new Regional Road Safety Strategic Partnership and the development of an action plan which addressed challenges, as well as ensuring an outcome-based approach supported by monitoring and evaluation.

Waheed Saleem welcomed the report and indicated that the Police & Crime Commissioner was looking forward to working with the WMCA on this issue. Councillor George Duggins thanked West Midlands Police for the work it had undertaken in Coventry supporting the introduction of two 'average speed' cameras in the city. Councillor Ian Ward noted that the speed of cars had appeared to have increased in recent months, perhaps due to roads being less congested. He also indicated that the forthcoming Local Transport Plan would seek to expand the availability of more sustainable forms of transport, which he hoped would contribute to a reduction in road traffic accidents.

Resolved:

- (1) The progress made on managing road safety across the region, and the priorities agreed through the Regional Road Safety Strategic Partnership, be noted.
- (2) The range of activities delivered by partners across the West Midlands throughout 2019/20 to date totalling approximately £6m be noted.
- (3) It be noted that the reduction of Killed and Seriously Injured had reduced by 6% since the target was set and that, in absolute terms and taking population growth into account, this equated to a reduction of 8% overall.
- (4) The development of the Regional Road Safety Action Plan and the commitments by regional partners to deliver the measures during the period 2021- 2024 be noted.
- (5) It be noted that the Regional Strategic Road Safety Partnership would finalise the action plan for publication.

131. Strategic Economic Development Board - 17 December 2020

The board received the minutes of the Strategic Economic Development Board meeting held on 17 December.

Resolved:

The minutes of the meeting held on 17 December 2020.

132. Investment Board - 11 January 2021

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

Resolved:

The minutes of the meeting held on 11 January 2021 be noted.

133. Transport Delivery Committee - 11 January 2021

The board received the minutes of the Transport Delivery Committee meeting held on 11 January.

Resolved:

The minutes of the meeting held on 11 January 2021 be noted.

134. Overview & Scrutiny Committee - 11 January 2021

The board received the minutes of the Overview & Scrutiny Committee meeting held on 11 January.

Resolved:

The minutes of the inquorate meeting held on 11 January 2021 be approved.

135. Wellbeing Board - 22 January 2021

The board received the minutes of the Wellbeing Board meeting held on 22 January.

Resolved:

The minutes of the meeting held on 22 January 2021 be noted.

136. Environment & Energy Board - 1 February 2021

The board received the minutes of the Environment & Energy Board meeting held on 1 February.

Resolved:

The minutes of the meeting held on 1 February 2021 be noted.

137. Young Combined Authority - February Update

The board considered a report of the activities of the Young Combined Authority undertaken during February.

Resolved:

The report be noted.

138. Date of Next Meeting

Friday 12 February 2021 at 11.00am

The meeting ended at 12.00pm.

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WEST MIDLANDS COMBINED AUTHORITY FORWARD PLAN: JUNE 2021 - SEPTEMBER 2021

Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
Commonwealth Games Transport Plan	To approve a draft plan for consultation purposes.	11 June 2021	Yes	Cllr Ian Ward	Laura Shoaf	No	Transport
Annual Plan 2021/22 Approval	To approve the 2021/22 WMCA Annual Plan.	23 July 2021	Yes	n/a	Deborah Cadman	No	Governance
Appointment of Audit, Risk & Assurance Committee Independent Member	To appoint a new independent member to chair ARAC.	23 July 2021	Yes	n/a	Tim Martin	No	Governance
West Midlands Rail/Department for Transport Collaboration Agreement	To seek approval to enter into a new collaboration agreement.	23 July 2021	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
Local Transport Plan Consultation Approval	To approve the draft local transport plan proposals for consultation.	17 September 2021	Yes	Cllr Ian Ward	Laura Shoaf	No	Transport



WMCA Board

Date	19 March 2021
Report title	Financial Monitoring Report 2020/21
Portfolio Lead	Finance and Investment - Councillor Bob Sleight
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	WMCA Senior Leadership Team 24 February 2021

Recommendation(s) for action or decision:

WMCA Board is recommended to:

- (1) Note the financial outturn position as at the end of January 2021.
- (2) Note the latest forecast for 2020/21, incorporating the latest view of the impact of Covid-19.
- (3) Note the confirmation of 2021/22 Adult Education Budget, as verbally communicated at WMCA Board 12 February 2021.
- (4) Approve the capital block allocations, including Highways and Integrated Transport Block as detailed in Section 12.
- (5) Approve the increase in Investment Programme affordable limit from £801m to £871m and approve the provisional distribution of the additional £70m (section 13).

- (6) Approve that decisions regarding the £8.9m provided by Government to prepare for the Intra-city Transport Settlement be delegated to the Director of Finance, Managing Director of Transport for West Midlands and the Portfolio Lead for Transport (section 14).
- (7) Note that the acquisition of Victoria Lane steel works is to be funded from WMCA capital receipts (section 15)
- (8) Note that West Midlands Combined Authority intends to withdraw from the Passenger Transport Forum pay negotiations and enter into local government pay negotiations when practicably possible (section 16)
- (9) Note that WMCA is assessing the impact from the Chancellor's budget announcement on 3 March 2021 and will reflect the outcomes in an updated budget to the June 2021 Board.

1.0 Purpose

- 1.1 To provide updates on the Combined Authority's finances as at the end of January 2021 (including the financial implications of Covid-19), and an update on the forecast outturn for 2020/21.

2.0 Background - Financial Monitoring

- 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.
- 2.3 The overall year to date position at the end of January shows a £2.987m favourable variance from budget. This consists of a favourable variance within the Transport budget of £3.437m largely due to lower concessionary patronage volumes and RTCC efficiency savings offsetting the Covid-19 impact on advertising revenue and departure charge income. This is further supplemented by the drawdown of Government grants to support Subsidised Bus, Metro, and the wider Transport system.
- 2.4 There is an adverse variance of £0.450m within the Delivery budget largely as a result of lower than budgeted investment income owing to the 0.1% bank rate which has impacted the returns on cash balances.

3.0 West Midlands Combined Authority Transport Budget

- 3.1 Appendix 2 sets out the position on the Transport revenue budget as at the end of January 2021, showing a favourable variance of £3.437m from Budget.
- 3.2 This favourable variance is primarily driven by lower patronage volumes across English National Concessionary Travel Scheme and Child Concessions, as well as savings realised during the set-up of the RTCC through prudent purchasing decisions.
- 3.3 The favourable variance is supplemented by additional government grants towards the costs of Subsidised Bus, Metro, and the wider Transport system, along with additional staffing variations. A reduction in the Accessible Transport service during the pandemic has also driven further savings against the Budget.
- 3.4 These savings are partly offset by the impact of Covid-19 driving lower than budgeted digital advertising revenue and ticketing commission, along with the implementation of a departure charge holiday until the end of June aiming to support bus operators during the crisis.

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 January 2021, showing an adverse variance of £0.450m from budget.
- 4.2 The adverse variance is primarily as a result of a reduction in the bank base rate, which has led to lower than budgeted Investment Income returns on cash balances.
- 4.3 This adverse variance is partly offset by savings across portfolios as a result of the rescheduling of expenditure due to the impact of Covid-19 coupled with staffing variations.

5.0 Mayoral Office

- 5.1 The Mayoral Office expenditure shows a favourable variance of £0.007m from Budget as at the end of January 2021 as a result of savings against the travel budget. The full year expenditure outturn is expected to be in line with Budget, as is the associated Mayoral Capacity Funding drawdown.

6.0 Capital Programme

- 6.1 Appendix 5 sets out the position on the Capital Programme as at the end of January 2021. Actual costs totalled £178.2m, resulting in a favourable variance of £178.4m against a budget of £356.6.4m. The annual forecast was reduced in January 2021 to £276.7m, which is £229.6m below the Budget of £506.3m.
- 6.2 The year to date budget variance is contained primarily within Transport (£100.5m), Grants to Local Authorities within the Investment Programme (£46.1m) and Housing (£31.8m).
- 6.3 The Transport Programme has been categorised into five sub programmes. The largest of these is the Investment Programme with a budget of £146.9m, including all the Rail/Sprint & Metro extension schemes. At the end of January, actual costs totalled £73.8m, which was £46.2m below the budget of £120m. The main variances at the end of January were contained within the Metro Programme totalling £37.4m.
- 6.4 Although delivery schedules are not currently anticipated to be impacted by rephasing of expenditure plans, it's likely that the Covid-19 pandemic will lead to further rescheduling and prioritisation of capital expenditure plans. The 2021/22 Capital Budget will be confirmed to WMCA Board of 11 June 2021, following review of final 2020/21 outturn.

7.0 2020/21 Revenue and Capital Forecast Update

- 7.1 The third and final 2020/21 Revenue forecast was completed during January 2021. This forecast incorporates the latest central government funding position in response to Covid-19, as well as the latest view on the timing and cost of activities which will be delivered in the remainder of the year.
- 7.2 This forecast shows £3.143m of additional savings compared to forecast as presented to WMCA Board on 15 January, and overall savings of £4.097m versus the 2020/21 Budget.
- 7.3 As a result of this latest forecast it is anticipated that the Authority will have successfully secured the £3.9m one off resources required to fund the 21/22 Revenue Budget as reported and approved in the Budget report to the Feb 2021 Board. The £1.2m of transport reserves set aside in 2019/20 will be used to fund light rail operating costs in 2020/21 following reassessment by Midland Metro Ltd of future operating costs and revenues in recovery.
- 7.4 Final results against this forecast will be reported to the June Board meeting following closure of the year end Accounts.
- 7.5 Of the £3.143m favourable movement £2.165m is within Transport, predominantly as a result of securing an additional tranche of Sales, Fees, and Charges and Metro revenue loss grant to the end of the financial year as well as further Subsidised Bus grant to cover the provision of additional services in response to Covid-19, such as roadside information and enhanced cleaning.
- 7.6 The favourable movement within Transport is further supplemented by a reduction in payments on Accessible Transport due to the reduced service levels required during the pandemic which has also enabled the service to deliver key transport services for NHS workers during the pandemic. In addition a final agreement on Concessions reimbursement rates has now been reached with service providers, delivering some savings against Budget however the Authority has maintained its payments into the West Midlands Bus Industry at pre-pandemic demand levels to ensure a stable and sustainable local bus network.
- 7.7 The Delivery portfolios have also secured a £0.978m favourable movement from the second reforecast primarily due to an improvement in the debt interest position, following the re-profiling of borrowing needs in line with the re-profiling of Capital activities which have been impacted by Covid-19. Covid-19 has also impacted the timing of activities within all Delivery portfolios, which has resulted in savings compared to Budget. These savings are partly offset by an increase in expenditure to support the WM2041 environmental programme.
- 7.8 A summary of the movement between the forecast as presented at January Board and the latest view is included below.

	Transport	Delivery	Enabling Services	Total
Forecast Deficit / (Surplus) – 15 January 2021	(1.9)	1.0	0.0	(0.9)
<u>Income Changes:</u>				
Estimated grant income for lost Sales, Fees and Charges	(0.5)	0.0	0.0	(0.5)
Additional Covid Bus Services Support Grant	(0.3)	0.0	0.0	(0.3)
<u>Expenditure Changes:</u>				
Reduction in Accessible Transport costs	(0.6)	0.0	0.0	(0.6)
Debt Interest	0.0	(0.9)	0.0	(0.9)
Other discretionary expenditure	(0.8)	(0.1)	0.0	(0.9)
Latest Forecast Deficit / (Surplus) – 19 March 2021	(4.1)	0.0	0.0	(4.1)

- 7.9 The third capital forecast update of the year was undertaken in January 2021. This process resulted in an annual forecast reduction of £95m. The largest movement was contained within the Grants to Local Authorities Investment Programme (£39.4m). A majority of this is due to WMCA funding not being drawdown as originally profiled as a result of pandemic restricting the volume of physical construction taking place.
- 7.10 The Transport programme has a reduced forecast by £20.4m, a majority of this in the Metro programme. The Metro Birmingham Eastside Extension makes up most of the movement (£11m) as the deferral of the development agreement reduced and rephased the HS2 utilities work.
- 7.11 The Commonwealth Games programme saw a reduction in forecast of £14.8m, Sprint reduced by £7.8m and Highways £5.8m. The Covid-19 pandemic has resulted in the main construction work in the Sprint projects to be rephased to the final quarter of 2020/21 and quarter 1 of 2021/22.
- 7.12 The Transport – Other Major Programmes has been reduced by £5.3m, a majority of which is within Highways projects where Covid-19 has caused work to be re-phased into 2021/22.
- 7.13 Housing programmes have a reduced forecast of £11.8m, with £6.4m related to the i54 Western Extension and Dudley Brownfields schemes. A further £3m reduction in Brownfield Land and Property Development Fund is due to the Commonwealth Games project not progressing as expected. Discussions are ongoing with Birmingham City Council in relation to this.
- 7.14 It is important to note that this forecast represents the best assessment at the time of writing, however, as the January 2021 position is in line with the forecasted outturn, it is deemed that there is no material risk to the forecast position.
- 7.15 Following the Chancellor’s budget announcement on 3 March 2021, WMCA is assessing the impact against its financial plans and an updated budget will be presented to the June 2021 WMCA Board within the financial monitoring report. This will include an assessment around the availability of new funding into the WMCA from the Intracity Transport Settlement, the Levelling Up fund and other fiscal levers announce by Government including the UK Infrastructure Bank.
- 7.16 WMCA recently received a notification regarding £1.9m of DfT funding for the new Local Authority Capability Fund which replaces the Access Fund of previous years. The £1.9m revenue funding is to be used to support objectives around the development of infrastructure projects, to promote an increase in levels of physical activity and to support access to new / existing employment, education and training. The funding is to be

distributed to Local Authorities following consideration of the distribution methodology by Strategic Transport Officers Group.

8.0 Investment Programme

- 8.1 The financial results for the Investment Programme run one month behind the regular management accounts due to the requirement to consolidate outputs across the metropolitan area. The December expenditure is shown at Appendix 6, which reports the gross delivery totals for programmes delivered by both WMCA and other entities (being primarily local authorities).
- 8.2 The 2020/21 year to date cash spend to December 2020 is £293.1m behind the rebased 2020/21 budget, mainly because of the current Coventry UK Central Plus, UK Central Infrastructure, UK Central HS2 Interchange and Land reclamation and remediation programmes.
- 8.3 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. It should be noted that the impact of COVID-19 on projects within the WMCA Investment Programme is continuously being assessed by the accountable bodies, with each respective delivery entity required to manage the schemes within the funding available to them.
- 8.4 The cost to completion against UK Central HS2 Interchange remains red status due to the funding gap of circa £131 million against the Birmingham International Station redevelopment project.
- 8.5 Appendix 7 details approved funding from the WMCA Investment Programme, which totalled £795.3m as at 31st January 2021 (£780.3m as at 30th November 2020).
- 8.6 In addition to the projects listed at Appendix 7, an application for £18m repayable funding for the UK Battery Industrialisation Centre was approved by WMCA Board on 13 September 2019.

Investment Programme Funding

- 8.7 In November 2019, WMCA Board agreed to hold current Investment Programme approvals at the current affordable limit, whilst arrangements to secure additional funding into WMCA are developed and delivered.
- 8.8 Based upon what is available to date, the affordable limit was determined by WMCA Finance Directors to be £801m and endorsed by WMCA Board.
- 8.9 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 UK Central Plus, Sprint Programme; Rail Programme, UK Central Infrastructure Package, UK Central HS2 Interchange, Innovation Programme, Land Reclamation & Remediation and Employment, Education & Skills.

Independent Evaluation of Local Growth Interventions ('Devolution Deal Gateway Review')

- 8.10 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.
- 8.11 SQW were commissioned by MHCLG to review a selection of projects within the Investment Programme. SQW have concluded their interviews with stakeholders and the evaluation report. On the 9th November at WMCA Investment Board, the SQW report was presented and the WMCA prepared Complementary report was approved. Initial feedback appears to reflect well on the region's governance arrangements and progress to date.
- 8.12 A final decision is expected from MHCLG before the start of the new financial year .

9.0 Balance Sheet

- 9.1 Appendix 8 presents the West Midlands Combined Authority Balance Sheet which shows a healthy financial position as at 31 January 2021.
- 9.2 The increase in short-term deposits and cash and bank is largely due to the receipt of the Land Fund grant offset by the payments in respect of Adult Education Budget, Investment Programme and Metro extension schemes. Correspondingly, the Land Fund grant contributed to the increase in grants receipts in advance whilst Adult Education Budget payments contributed to the decrease in earmarked reserves.
- 9.3 Accelerated spending on Coventry UKC Plus and Coventry City Centre Regeneration resulted in the major increase in short-term creditors/accruals as these projects gain momentum.

10.0 Administered Funds

Funding Stream	2020/21 Latest Forecast Grant Award £'000	2020/21 Spend to date £'000	Purpose
Midlands Connect	6,543	3,597	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	47,799	44,853	

11.0 Adult Education Budget

- 11.1 As verbally communicated at WMCA Board on 12 February 2021, the 2021/22 Adult Education Budget has now been confirmed by the Department for Education at £142.7m.
- 11.2 As agreed at WMCA Board on 12 February 2021, the Director of Finance, in consultation with the Portfolio Lead for Finance, will use their delegated authority in order to update the 2021/22 Budget to reflect this.
- 11.3 It is noted that as the Adult Education Budget is ring-fenced funding, there is no impact on any other area of the 2021/22 Budget.
- 11.4 The AEB budget includes core funding of £131m, £9m for Level 3 training and £1.9m of Covid support. This budget reflects income related to the WMCA financial year period, which is different to the DfE allocations that run from August to July. Administration of the contract and funds will follow WMCA governance during the year.

12.0 Capital Block Allocations

- 12.1 The annual Capital Block grant settlements are generally approved by WMCA Board within the final budget report; however, the regional allocations for 2021/22 were confirmed by DfT later than previous financial years.
- 12.2 The total grant allocation for the region is confirmed by DfT as £38.1m which, whilst representing an overall increase of £3.7m, may require Local Authorities to re-focus resources into the correction of pot holes on the regions' highways. A comparison of the settlement versus the previous year is shown below:

	20/21	21/22	Variance
Highways Maintenance Block	13.11	9.04	(4.07)
Highways Maintenance Block (Incentive)	2.73	2.26	(0.47)
Potholes	0.94	9.04	8.10
Integrated Transport Block	17.62	17.76	0.14
Total	34.40	38.10	3.70

- 12.3 It is important to note there is only a modest change to the Integrated Transport Block settlement and as such, the WMCA Capital Programme as presented to WMCA Board on 12 February 2021 is considered to remain affordable.
- 12.4 The methodology for distributing the total grant allocation was discussed and agreed at the West Midlands Finance Director Group on 18 February 2021. The precise allocations are shown in the table below:

(£)	Highways Allocation Proportion 2015 to 2021	2021 / 2022					
		Potholes	HMB - Needs element	HMB - Incentive element	Sub Total (Highways)	Integrated Transport Block**	GRAND TOTAL
Birmingham *	-	-	-	-	-	5,165,498	5,165,498
Coventry	17.0%	1,534,597	1,534,597	383,692	3,452,886	1,680,736	5,133,622
Dudley	18.6%	1,684,711	1,684,711	421,224	3,790,646	1,454,878	5,245,524
Sandwell	19.7%	1,780,567	1,780,567	445,191	4,006,325	1,485,885	5,492,210
Solihull	16.1%	1,454,114	1,454,114	363,569	3,271,797	978,861	4,250,658
Walsall	14.8%	1,340,173	1,340,173	335,080	3,015,426	1,291,483	4,306,909
Wolverhampton	13.8%	1,248,838	1,248,838	312,244	2,809,920	1,191,409	4,001,329
WM Combined Authority	-	-	-	-	-	4,505,250	4,505,250
TOTAL		9,043,000	9,043,000	2,261,000	20,347,000	17,754,000	38,101,000

* Excluded on the basis of PFI contract.

** Shared 25% WMCA / 75% LA (Population) after £89,000 Top Slice for Strategic Transport Officers use.

13.0 Investment Programme Affordable Limit Review

- 13.1 In November 2019, WMCA Board agreed to hold the value of commitments WMCA were able to make against the Investment Programme at £801m. This was in the context of the other three pillars of the Investment Programme income (Business Rates Growth, Business Rates Supplement and Mayoral Precept) not being realised as originally intended.
- 13.2 The Investment Programme financial model works on the principle of borrowing in the initial years of the thirty year programme, with the debt being fully paid down by year 30 using the incomes available; which to date is the Gainshare Grant and an element of Business Rates Growth proxy contributions from Local Authorities.
- 13.3 The affordability created by the Investment Programme is influenced by the timing of expenditure and interest. Since 2019, both of these metrics have moved in the favour of the Investment Programme affordability, with drawdowns being re-profiled into later years and the global economic conditions reducing borrowing levels to historically low levels.
- 13.4 With respect to debt interest in particular, the £801m ceiling was calculated using a blended interest rate of between 3.5% and 4.0% over the borrowing term which is significantly above the interest which would be charged on debt taken out in February 2021.
- 13.5 The WMCA Finance Director and WM Finance Director Group considered a number of scenarios to revise the interest assumptions in light of the changing economic environment and agreed to revise the blended rate to between 2.5% and 3.0%. This change, together with the over-lay of the current drawdown forecast means that the affordable limit can be increased to £871m.
- 13.6 WMCA have taken on board both long term, market implied debt forecasts and independent treasury advisor forecasts in arriving at the recommendation and consider the risk of a material deviation to be low. Unexpected volatility cannot be completely ruled out however and in increasing the affordable limit, WMCA will carry a greater exposure towards interest rates increasing and the subsequent cost of servicing the debt

underpinning the Investment Programme becoming unaffordable. In such instances, WMCA would look to the Constituent Local Authorities to support the deficits.

13.7 The process to allocate the Investment Programme has been discussed with WM Mayor and Leaders, resulting in the provisional recommendation within this report. Provisional allocations will be confirmed by the submission of individual proposals to WMCA Board or Investment Board and expenditure against those initiatives subject to progression through the appropriate WMCA governance, assurance and approval process.

13.8 The provisional allocations are largely influenced by the financial risks WMCA have an exposure to in 2021/22 as documented within the Final Budget Report on 12 February 2021 with additional provision for key WMCA priorities aligned to the regional recovery agenda. The proposed ring-fences documented below:

Area	Theme	Provisional Allocation £M	Notes	Final Approval Obtained
WMCA Budget Risks	WMCA Revenue Budget Risks	10.0	As per the WMCA 2021/22 Budget report, WMCA has a lack of financial resilience to absorb the potential risks in relation to the funding of Transport due to the pandemic, losses in Light Rail Revenue and associated instability within the bus market. Whilst the unmitigated assessment is c£30m-£50m, a risk assessed value of £10m is considered prudent to provide appropriate financial resilience in the short term while the ongoing uncertainty continues and risks continue to emerge.	Financial Monitoring Report to WMCA Board throughout 2021/22 as risks emerge with standard governance and oversight via the WMFD group
	WMCA Capital Pressures	5.0	Potential to cover emerging, additional construction risks around WMCA Capital Programme due to Covid-19 pressures.	
	Perry Barr Station & Bus Interchange	9.5	WMCA Board approved the Final Business Case for this scheme on 15 January 2021. Contracts require letting imminently to meet the CWG target. This funding can be returned to the Investment Programme for re-allocation if WMCA are able to successfully lobby Government to fund the £9.5m via the Intra-city Funding settlement.	January 2021 WMCA Board (Approval of Final Business Case).
	WMCA Capital - 5 New Rail Stations	20.0	WMCA Board approved the Final Business Case for these stations on 15 January 2021. The report showed that following the award of £59m DfT RNEP funding (subsequently announced in the March 2021 budget), a local contribution of £20m will need to be secured to allow the stations to be delivered. As such, this allocation will complete the funding package for the five stations. This funding can be returned to the Investment Programme for re-allocation if WMCA are able to successfully lobby Government to fund the £20m via the Intra-city Funding settlement.	No further governance approval required.
	WMCA Electric Bus Town	5.0	The Electric Bus Town proposal will be reported to WMCA Board on 19 March 2021. For a £5m local contribution, WMCA will realise £50m of Government funding plus £84m of private sector match, representing excellent value for money for the region.	Subject to separate reports at this Committee (19 March 2021)
Regional Recovery Priorities	WM2041	5.1	This funding will allow for the development of the Net Zero Neighbourhood, Smart Hub, Energy & Environment Capacity and Natural Capital Programme as per the report to WMCA Board 19 March 2021.	
Regional Recovery Priorities	Other Priorities	15.4	Provisional allocation for regional recovery priorities potentially including WM Co-invest as referenced in the Economic Update Report (19 March 2021 WMCA Board).	Subject to future WMCA approvals.
Funding Available		70.0		

14.0 Intra-city Transport Settlement

- 14.1 The Comprehensive Spending Review in 2019 provided some initial details about long term financial settlements for national Authorities in the form of 'Intra-city Transport Settlements'.
- 14.2 Nationally, the Intra-city Transport Settlements will provide £4.2bn of funding (over five years) for transport infrastructure and will succeed Transforming Cities Funding. To date, a national allocation of £50m (nationally) has been made available to allow for programmes to be sufficiently developed / prepared before the settlements are finalised; expected to be around summer 2021.
- 14.3 WMCA's share of the £50m development / preparatory funding was confirmed during the budget announcement on 3 March 2021 as £8.9m (19% of the total). WMCA's objective is to utilise the development funding in a way which maximises the impact of the Intra-city Transport Settlement for the WMCA area. This report requests delegation to the Director of Finance, Managing Director of Transport for West Midlands and the Portfolio Lead for Transport to determine how the £8.9m is distributed to achieve this objective.

15.0 Victoria Lane Steel Works

- 15.1 WMCA have negotiated the purchase of Victoria Lane steel works; a site which is critical to the delivery of the Wednesbury to Brierley Hill Metro extension scheme. The WMCA Finance Director has proposed to use £1.6m capital receipt funds to fund this purchase rather than the originally intended borrowing.

16.0 Withdrawal from Passenger Transport Forum

- 16.1 WMCA is currently part of a negotiation forum which was created to represent staff in Passenger Transport Executives and Transport Authorities. The Passenger Transport Forum has been utilised historically by WMCA, and its predecessor organisation Centro.
- 16.2 WMCA Statutory Officers have approved a proposal for WMCA to withdraw from the Passenger Transport Forum and join Local Government pay settlement negotiations.
- 16.3 WMCA Statutory Officers have sought assurances from Local Government that this transition will have no impact on the Pay Scales as included within the 2021/22 Budget report presented to WMCA Board on 12 February 2021, and that there will also be no impact on the Local Government Pension Scheme that WMCA are currently governed by.
- 16.4 WMCA Board is asked to note this course of action.

17.0 Financial Implications

- 17.1 The Financial Implications are set out in the report.

18.0 Legal implications

- 18.1 There are no legal implications.

19.0 Equalities implications

19.1 There are no equalities implications.

20.0 Inclusive Growth Implications

20.1 There are no Inclusive Growth implications.

21.0 Geographical Area of Report's Implications

21.1 The report encompasses the West Midlands region.

22.0 Other Implications

22.1 There are no other implications

23.0 Appendices

- Appendix 1 – WMCA Consolidated Summary – January 2021
- Appendix 2 – WMCA Transport Revenue Summary - January 2021
- Appendix 3 – WMCA Operational Revenue Summary – January 2021
- Appendix 4 – WMCA Mayor Revenue Summary – January 2021
- Appendix 5 – WMCA Capital Transport Delivery Programme – January 2021
- Appendix 6 – WMCA Investment Programme Summary – December 2020
- Appendix 7 – WMCA Investment Programme Commitments – January 2021
- Appendix 8 – WMCA Balance Sheet – January 2021

Appendix 1

WMCA Consolidated Summary – January 2021

£000's	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Transport Levy	95,600	95,600	0	114,720	114,720	0
Commonwealth Games	999	1,678	(679)	1,492	2,157	(665)
Devolution Deal Grants	9,967	9,986	(19)	12,278	12,268	10
Adult Education Funding	107,500	113,106	(5,606)	123,990	128,534	(4,544)
Share of Business Rates	6,263	5,515	748	7,500	7,500	0
Constituent Membership	3,870	3,870	0	4,644	4,644	0
Non Constituent Members	354	354	0	425	425	0
Investment Programme	268	2,140	(1,872)	36,848	36,500	348
Investment Income	743	1,609	(866)	591	1,921	(1,330)
3rd Party / Other Grant Income	2,195	807	1,388	3,433	830	2,603
Use of Reserves	0	0	0	4,053	4,053	0
Total Funding	227,759	234,665	(6,906)	309,974	313,552	(3,578)
Transport for West Midlands	92,301	95,732	3,431	114,207	118,353	4,146
Commonwealth Games	999	1,684	685	1,492	2,157	665
Economy & Innovation	2,527	1,927	(600)	3,297	2,312	(985)
Environment, Energy & HS2	847	287	(560)	1,174	345	(829)
Housing and Land	1,311	2,101	790	1,430	2,521	1,091
Wellbeing	935	785	(150)	1,201	941	(260)
PSR & Social Economy	1,050	575	(475)	1,291	689	(602)
Culture and Digital	87	175	88	208	210	2
Productivity & Skills	115,003	120,550	5,547	134,097	137,715	3,618
Inclusive Communities	67	102	35	90	118	28
Business Support	2,889	2,679	(210)	2,624	3,229	605
Investment Programme	6,488	7,793	1,305	43,959	44,155	196
Mayoral Office	666	673	7	807	807	0
Total Expenditure	225,170	235,063	9,893	305,877	313,552	7,675
Net Expenditure	2,589	(398)	(2,987)	4,097	0	(4,097)
Transport	3,299	(138)	3,437	4,146	0	4,146
Delivery	(710)	(260)	(450)	(49)	0	(49)
Mayoral Office	0	0	0	0	0	0
Total Surplus / (Deficit)	2,589	(398)	2,987	4,097	0	4,097

The year to date position at the end of January shows a £2.987m favourable variance from budget.

This is made up of £3.437m within Transport as a result of lower patronage across ENCTS and Child concessions, additional government grants to fund subsidised bus, Metro, and the wider Transport system, efficiency savings within the RTCC and lower operational costs during Covid-19 alongside staffing variations. This position is partially offset by significantly reduced advertising revenue and a departure charge holiday designed to support bus operators during the first lockdown.

This is offset by an adverse variance of £0.450m within the Delivery budget due to lower investment income as a result of a reduction in the bank base rate, partly offset by savings across portfolios as programmes have had to be reassessed in light of the ongoing pandemic.

Appendix 2

Transport for West Midlands year to date revenue position – January 2021

Headlines
As at the end of January 2021 there is a £3.437m favourable year to date variance. This is primarily driven by lower bus patronage leading to savings across Concessions budgets along with efficient RTCC purchasing decisions, and the drawdown of the Sales, Fees, and Charges (SFC) Grant to offset losses from the pandemic. As a result of the pandemic the Accessible Transport service provided by National Express has reduced, thus providing further savings. This has been partly offset by significantly reduced advertising revenue and a departure charge holiday for operators as a result of Covid-19 earlier in the year.

Key:

- Favourable Variance
- No Variance or Offset by Grant
- Adverse Variance

	JANUARY 2021 YEAR TO DATE			FULL YEAR 2020/21			VARIANCE EXPLANATION(S)
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
Specific resources:							
Transport Levy	95,600	95,600	0 0%	114,720	114,720	(0) 0%	●
Commonwealth Games	999	1,678	(680) 41%	1,492	2,157	(665) 31%	●
Use of Reserves			0 0%	3,633	3,633	0 0%	●
TOTAL INCOME	96,599	97,279	(680) 1%	119,845	120,510	(665) 1%	
Concessions							
National Bus Concession	40,218	41,364	1,147 3%	48,041	51,006	2,964 6%	●
Metro / Rail	3,687	3,699	13 0%	4,558	4,575	17 0%	●
Child Concession	5,003	6,081	1,078 18%	6,528	7,837	1,308 17%	●
Bus Services	48,907	51,145	2,238	59,128	63,417	4,289	
Bus Stations / Infrastructure	5,330	3,733	(1,598) 43%	6,429	4,542	(1,888) 42%	●
Subsidised Network	8,750	8,674	(76) 1%	10,325	10,409	84 1%	●
Accessible Transport	5,221	5,514	293 5%	6,090	6,617	527 8%	●
Rail and Metro Services	19,301	17,921	(1,380)	22,844	21,567	(1,277)	
Metro Services	1,518	1,493	(25) 2%	4,026	2,642	(1,384) 52%	●
Rail Services	2,232	2,304	72 3%	2,692	2,805	113 4%	●
Integration	3,750	3,797	47	6,718	5,447	(1,271)	
Safety and Security	737	1,026	289 28%	1,112	1,274	163 13%	●
Passenger Information	3,946	4,741	795 17%	4,996	5,729	732 13%	●
Sustainable Travel	395	468	73 16%	508	567	60 10%	●
Network Resilience	5,079	6,235	1,156	6,616	7,570	954	
Commonwealth Games	1,366	2,565	1,199	1,922	3,100	1,178	38%
Business and Democratic Support	999	1,684	686	1,492	2,157	665	31%
Strategic Development	2,937	3,018	81	3,670	3,764	94	2%
Transport Governance	2,613	2,697	84	2,968	3,141	174	6%
Capital Finance Charges	105	110	5	127	132	5	4%
TOTAL EXPENDITURE	93,300	97,416	4,116	115,699	120,510	4,811	4%
NET	3,299	(138)	3,437	4,146	(0)	4,146	

The profile of CWG expenditure has been impacted by Covid-19, as such grant draw down will be lower than budgeted in year.

Forecast spending on concessions reflects the latest patronage and fare reimbursement assumptions. Discussions are ongoing regarding the most equitable payment schedule.

Loss of bus infrastructure income (bus stations, shelter advertising, IBSS) as a result of Covid-19. Partly offset by the drawdown of the SFC Grant. Subsidised bus is currently being supported by the Bus Services Support Grant to help mitigate against the impact of Covid-19.

The DfT Light Rail Restart grant has been extended to at least March, thus providing cover for losses up to budget while patronage is impacted by Covid-19. As such the YTD variance is primarily driven by the forecasted increase in lifecycle costs, partly offset by the realignment of insurance payments following updates from the insurance broker.

Favourable variance driven by a reduction in maintenance costs, offsetting the reduction in park & ride income during the pandemic.

Driven by increased CCTV income alongside reduced maintenance costs.

Favourable variance as a result of reduced printing and production costs from timetables, maps, etc due to Covid-19, in addition to an increase in the FMZ capital funding of IT development projects. Partly offset by a reduction in ticketing commission due to the drop in patronage. Drawdown of the SFC Grant is contributing further to the favourable variance.

Favourable variance driven by efficient purchasing decisions meaning the budgeted contingency for delivery of RTCC is no longer required, alongside staffing variations.

The CWG external advice budget has not been spent as plans and recruitment were updated to account for Covid-19. Fully offset by lower grant draw down.

As a result of staffing variations and reduced monitoring costs during the pandemic.

Appendix 3
West Midlands Combined Authority Delivery Budget – January 2021

FINANCIAL SUMMARY AS AT JANUARY 2021	JANUARY 2021 YEAR TO DATE			FULL YEAR 2020/21			
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
Operational Income							
Mayoral Capacity Funding	0	160	(160)	193	193	0	
Investment Interest Income (1)	787	1,472	(685)	980	1,766	(786)	(1) The bank base rate was substantially lowered as a result of Covid-19, and which has resulted in a significant reduction in investment income.
Contribution - 7 Met Council's	3,870	3,870	0	4,644	4,644	0	
Contribution - Non constituent members	354	354	0	425	425	0	
Use of Reserves	0	0	0	420	420	0	(2) Unidentified efficiency's included in the budget position have been identified and are now reflected in the relevant budget areas, hence this variance is offset by savings elsewhere. Alignment of debt interest to the latest assumptions has also allowed savings to be released in the forecast.
Total Income	5,011	5,856	(845)	6,662	7,448	(786)	
Enabling Services Recharges to Portfolios (2)	(2,889)	(2,679)	(210)	(2,624)	(3,229)	605	
Total Expenditure	(2,889)	(2,679)	(210)	(2,624)	(3,229)	605	
Operational Income Net Total	2,122	3,177	(1,055)	4,038	4,219	(181)	
Economy & Innovation							
Other Industrial Strategy Income (1)	372	0	372	551	0	551	
Office of Data Analytics	107	214	(107)	145	257	(112)	(1) Additional income and offsetting expenditure as a result of a funding contribution from the Investment Programme to fund the West Midlands Innovation Programme.
DDCMS - Creative Scale Up	590	542	48	657	650	7	
MHCLG - Brexit Support Preparations (2)	144	0	144	224	0	224	(2) An additional grant to support Brexit preparations has been reflected in the forecast and is beginning to be drawn down, offset by the associated expenditure.
Policy and Programme Development	0	0	0	35	0	35	
Create Central Projects (3)	172	0	172	226	0	226	(3) Grant secured from BFI to support, develop, and promote the region's film industry.
Total Income	1,385	756	629	1,838	907	931	
Funding For Growth	(583)	(583)	0	(700)	(700)	0	
Industrial Strategy (1)	(512)	(172)	(340)	(733)	(206)	(527)	
Office of Data Analytics	(107)	(214)	107	(145)	(257)	112	
DDCMS - Creative Scale Up	(590)	(542)	(48)	(657)	(650)	(7)	
Economic Intelligence	(165)	(200)	35	(240)	(240)	0	
MHCLG - Brexit Support Preparations (2)	(144)	0	(144)	(224)	0	(224)	
Policy and Programme Development	(254)	(216)	(38)	(372)	(259)	(113)	
Create Central Projects (3)	(172)	0	(172)	(226)	0	(226)	
Total Expenditure	(2,527)	(1,927)	(600)	(3,297)	(2,312)	(985)	
Economy & Innovation Net Total	(1,142)	(1,171)	29	(1,459)	(1,405)	(54)	
Environment & Energy, HS2							
Energy Capital	587	0	587	675	0	675	
Total Income	587	0	587	675	0	675	(1) Having initially been disrupted by Covid-19, work on the WM2041 project has entered the planning stage with activity expected to increase significantly in the latter part of the year.
Environment (1)	(260)	(287)	27	(499)	(345)	(154)	
Energy Capital	(587)	0	(587)	(675)	0	(675)	
Total Expenditure	(847)	(287)	(560)	(1,174)	(345)	(829)	
Environment & Energy, HS2 Net Total	(260)	(287)	27	(499)	(345)	(154)	
Housing and Land							
Director of Housing & Regeneration (1)	1,311	2,101	(790)	1,430	2,521	(1,091)	(1) Increased capitalisation of staff costs and agreed savings on external advice have driven the lower expenditure and in turn the lower grant drawdown. The lower spend has been reflected in the forecast and will allow the grant to be utilised further into future years.
Total Income	1,311	2,101	(790)	1,430	2,521	(1,091)	
Director of Housing & Regeneration (1)	(1,311)	(2,101)	790	(1,430)	(2,521)	1,091	
Total Expenditure	(1,311)	(2,101)	790	(1,430)	(2,521)	1,091	
Housing and Land Net Total	0	0	0	0	0	0	
Wellbeing							
Other Mental Health Income	3	0	3	16	0	16	(1) Work & Health Unit grant that was due to end in October 2020 has been extended until March 2022, offset by an associated increase in expenditure.
Well Being	81	26	55	111	31	80	
IPS Programme (1)	269	69	200	306	83	223	
Fiscal Incentive Programme (2)	201	88	113	218	105	113	(2) Increased drawdown of the grant as the project concludes, offset by the associated increase in expenditure.
Total Income	554	183	371	651	219	432	
Mental Health Commission (3)	(276)	(470)	194	(410)	(563)	153	(3) Driven by a number of planned workstreams and activities, such as the mental health awards and this is me campaign, not now going ahead due to Covid-19, along with staffing variations.
Well Being	(190)	(158)	(32)	(268)	(190)	(78)	
IPS Programme (1)	(269)	(69)	(200)	(306)	(83)	(223)	
Fiscal Incentive Programme (2)	(200)	(88)	(112)	(217)	(105)	(112)	
Total Expenditure	(935)	(785)	(150)	(1,201)	(941)	(260)	
Wellbeing Net Total	(381)	(602)	221	(550)	(722)	172	

FINANCIAL SUMMARY AS AT JANUARY 2021	JANUARY 2021 YEAR TO DATE			FULL YEAR 2020/21				
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000		
Public Service Reform & Social Economy								
Other PSR Income	24	33	(9)	32	40	(8)	(1) Additional grant has been awarded and is offset by an associated increase in expenditure.	
Homelessness (1)	539	33	506	628	39	589		
Total Income	563	66	497	660	79	581		
Public Sector Reform	(477)	(493)	16	(628)	(591)	(37)		
Inclusive Growth	(34)	(49)	15	(35)	(59)	24		
Homelessness (1)	(539)	(33)	(506)	(628)	(39)	(589)		
Total Expenditure	(1,050)	(575)	(475)	(1,291)	(689)	(602)		
Public Service Reform & Social Economy Net Total	(487)	(509)	22	(631)	(610)	(21)		
Skills and Productivity								
Productivity and Skills (1)	79	0	79	164	0	164		(1) Additional funding secured for delivery of a Skills Advisory Panel. (2) Delivery plan revised in light of Covid-19, and reflected in forecast. (3) Construction Industry Training Board delivery increased in Q1 of this year, thus requiring additional grant drawdown. (4) Reduced delivery as a result of Covid-19 alongside delays in the commencement of new contracts with training providers. (5) Delivery plan revised in light of Covid-19, and reflected in the forecast.
Employment Support (2)	1,210	1,686	(476)	1,603	2,070	(467)		
Technical Education	52	86	(34)	90	98	(8)		
Construction Skills (3)	1,241	994	247	1,786	1,576	210		
Adult Education (4)	107,499	113,106	(5,607)	123,990	128,534	(4,544)		
Careers	39	76	(37)	48	61	(13)		
Digital Skills (5)	4,200	3,699	501	5,418	4,157	1,261		
Investment Programme (Skills)	275	312	(37)	348	410	(62)		
Total Income	114,595	119,959	(5,364)	133,447	136,906	(3,459)		
Productivity and Skills (1)	(487)	(591)	104	(814)	(809)	(5)		
Employment Support (2)	(1,210)	(1,686)	476	(1,603)	(2,070)	467		
Technical Education	(52)	(86)	34	(90)	(98)	8		
Construction Skills (3)	(1,241)	(994)	(247)	(1,786)	(1,576)	(210)		
Adult Education (4)	(107,499)	(113,106)	5,607	(123,990)	(128,534)	4,544		
Careers	(39)	(76)	37	(48)	(61)	13		
Digital Skills (5)	(4,200)	(3,699)	(501)	(5,418)	(4,157)	(1,261)		
Investment Programme (Skills)	(275)	(312)	37	(348)	(410)	62		
Total Expenditure	(115,003)	(120,550)	5,547	(134,097)	(137,715)	3,618		
Skills and Productivity Net Total	(408)	(591)	183	(650)	(809)	159		
Culture and Digital								
Total Income	0	0	0	0	0	0	(1) Planned activities have been heavily impacted by Covid-19.	
Culture & Tourism Commission	(87)	(92)	5	(129)	(110)	(19)		
Digital (1)	0	(83)	83	(79)	(100)	21		
Total Expenditure	(87)	(175)	88	(208)	(210)	2		
Culture and Digital Net Total	(87)	(175)	88	(208)	(210)	2		
Inclusive Communities								
Total Income	0	0	0	0	0	0	(1) Additional planned work within portfolio won't now happen.	
Youth Combined Authority (1)	(67)	(102)	35	(90)	(118)	28		
Total Expenditure	(67)	(102)	35	(90)	(118)	28		
Inclusive Communities Net Total	(67)	(102)	35	(90)	(118)	28		
Delivery Net Income / Expenditure Total	(710)	(260)	(450)	(49)	0	(49)		

Appendix 4

West Midlands Combined Authority Mayoral Budget – January 2021

	JANUARY 2021 YEAR TO DATE			FULL YEAR 2020/21			
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
MAYORAL OFFICE							
Other Grants	666	673	(7) 1%	807	807	0 0%	
TOTAL INCOME	666	673	(7) 1%	807	807	0 0%	
Staff Costs	(631)	(627)	(4) 1%	(769)	(753)	(16) 2%	
IT	(9)	(9)	0 0%	(11)	(10)	(1) 10%	
External Advice	(20)	0	(20) 0%	(30)	0	(30) 0%	
Travel & Subsistence	(1)	(35)	34 97%	(12)	(42)	30 71%	
Other	(5)	(2)	(3) 150%	15	(2)	17 850%	
TOTAL EXPENDITURE	(666)	(673)	7 1%	(807)	(807)	0 0%	

Appendix 5

West Midlands Combined Authority Transport Delivery Capital Programme – January 2021

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Metro	67,798	105,230	37,432	89,465	129,230	39,765
Rail	4,844	10,457	5,613	8,061	13,338	5,277
Sprint	1,194	4,322	3,128	1,832	4,322	2,490
TRANSPORT - INVESTMENT PROGRAMME	73,836	120,009	46,173	99,358	146,890	47,532

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of January 2021, actual expenditure was £46.173m lower than Budget. The main variances are contained within the Metro Programme, these and others relate to the following:

Metro Wednesbury to Brierley Hill Extension £16.573m Due to Covid-19 some utility undertakers were only responding to emergency works therefore some diversions did not commence as scheduled. The Railway Corridor was acquired on 10th July 2020 following prolonged negotiations with Network Rail which has limited the construction that has taken place to date. Works to overcome this delay are currently in progress and will continue over the coming months.

Metro Birmingham Eastside £9.503m Utilities works relating to HS2 diversions have not commenced as forecast due to the final sign-off on the development agreement with HS being rescheduled, this has now been completed. The HS2 spend profile has been re-phased as a result and billing is expected to catch up in the next few months as work commences.

SPRINT - Hagley Road £3.055m Ongoing review of design with Birmingham City Council and agreement for Highway Improvements (S278) requires a revised Target Cost (TC2) so Midland Metro Alliance works have not progressed as anticipated at Budget.

Rail Package 1 Walsall to Wolverhampton Local Enhancements £2.805m Darlaston and Willenhall Land Costs £2.25m re-phased to April 2021 and Network Rail Industry and Risk fees of £0.85m have now been forecast in March 2021. These are offset by £0.3m spend on Design Works.

Rail Package 2 Camp Hill Line Local Enhancements £2.654m Hazelwell land costs of £0.7m initially expected in August 2020 are now expected in March 2021 and Moseley land costs of £0.6m initially expected in November 2020 are now expected in December 2021. Network Rail Industry and Risk Fees of £0.85m were projected for Oct 2020 have now been retimed to next financial year - estimate Aug 2021.

Metro Network - Comms & Control £2.27m Commissioning work for PID (Passenger Information Display) & PAU (Passenger Assistant Unit) upgrade and Subcontract Package (e.g. SmartTrams Enhancements & Radio system) proceeded later than anticipated due to Covid-19.

FORECAST V BUDGET COMMENTARY

Metro Wednesbury to Brierley Hill Extension £15.166m Due to Covid-19 some utility providers were not able to commence work as scheduled, these works are being rescheduled. Prolonged negotiations with Network Rail prior to acquiring the Railway Corridor have allowed for limited construction to take place to date. WMCA are working on measures to overcome this delay including the approval of Advanced Work Packages and granting access to land under License.

Metro Birmingham Eastside £12.254m The variance is predominately due to the rephase of HS2 utilities works due to delays in signing the Development Agreement, which has now been completed. This rescheduling will not impact on the overall project budget or schedule. In addition, the cost associated with the Tram procurement has been reallocated between BEE and WBHE.

Rail Package 2 Camp Hill Line Local Enhancements £3.083m JV costs accounting for £2.31m of the underspend have been re-forecasted later in the year.

Sprint - Hagley Road £2.452m Due to ongoing review of design with Birmingham City Council TC2 has been retimed.

Metro Wolverhampton City Centre Extension £2.448m It is anticipated that phase 4 work will now commence in March 2021 due to the ongoing negotiations with the land owners and delays with Wolverhampton Train Station.

Metro Network Enhancements – Wednesbury Depot Upgrades £2.307m This is mostly due to rephasing caused by Covid-19 restrictions. However, Stage 4 of the programme has been approved.

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Highway	2,714	7,519	4,805	4,036	12,895	8,859
Other	25	53	28	53	53	0
Rail	11,372	15,805	4,433	20,009	22,001	1,992
Sprint	12,633	35,796	23,163	20,922	50,302	29,380
TRANSPORT - COMMONWEALTH GAMES	26,744	59,173	32,429	45,020	85,251	40,231

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of January 2021, actual expenditure was £32.429m lower than budget. The main variances are as follows:

SPRINT-A45 Birmingham to Airport & Solihull £13.529m Due mainly to lower than expected progress of utility diversion costs, hampered by the temporary Covid-19 restrictions on the highways. Utilities and ECI works are continuing on a 'rolling programme' basis along the A45

route. A cost programme was submitted in October 2020, which was formally approved by the Sprint team with works due to accelerate between January and March 2021 and continue into 21/22.

SPRINT-A34 Walsall to Birmingham £9.564m The largest variance YTD is against the Utilities budget line due to retimed utility diversion costs as a result of Covid-19. The Construction budget line including ECI is also underspent compared to Budget, however ECI works are now continuing on a 'rolling programme' basis. Tendering of the physical construction contract is in progress with contracts and work due to commence into 2021/22.

RTCC-Highway Interventions £2.619m As a result of retimed funding agreements, activity has been moved into 2021/22.

University Station Improvement Project £2.535m Network Rail Industry and Risk Fees of £0.925m were projected for June 2020 however these costs will now be incurred in the final quarter of this financial year and YTD physical construction estimates are lower than anticipated.

Perry Barr Rail Station £1.725m The land acquisition budgeted for October 2020 has been reprofiled which makes up for £1.5m of the underspend. National Rail Industry and Risk Fees of £0.2m have also been retimed.

FORECAST V BUDGET VARIANCE COMMENTARY

SPRINT-A45 Birmingham to Airport & Solihull £17.404m Utilities works were due for completion in September 2020 but have been retimed due to Covid-19 and are now anticipated to be completed by the end of March 2021. A contractor has now been formally approved with construction due to commence on conclusion of the utility work.

SPRINT-A34 Walsall to Birmingham £11.975m As above, utility work was retimed due to the ongoing impact of the Covid-19 pandemic, and is now due for completion by March 2021. Physical construction will now commence in 21/22.

RTCC - Highways Interventions £6.653m The initial speed of work has not been possible due to Covid-19 restrictions and legal agreement sign offs.

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Bus	1,345	2,904	1,559	1,963	3,768	1,805
Highway	387	5,288	4,901	849	5,654	4,805
Other	8,903	12,073	3,170	11,997	14,794	2,797
Rail	575	962	387	662	962	300
TRANSPORT - OTHER MAJOR PROGRAMMES	11,210	21,227	10,017	15,471	25,178	9,707

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of January 2021, actual expenditure was £10.017m below the budget . The main variances are as follows:

A435 Alcester Road Bus priority revitalisation £2.495m The final business case was originally due to be approved in May 2020 but was retimed due to Covid-19, and is now subject to review by Birmingham City Council.

Key Route Network Safety £1.157m Covid-19 has caused a retimed signing off of funding agreements and thus programme delivery.

Future Mobility Zone – Innovation Showcases £0.766m Expected project support costs have not materialised due to the Covid-19 lockdown which are causing rephasing of the programme delivery.

Clean Bus Technology Fund £0.697m Covid-19 has slowed down the delivery of this programme due to social distancing requirements, however the scheme is still on track to be delivered on time.

5G £0.644m As many other projects, this programme has not incurred expected costs due to rephasing caused by the Covid-19 pandemic. The works schedule is currently being reviewed.

NPIF 2 Birmingham Growth Point £0.634m QE works due to complete in January 2021 are now due to complete early in the next financial year due to the Covid-19 restrictions.

FORECAST V BUDGET VARIANCE COMMENTARY

A35 Alcester Road Bus Priority Revitalisation £2.579m Revised plans were submitted to Birmingham City Council in October 2020, therefore the utility works earmarked for Q2 will now commence in Q4, with the majority of the follow on construction retimed into 21/22.

Key Route Network Safety £0.932m Retimed sign off of the legal agreement with Wolverhampton City Council has caused works to be retimed into 2021/22.

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Minor Work Programme	4,744	8,672	3,928	7,439	11,629	4,190
TRANSPORT - MINOR WORKS	4,744	8,672	3,928	7,439	11,629	4,190

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of January 2021, actual expenditure was £3.928m below budget.

Real Time Information Upgrades £1.092m Tender for this project has not yet been awarded due to ongoing discussion of cost classifications and therefore monies budgeted have not yet been spent.

ADEPT Live Lab £0.641m Due to the impact of Covid-19, anticipated costs have not materialised, and timing of work has now been rephased.

Better Streets Community Fund £0.625m Timing of signing off legal agreements retimed due to Covid-19, which has led to work being rephased during the year.

Asset Management Programme £0.554m Covid-19 restrictions led to rephasing of work during the year, work will commence in the final quarter of this financial year.

FORECAST V BUDGET VARIANCE COMMENTARY

Real Time Information Upgrades £1.21m This is due to the retiming of work as detailed above however works are expected to commence during March 2021.

Better Street Community Fund £0.65m This reflects the revised spend profiles received from Constituent Authorities.

West Midlands Combined Authority Transport Capital Programme Grants to Local Authorities – January 2021

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Grants to Local Authorities	398	7,609	7,211	2,397	8,209	5,812
Total Grants to Local Authorities	398	7,609	7,211	2,397	8,209	5,812

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of January 2021, actual expenditure was £7.211m below budget, the variances to budget are as follows:

B4106 Spon End (Coventry CC) £3.936m Retimed legal agreements with Coventry Council have now been completed. Coventry Council's claim to the end of September 2020 has also been received and payment is due imminently.

New St/High St/Victoria Sq./Public Realm (Birmingham CC) £3.275m There has been a retiming of work whilst assigning a design consultant to the project to complete the full business case.

FORECAST V BUDGET VARIANCE COMMENTARY

B4106 Spon End (Coventry CC) £4.225m Retiming in signing off of legal agreements and providing monitoring information has resulted in work rolling over into 2021/22.

New St/High St/Victoria Sq. /Public Realm (Birmingham CC) £1.587m Work to procure a contractor and complete detailed design is due to complete in May 2021 with physical work to commence around June 2021.

West Midlands Combined Authority Capital Programme Investment Programme Grants to Local Authorities – January 2021

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Investment Programme (Grants to Local Authorities)	51,867	97,947	46,080	83,417	172,840	89,423
Total Investment Programme Grants to Local Authorities	51,867	97,947	46,080	83,417	172,840	89,423

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of January 2021, actual expenditure was £46.08m below budget. The main variances are as follows:

UK Central HS2 Interchange £14.259m Work undertaken in the first quarter was reduced significantly due to Covid-19 restrictions. HS2 related projects are also subject to short notice amendments which impact the volume of activity taken place YTD. The HS2 Interchange programme has been subject to programme wide rescoping and review.

Coventry Station Masterplan £8.455m The Coventry station plan is funded by several sources. The retiming of construction and ancillary work due to Covid-19 has meant that the WMCA funding has not yet been drawn down as expected.

Coventry City of Culture £8.335m This project is made up of 17 work streams, the largest variance of £1.7m is on the Greyfriar Lane extension. Covid-19 social distancing and other restrictions have meant that although construction work has resumed, the volume is much reduced compared to Budget.

Very Light Rail £5.18m The first quarter spending impacted by Covid-19 restrictions, but work has steadily progressed back to capacity following the easing of restrictions May-July and a compressed schedule of work has been prepared for the remainder of the year.

FORECAST V BUDGET VARIANCE COMMENTARY

UK Central HS2 Interchange £53.569m Retiming of business case submission by the Urban Growth Committee has resulted in work and hence WMCA drawdown of funding to be reprofiled into 2021/22. During 2020/21, UGC have applied for funding for the following projects: Automated People Mover Route Realignment, Hub Movement and Connectivity and Arden Cross Multi-Storey Car Park.

Coventry Station Masterplan £11.15m The Covid-19 lockdown restrictions caused reprofiling of work and hence expected drawdown of WMCA funding. Costs incurred up to August 2020 were funded from the LA Growth Deal and Prudential Borrowing rather than WMCA IP funding.

Coventry City of Culture £6.581m Covid-19 restrictions led to construction being rephased. The largest individual variances relate to the Greyfriar Lane extension (£1.7m), Public Realm Refresh (£1m) and Pool Meadow/White Street (£0.7m).

Very Light Rail £5.933m Rephasing of construction work due to Covid-19 will result in reduced costs for the full year.

West Midlands Combined Authority Housing Capital Programme – January 2021

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Housing	9,413	41,165	31,752	24,016	55,096	31,080
Total Housing	9,413	41,165	31,752	24,016	55,096	31,080

ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of January 2021, actual expenditure was £31.752m below budget. The main variances are as follows:

Black Country Land and Property Investment Fund LPIF £22.766m The final agreements and planning application for the Phoenix 10 project were initially expected in Apr-20, however this was retimed due to Covid-19. Work is now scheduled to commence in April 2021.

Brownfield Land and Property fund BLPDF £5.466m The main projects include Commonwealth Games (£3.6m), Redsun (£0.5m) and Hawks Green (£0.3m).

FORECAST V BUDGET VARIANCE COMMENTARY

Black Country Land and Property Investment Fund (LPIF) £28.761m Primarily relating to Phoenix 10 project with a budget of £25m. Phoenix 10 is a 16.5 hectare former industrial site (currently vacant) which has been designated for employment uses. On site work is now expected to commence in April 2021. Therefore, for this project, only £0.2m of costs are now expected to be incurred in 2020/21. This is offset slightly by introductions of small spend across several projects into 2020/21.

Brownfield Land and Property Development Fund (BLPDF) £3.41m As above, the driving factor of this variance is the Commonwealth Games project, hence discussions with Birmingham City Council are ongoing.

Appendix 6
 WMCA Investment Programme Financial Summary period ending 31st December 2020

PROGRAMME	2020 / 2021 YEAR TO DATE			2020 / 2021 FULL YEAR			COST TO COMPLETION					
	ACTUAL	BUDGET	VARIANCE	BUDGET	FORECAST	VARIANCE	PRIOR PERIOD SPEND	2020/21 FORECAST	FUTURE YEARS FORECAST	TOTAL FORECAST OUTTURN	TOTAL BUDGET	VARIANCE
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
COVENTRY UKC PLUS	42,737	82,746	40,010	113,191	81,187	32,005	61,277	81,187	568,827	711,290	704,851	(6,439)
SPRINT PROGRAMME	12,002	35,170	23,168	54,302	28,523	25,779	12,287	28,523	293,444	334,254	334,515	260
RAIL PROGRAMME	4,209	9,708	5,499	13,238	6,956	6,282	8,050	6,956	245,013	260,019	213,015	(47,004)
METRO PROGRAMME	59,421	89,094	29,673	123,634	94,577	29,057	275,784	94,577	1,293,929	1,664,290	1,664,639	349
UK CENTRAL INFRASTRUCTURE PACKAGE	7,521	88,338	80,817	117,784	23,262	94,522	18,299	23,262	1,360,972	1,402,534	1,386,688	(15,846)
UK CENTRAL HS2 INTERCHANGE	8,106	45,440	37,334	74,870	21,961	52,909	17,396	21,961	490,666	530,023	529,563	(461)
CURZON STREET STATION MASTERPLAN	3,674	3,877	203	5,169	4,899	270	7,059	4,899	541,890	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	137,670	354,372	216,703	502,188	261,365	240,824	436,975	261,365	5,133,472	5,831,812	5,762,671	(69,141)
COVENTRY CITY CENTRE SOUTH REGENERATION	4,093	13,268	9,174	19,864	12,759	7,104	27,854	12,759	288,312	328,925	342,938	14,013
INNOVATION PROGRAMME	7,651	10,970	3,319	14,601	12,424	2,177	11,703	12,424	170,873	195,000	195,000	-
LAND RECLAMATION AND REMEDIATION	3,270	34,924	31,654	49,727	5,883	43,844	36,708	5,883	157,409	200,000	200,000	-
COMMONWEALTH GAMES 2022	14,772	28,082	13,310	37,442	38,442	(1,000)	-	38,442	34,092	72,534	72,534	-
EMPLOYMENT, EDUCATION & SKILLS	262	333	71	444	441	3	283	441	19,276	20,000	20,000	-
TOURISM, TRADE AND INVESTMENT PROGRAMME	-	-	-	-	957	(957)	-	957	22,943	23,900	-	(23,900)
COLLECTIVE INVESTMENT FUND	13,560	32,388	18,828	54,307	23,625	30,682	43,949	23,625	932,426	1,000,000	1,000,000	-
INVOLVED TRANSPORT INVESTMENT	-	-	-	-	-	-	-	-	1,299,000	1,299,000	1,299,000	-
EXPANSION EXCLUDING CURZON STREET	-	-	-	-	-	-	-	-	20,000	20,000	20,000	-
OTHER INVESTMENT PROGRAMME SCHEMES	43,609	119,965	76,356	176,384	94,532	81,853	120,496	94,532	2,944,331	3,159,359	3,149,472	(9,887)
GRAND TOTAL	181,279	474,337	293,058	678,573	355,896	322,676	557,472	355,896	8,077,803	8,991,171	8,912,143	(79,028)

Appendix 6 (Continued)

WMCA Investment Programme Financial Commentary for the period ending 31st December 2020

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. It should be noted that the impact of COVID-19 on projects within the WMCA Investment Programme is continuously being assessed by the accountable bodies, with each respective delivery organisation being required to manage the schemes within the funding available to them.

The cost to completion against UK Central Interchange remains red status due to the reduced funding gap of circa £131 million against the Birmingham International Station redevelopment project.

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.

For 2020/21, the year to date variance of £293.1 million compared with the 2020/21 programme baseline primarily comprises:

*Coventry UKC Plus variance of £40.0 million, including Coventry Station Masterplan (£9.4 million) and Coventry City of Culture Regeneration (£10.3 million);

*UK Central Infrastructure Package variance of £80.8 million, primarily in respect of major M42 Junction 6 improvements budgeted for 2020/21 now forecast for 2021/22 (project delivered and funded as part of the National Highways England Programme);

*UK Central HS2 Interchange programme variance of £37.3 million; and

*Land reclamation and remediation variance of £31.65 million, for which expenditure has been reprofiled.

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

Appendix 7

WMCA Investment Programme Commitment Profile as at 31st January 2021

£m	Total Expected Approvals	Approved Commitments	Actual Spend
UK Central HS2 Interchange	398.0	65.4	24.6
UK Central Infrastructure Package	288.0	34.2	15.4
Sprint Programme	217.4	47.0	11.3
Rail Programme	160.1	33.0	12.1
Metro Programme	119.8	119.8	90.6
Coventry Station Masterplan (CSMP)	39.4	39.4	9.3
Coventry City of Culture Trust (2021)	4.0	4.0	2.5
Coventry UKC Plus - Very Light Rail: 'Transforming Connectivity'	55.0	12.2	8.5
Coventry North Package	21.6	0.2	0.2
Coventry South Package	136.5	7.4	0.3
Wednesbury to Brierley Hill Metro Extension	103.0	103.0	0.0
Coventry UKC Plus - UK City of Culture 2021 Regeneration	31.6	31.6	14.9
SUB TOTAL HS2 GROWTH STRATEGY	1,574.4	497.3	189.7
Coventry City Centre South Regeneration	150.0	150.0	15.6
Innovation Programme	50.0	16.1	6.6
Land Reclamation and Remediation	200.0	103.0	40.0
Commonwealth Games 2022	25.0	25.0	0.0
Employment, Education & Skills	20.0	1.3	0.5
Tourism, Trade and Investment Programme	2.6	2.6	0.0
OTHER INVESTMENT PROGRAMME	447.6	298.0	62.8
TOTAL	2,022.0	795.3	252.5

Appendix 8

WMCA Balance Sheet as at 31 January 2021

	31 January 2021 £'000	31 December 2020 £'000	Movement £'000
Property, plant and equipment	475,077	470,070	5,007
Investments	19,525	19,832	(307)
Loan Receivables	18,000	18,000	-
Long-term assets	512,602	507,902	4,700
Debtors	55,697	56,918	(1,221)
Short-term deposits	218,040	200,200	17,840
Cash and bank	562	612	(50)
Current assets	274,299	257,730	16,569
Loans - interest due	(1,281)	(956)	(325)
Short-term creditors/accruals	(94,402)	(85,005)	(9,397)
Current liabilities	(95,683)	(85,961)	(9,722)
Net current assets	178,617	171,770	6,847
Provisions	(2,741)	(2,741)	-
PWLB	(108,431)	(108,583)	152
Other loans - Barclays	(10,000)	(10,000)	-
Dudley MBC	(6,427)	(6,427)	-
Grants receipts in advance	(295,357)	(269,577)	(25,780)
Long-term liabilities	(422,956)	(397,328)	(25,628)
Net assets	268,263	282,344	(14,081)
General fund balance	4,890	4,347	543
Earmarked reserves	209,268	218,632	(9,364)
Capital grants unapplied reserve	1,841	1,841	0
Usable reserves	215,999	224,820	(8,821)
Revaluation reserve	6,515	6,517	(2)
Deferred capital grants account	483,440	478,433	5,007
Capital financing account	(437,195)	(426,930)	(10,265)
Accumulated absences account	(496)	(496)	-
Unusable reserves	52,264	57,524	(5,260)
Total reserves	268,263	282,344	(14,081)

The WMCA Balance Sheet reflects a healthy financial position. Main changes since December reflect TfWM capital spend and work-in-progress funded mainly by grants in advance, resulting in an increase of £5.0m net of depreciation in property, plant and equipment.

The increase in short-term deposits and cash and bank is largely due to the receipt of the Land Fund grant offset by the payments in respect of Adult Education Budget, Investment Programme and Metro extension schemes. Correspondingly, the Land Fund grant contributed to the increase in grants receipts in advance whilst Adult Education Budget payments contributed to the decrease in earmarked reserves.

Short-term creditors/accruals have increased mainly due to accelerated spending on Coventry UKC Plus and Coventry City Centre regeneration as physical construction on these capital projects gain momentum.



WMCA Board

Date	19 March 2021
Report title	WM2041 Five Year Plan: 2021 - 2026
Portfolio Lead	Environment, Energy & HS2 - Councillor Ian Courts
Accountable Chief Executive	Deborah Cadman, West Midlands Combined Authority email: deborah.cadman@wmca.org.uk tel: (0121) 214 7200
Accountable Employee	Ed Cox, Director of Public Service Reform & Inclusive Growth email: ed.cox@wmca.org.uk tel: 07788 224179 Jacqueline Homan, Head of Environment email: jacqueline.homan@wmca.org.uk tel: 07584 449339
Report has been considered by	Overview and Scrutiny (8 March 2021) Environment & Energy Board (10 March 2021)

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

- (1) Receive the independent advice given to the WMCA by WSP on the first Five Year Plan.
- (2) Agree the need to adopt the 'Accelerated' scenario to deliver the first Five Year Plan and set the region on course for net zero carbon by 2041.
- (3) Agree the delivery plans presented in this paper to accelerate the WMCA work on net zero.

- (4) Authorise the allocation of £5.1million from the Investment Programme to fund the development of the priority initiatives set out in Section 3, subject to the extension of the Investment Programme affordable limit being agreed.

1. Purpose

- 1.1 The development of the Five Year Plan (FYP) to meet the WM2041 net zero ambition has been supported by the commissioning of WSP to provide an independent evidence base as to how this might be achieved. This report summarises the independent advice and outcomes from that work for the Combined Authority Board. The report also provides an outline of the next steps for delivery (the summary of the WSP work is attached for information, but this Board paper highlights the salient points; the full technical report is available on request).

2. Background

- 2.1 Following the approval of *WM2041: A Programme for Implementing an Environmental Recovery* in June 2020, the WMCA and stakeholders committed to producing five-year delivery plans (four in total) to indicate the programmes that would need to be put in place to deliver the overall goal of net zero carbon target for the West Midlands by 2041.
- 2.2 A tender was issued for consultancy support for the FYP in July 2020. This was developed with input from low carbon leads in the constituent local authorities as well as with a WMCA cross-directorate working group. WSP were awarded the contract and work began in September 2020. They have since presented updates of their work to the October 2020 and December 2020 Environment and Energy Boards, as well as Strategic Transport Board in November 2020 and Energy Capital Board in December 2020. In February 2021, the Environment and Energy Board had a special meeting to review the evidence base and WSP's proposals for a FYP.
- 2.3 The FYP aims to indicate how we create the right conditions for accelerating delivery and raising ambition to position the West Midlands as a leader in addressing climate change and futureproofing the region. This is done through exploring the social and economic, as well as environmental, benefits for delivering net zero, e.g. creating jobs, achieving better social outcomes and, building healthier, happier and better connected places to live. The plan presented here will be challenging but presents significant opportunities for people and businesses in the West Midlands, for example by 2026 we could see 21,000 new jobs across numerous sectors – in the first FYP, these will particularly be in the domestic retrofit sector and in the electrification of transport.
- 2.4 In addition, this FYP enables the WMCA to position itself favourably to respond to, and deliver, ambitions being set out by the UK government in recent (and upcoming) policy initiatives and legislation, all of which carry economic opportunity. These include the Ten Point Plan for a Green Industrial Revolution; the recent Energy White Paper; and in 2021, it is also expected that the Environment Bill will receive Royal Assent. The WMCA is also making preparations to have a high profile as part of the COP26 activities this year.
- 2.5 The development of the FYP has involved a huge stakeholder engagement exercise. WSP, and the WMCA Environment Team, have engaged extensively with constituent local authorities on the plan to ensure that people are aware of the findings and the areas where we are suggesting that coordination at a regional level makes sense for delivery. This has included presenting findings to respective climate change boards at Birmingham, Dudley, Sandwell and Wolverhampton. Engagement has also taken place through 1:1 meetings and working groups with industry, universities, environmental NGOs etc. In total, over 240 individuals across 97 different organisations and institutions have been consulted as part of the plan.

2.6 This FYP report represents independent advice from WSP to the WMCA from which we will work to deliver the recommended actions (outlined in Paragraph 2.14 below) in collaboration with stakeholders from across the region.

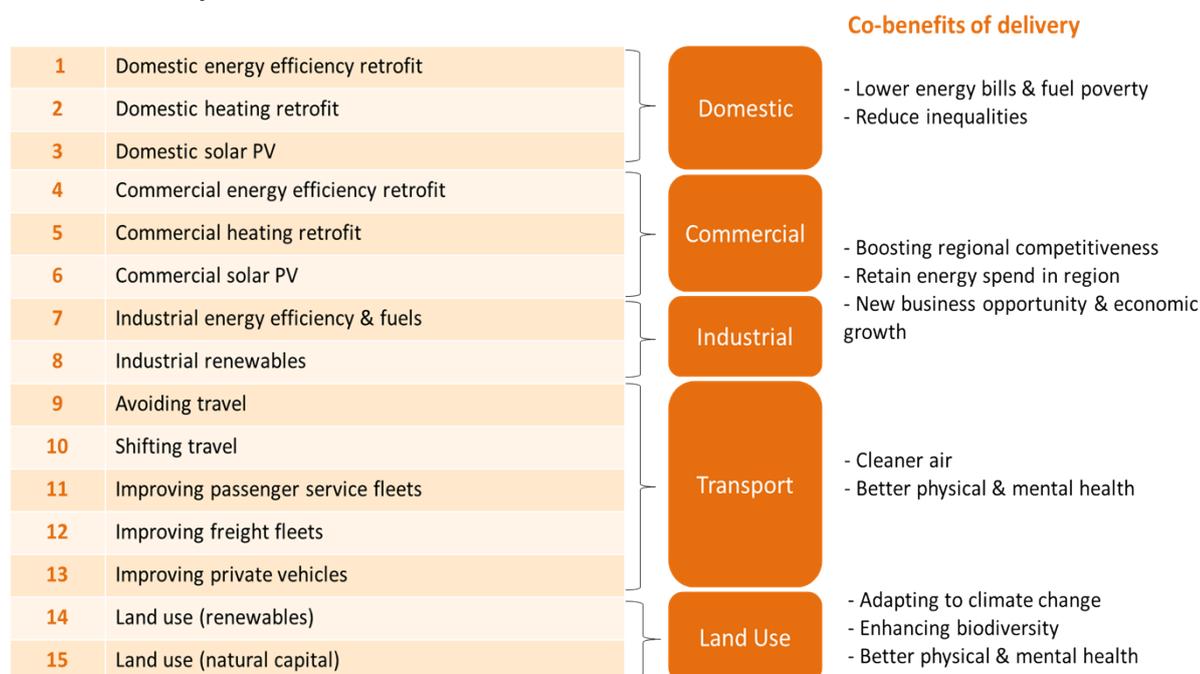
Modelling and goals for 2021-2026

2.7 The modelling that has taken place to produce the first FYP has identified the measures that will need to be taken to reach net zero. These take into account: the maturity of technology, public acceptance of measures, ensuring a just transition, enabling the creation of jobs, and the transition of the West Midlands economy to a net zero future.

2.8 The modelling takes business as usual (BAU) as the starting point, on which the other recommended measures build. BAU includes:

- The carbon factor of the electricity grid as it continues to decarbonise
- Minimum Energy Efficiency Standards (MEES)
- Housing growth
- Commercial growth
- Electrification / hydrogen use in transport
- Local authority decarbonisation targets for their own estate
- Other organisation’s decarbonisation targets
- Other committed projects across the region (including renewable energy projects etc).

2.9 From the modelling, the additional recommended measures fall broadly into retrofit (domestic and commercial); addressing industrial emissions; transport-related measures and strategic land use (exploring both tree planting and use of land for large-scale renewable generation). An overview of those goals and some of the co-benefits of delivery is shown below:



*The areas of waste and offsetting are not considered in this analysis

- 2.10 In the WSP report, each goal is taken in turn, exploring the delivery at low, medium, high and very high levels of implementation. The option is there to combine very high outcomes in some areas that are more progressed with medium/ low outcomes in others. A 'West Midlands Carbon Calculator' has been developed by WSP to sit alongside the FYP to enable the exploration of future scenarios. This will be made publicly available for everyone to use.
- 2.11 The top five decarbonisation priorities, which have been identified as having the greatest impact in carbon terms, are:
1. Domestic energy efficiency measures and heating retrofit
 2. Commercial energy efficiency measures
 3. Modal shift towards active travel measures
 4. Increased uptake of electric vehicles
 5. Planting trees and enhancing natural capital
- 2.12 Understanding what needs to be prioritised, dependencies and the sequencing of implementation will also be important. For example, planting trees and enhancing natural capital will not reduce carbon significantly by 2026, but we know we need to do this at significant scale in the context of reaching net zero by 2041. An example of a key dependency would be that effective heating retrofit is dependent on energy efficiency measures also having been undertaken in homes.
- 2.13 Using a combination of the measures identified, 3 scenarios have been developed to achieve net zero. These are:
- Moderate: this is beyond 'business as usual' delivery pace, and accelerates activity in selected sectors, but will only achieve a 37% reduction in carbon emissions from 2021 - 2041. This is not the recommended route for delivery.
 - Accelerated (outlined in more detail in Paragraph 2.14). A much more rapid and aggressive delivery pace across sectors, with most goals set at a "high" implementation rate. This will achieve a 94% reduction in carbon emissions by 2041 with the final 6% currently needing to be addressed through offsetting, although as new technologies emerge we will update how this could be met.
 - Maximum. It is at the limit or beyond what it is technically possible, even ignoring legislative competence and finance restrictions. It would require large behaviour change from people and could create unintended consequences for a just transition. For this reason, this has not been recommended, but can be explored by those seeking to understand what is required and whether the 2041 ambition can be achieved through a more aggressive trajectory.
- 2.14 The independent advice, provided by WSP, recommends the WMCA should adopt the Accelerated scenario in the first FYP. Modelling for the goals and scenarios provides an indication of the delivery required to reach net zero. The specific level of interventions will be developed through policy and business cases, for example, the detail of the transport goals will be subject to development of the new Local Transport Plan and they are only intended as an indication of how the West Midlands could decarbonise each sector.

Required level of interventions on different goals to achieve the Accelerated Scenario

	1. Domestic Energy Efficiency	2. Domestic Heating Retrofit	3. Domestic PV	4. Commercial Energy Efficiency	5. Commercial Heating Retrofit	6. Commercial PV	7. Industrial Energy Efficiency	8. Industrial PV	9. Avoiding Travel	10. Shifting Travel	11. Improving Travel (Bus / Taxi)	12. Improving Travel (HGV)	13. Improving Travel (Accelerate)	14. Land Use - Renewables	15. Natural Capital
Very High															
High															
Medium															
Low															

In practical terms, this means:

Goal	Accelerated scenario deployment to 2026	Accelerated scenario deployment for net zero
1. Domestic energy efficiency	294,000 homes	1.1m homes (100%)
2. Domestic heating system	292,000 homes	1.1m homes (100%)
3. Domestic photovoltaics	415MWp (116,000 dwellings, out of 1,178,260)	830MWp
4. Commercial energy efficiency	37,000 buildings	73,400 buildings
5. Commercial heating retrofit	37,000 buildings	73,400 buildings
6. Commercial photovoltaics	353MWp (7,060 buildings, out of 74,040)	705MWp
7. Industrial energy efficiency	10% energy efficiency, 17% deployment of H2 and 20% CCS for high temp.	15% energy efficiency, 33% deployment of H2 and 40% CCS for high temp.
8. Industrial microgeneration	96MWp (960 systems, out of 27,180 industrial buildings)	96MWp
9. Avoid	9% people telecommuting and 6.25% reduction in trips	35% people telecommuting (50% of the time), 25% less personal / retail trips

10. Shift	59% trips of by car	Shift to 35% of trips by car
11. Improve travel (bus and taxi)	100% electrification by 2030	100% taxis & buses electrification
12. Improve travel (HGVs)	25% of HGVs are electrified	100% of HGVs are electrified
13. Improve travel (accelerated EVs)	15% of cars are electrified	100% of cars are electrified
14. Land use - renewables	30MW wind and 224MWp solar	59MW wind and 448MWp of solar potential
15. Land use - natural capital	13% forest cover/20% peri-urban areas	13% WMCA tree coverage

- 2.15 Following this Accelerated path to net zero will mean a 33% emissions reduction by 2026 (against a 2016 baseline). This will result in a highly ambitious route to net zero by 2041, allowing for the commitment to ensure a just transition that does not leave anyone behind (our commitment in *#WM2041: Actions to meet the climate crisis with inclusivity, prosperity and fairness*). The forecast cost of this ambition is £4.3bn by 2026 and delivery could create 21,000 additional new direct jobs in low-carbon sectors.
- 2.16 On the just transition specifically, the Paris Agreement acknowledges ‘the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities’. In the context of this FYP, and subsequent work in relation to WM2041, this will require intensive engagement with the regional workforce in all sectors and industries to enable effective and fair transition to net zero. We will work with trades unions, industry bodies, chambers of commerce, LEPs and others to deliver on this.
- 2.17 Successful delivery of many of the goals is dependent on a number of conditions, in particular having:
- public hearts and minds support for the policies and actions e.g. in transport, land-use and domestic goals;
 - integrated infrastructure planning and place-based input to regulatory mechanisms governing transport, housing and energy, e.g. requiring further devolution from a UK Government, working with Local Highway Authority and Planning Authority; and
 - the mechanisms and political support in place at all levels to secure the necessary increased funding levels which will needed to be found in terms of revenue and capital expenditure;
 - a supply chain that is engaged with the transition and a skilled workforce able to meet demand.

Investment and financing

2.18 The gross investment cost (excluding issues around system management, industry and some transport goals) is estimated to be **£4.3bn by 2026** and **£15.3bn** over the 20-year period. Costs associated with transport are only covered in a limited sense, with detail to be developed in the upcoming Local Transport Plan (LTP) review.

The £4.3bn gross investment cost identified for the FYP does not represent costs to the CA directly but will need to come from multiple sources depending on the nature of the intervention/ programme. In some instances there are business cases for the costs to be covered by the private sector (e.g. broadband for home working). In others WMCA and other public sector bodies will be needed to play different roles, which will all require revenue funding:

- to facilitate delivery (e.g. investment in renewables);
- provide support through regulation to drive the transition (e.g. through planning and building regulations);
- resource to access central government funding (e.g. for EV charging);
- to unlock private investment through blended green finance mechanisms;
- provide direct funding, especially where there is significant social value in doing so.

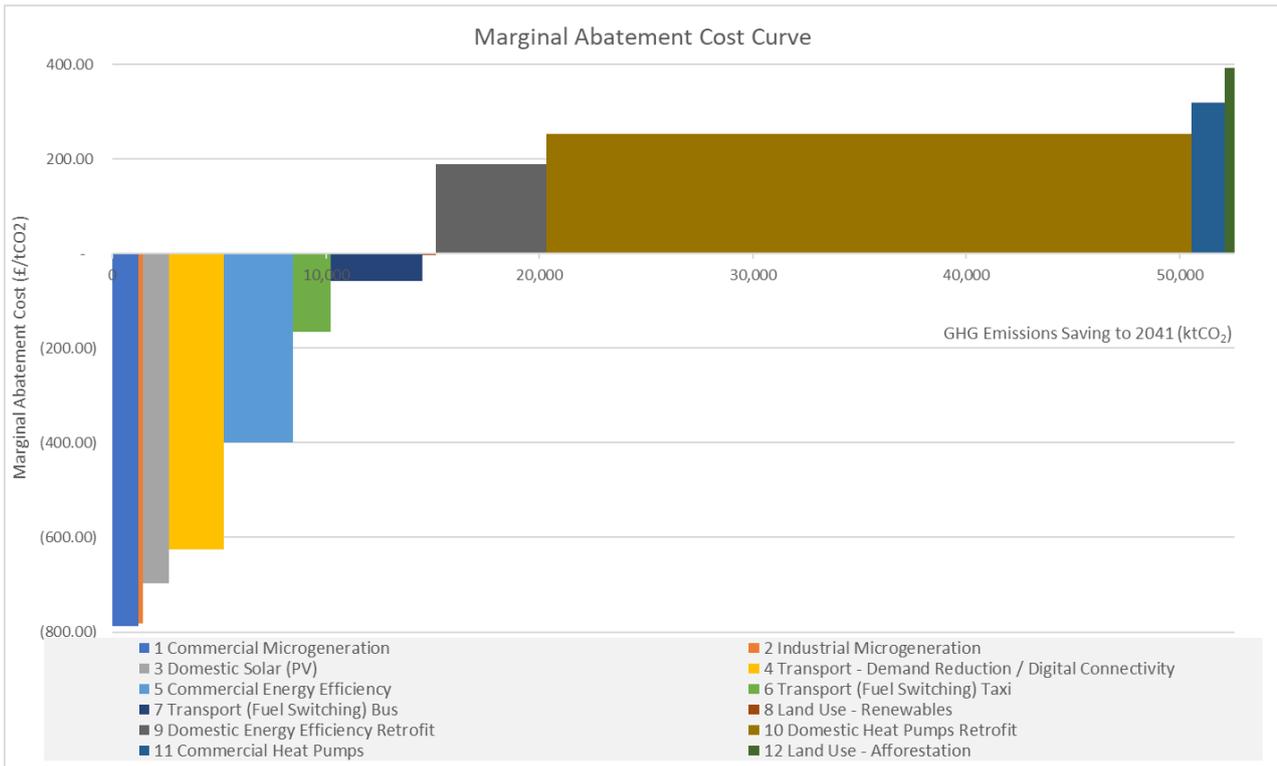
2.19 Addressing the 15 goals identified will mostly require initial investment to get programmes up-and-running. Some of this will need to come from public sector sources, including devolution of resource from national government as part of the UK's programme for carbon reduction. However, for many things there may also be a commercial return on investment, which will require us to continue to develop relationships with industry, landowners and the finance sector in order to realise the opportunities that reaching net zero in the West Midlands presents.

The table below indicates the variety of potential funding sources that could be used to deliver the goals.

Name	Gross Investment Costs to 2026	Gross Investment Costs to 2041	Potential Funding Source
Domestic Energy Efficiency Retrofit	£0.62 billion	£2.5 billion	- Green loans where homeowners are able to pay - Public funding for local authority owned stock - Property owners for rented accommodation
Domestic Heat Pumps Retrofit	£2.28 billion	£9.6 billion	- Grant funding or incentives - Social landlords' investment - Private homeowners voluntarily and later mandatorily
Domestic Solar (PV)	£332 million	£664 million	- Property owners - Green loans - Private sector investment

Commercial Energy Efficiency	£365 million	£731 million	- Property owners voluntarily and later mandatorily - Green loans - Private sector investment
Commercial Heat Pumps	£76 million	£321 million	- Property owners voluntarily and later mandatorily - Public Sector funding or incentives
Commercial Microgeneration	£270 million	£540 million	- Property owners - Green loans - Private sector investment
Industrial Microgeneration	£72 million	£72 million	- Property owners - Green loans - Private sector investment
Transport Demand Reduction	£23 million	£91 million	- Mainly infrastructure providers - Potential gap funding for hard to reach areas - Seed funding for private organisations for community / delivery hubs
Transport (Fuel Switching) Taxi / Bus	£178 million	£356 million	- Private finance - Green loans
Land Use - Natural Capital	£57 million	£229 million	- Public Sector – Environmental Land Management Scheme - Private sector – Carbon offsetting - New Development – Biodiversity Net Gain
Land Use - Renewables	£71 million	£283 million	- Private finance

2.20 The Marginal Abatement Cost Curve (MACC) in the report indicates broadly which measures will be more or less cost effective:



The areas to the left of the graph are those where there is a commercial return on investment. The width of the bar on the chart indicates the potential carbon saving that could be achieved. It is important to note, however, that the costs do not include the start-up and management of the programme itself (e.g. the resource/ staffing requirements, business case development etc) and so should be used as a guide only.

2.21 No significant additional funding has yet been secured for this although some potential small-scale investment opportunities are being worked through, such as the roll-out of all-electric buses in Coventry. The FYP will require investment through a variety of routes, including local authorities, central government, private sector investment as well as WMCA. Many of the interventions outlined in this document will require comprehensive business cases to be developed in order to ascertain more accurate costs/benefits and produce the detail for the financing and delivery. The WMCA is currently working to explore the different financing mechanisms that will need to be put in place in order to deliver on all aspects of the plan, through a Green and Social Finance Working Group.

There is also the need to resource the delivery programme set out in Section 2.25 below and following and to put in place the capacity required to co-ordinate such an ambitious agenda. To this end, it is proposed that resources are made available from the Investment Fund, subject to the extension to the Investment Programme affordable limit, to drive forward this programme.

Investment Fund Proposals

2.22 It is proposed that Investment Fund resources are used for the following purposes:

a) Net Zero Neighbourhood Demonstrator

Evidence suggests that retrofit-at-scale is unlikely to be achieved in the short-term without significant incentive and intervention and that this will be most likely achieved at a neighbourhood scale. Our proposal is to invest in a 'demonstrator' neighbourhood where we can show the potential to unlock a place-based approach to achieving several decarbonisation goals. The Net Zero Neighbourhood might include some of the following:

- A programme of street-by-street 'deep retrofit' and domestic heat and energy initiatives;
- New build investment in Zero Carbon Homes;
- Future mobility innovations, EV charging infrastructure and car-sharing clubs;
- Smart energy, micro-generation and digital infrastructure;
- Investment in the public realm, natural capital and green space.

There is significant scope for using this approach to unlock co-investment through a range of sources including existing housing and transport programmes; private sector investment; government retrofit programmes including LAD2; the Network Innovation Challenge fund; and other green investment vehicles. Similar approaches are being developed in West Yorkshire and Edinburgh. There is also consideration that the programme could be developed as a competition. Any programme of this nature will also include detailed arrangements concerning monitoring and evaluation, returns on investment and governance and accountability structures.

A more detailed proposal will need to be worked up in partnership with local authority officers and would be subject to detailed financial and legal due diligence and formal agreement by the Investment Board.

b) Sustainable Market for Affordable Retrofit Technologies (SMART) Hub

Despite the scale of the challenge concerning domestic energy efficiency and retrofit, the market remains under-developed with significant challenges both in terms of generating demand and stimulating supply chains. This proposal is to create a core capacity in the region to unlock funding and activate a sustainable market for affordable retrofit technologies. This will involve:

- Creating dedicated capacity to work more closely with local authority housing and retrofit teams to access government funding, take a more systematic approach to stock assessment and streamline complex referral routes and procurement frameworks;
- Working closely with the retrofit supply chain to develop and produce heat pumps and other new retrofit products at scale in conjunction with wider MMC initiatives;
- Working closely with skills providers to ensure we maximise training and apprenticeship opportunities in relation to this burgeoning market.

c) Core capacity to drive forward the wider Five Year Plan Delivery Programme

Section 2.25 below and following sets out a broad programme of activity across many of the FYP goals stimulating new activity and unlocking finance to support investment. At present the large majority of this programme is being driven by a small, dedicated team at the WMCA and at Energy Capital. To this end we propose a carefully targeted increase in core capacity in a small number of key priority areas including:

- Energy infrastructure including smart energy networks and EV charging;
- Green manufacturing, industrial decarbonisation and the circular economy;
- Green finance and investment;
- Natural capital and place-based approaches;
- Behaviour change, business engagement and lobbying;
- Energy and environment data, innovation and economy.

d) Natural Capital Programme

The importance of natural capital in both mitigating climate change and boosting resilience to it is highlighted in the FYP. In addition to this, we know natural capital provides significant co-benefits in terms of health and well-being to people and communities. And yet access to good quality green space varies significantly across the region, as has been highlighted in a recently commissioned study by the New Economics Foundation.

To this end we propose creating a Community Green Grants programme for up to 100 small, targeted natural capital grants that aim to build the community response to climate change. Combined with the additional core capacity funding referenced above and a new Natural Capital Board, this would create a stimulus package for nature across the region, helping to address the surge in demand for parks and greenspace seen since the start of the pandemic. A stimulus of this kind would also represent a decisive response to the HM Treasury-commissioned *Dasgupta Review*, which make a strong economic case for investment in natural capital.

Delivery ‘next steps’ and governance structures

- 2.23 The FYP will require new routes for delivery; these are sketched out in outline delivery plans in WSP’s report. Successful delivery of these next steps will require us to have effective institutional architecture in place to drive forward the necessary changes; this will be the central aim of the actions in the systems management and governance section (2.31). It will also require us to work across different geographies, including with the three LEPs and with our non-constituent authorities, to coordinate action and change in energy, transport, resources, natural capital and the built environment.
- 2.24 Delivery will also require that we step out of a ‘business as usual’ approach. The transition to net zero cannot be achieved by minimal change to existing projects and programmes of work. Instead, it will require bold steps in delivery of housing, energy, resource efficiency, natural capital and transport. It will also require all stakeholders to make this step change together – local authorities will have a critical role to play but so will almost every aspect of the Combined Authority and its governance structure. Net Zero will need to be high on everybody’s agenda.
- 2.25 The recommendation to the CA Board is that we accelerate work focused on 17 ‘big moves’, aligned to the main priorities of FYP Accelerated Scenario, many of which are already underway. Delivery of these will need to be underpinned by collaboration across local authorities and regional stakeholders, ensuring that we are enabling a just transition and delivering at the pace and scale to keep on track for net zero by 2041. These next steps are summarised in the table below and then described in the subsequent section of the report.

FYP Theme	Delivery next steps
Domestic	<ul style="list-style-type: none"> • SMART Hub for Retrofit Delivery and Net Zero Neighbourhood Model • Warm Homes Save Lives Programme
Commercial	<ul style="list-style-type: none"> • Commercial Green Energy Taskforce • Local Area Energy Planning & Network Connections Fund
Industrial	<ul style="list-style-type: none"> • Industrial Decarbonisation and Green Manufacturing Taskforce • Circular Economy Roadmap
Transport	<ul style="list-style-type: none"> • Updated Local Transport Plan • Infrastructure for Zero Emissions Vehicles (IZEV) Strategy
Land Use	<ul style="list-style-type: none"> • Natural Capital Board and WM Natural Capital Programme • Community Green Grants Programme • Large-scale Renewables Programme
Systems Management & governance	<ul style="list-style-type: none"> • Green Skills Strategy • WM2041 Behaviour Change and Business Pledge roll-out • Place-based data hub • Net Zero Citizens' Panel • WMCA Carbon Literacy Programme • Whole-system governance including Net Zero Delivery Board

2.26 Domestic Retrofit and Energy Efficiency

2.26.1 Establish a SMART Hub for retrofit delivery

This would be a partnership programme between the WMCA housing and environment teams, local authorities and Energy Capital, to develop a long-term market for retrofit that is supported by manufacturers in the region. It also means that we should not be building new homes that will require retrofit in a few years' time. The SMART (Sustainable Market for Affordable Retrofit Technologies (SMART) Hub will bring together dedicated capacity to work more closely with local authority housing and retrofit teams and drive forward the regional retrofit agenda.

The next steps involve demonstrating ambition across both retrofit and new build at scale, showing how advanced technologies can be deployed, but also stimulating the able to pay market, encouraging consequential behavioural change activity and establishing the scale of financing and delivery vehicles necessary to stimulate the manufacturing and installation supply chain to invest and grow over the long term.

2.26.2 Net Zero Neighbourhood Demonstrator.

A Net Zero Neighbourhood would focus on delivery of energy efficiency and retrofit for buildings, it is at this spatial level that the finance can be unlocked and the benefits of a programme can be realised in terms of a wider contribution to place-making that cannot be achieved through a 'one home at a time' approach. This could therefore also include opportunities for community energy schemes, public realm and natural capital improvement, active travel, EV car clubs and digital infrastructure that all contribute to the creation of a truly net zero neighbourhood that brings broader health and wellbeing and economic outcomes. This programme could potentially be kick started by helping Local Authorities to draw down their funding allocations available under the Local Authority Delivery (LAD) 2 Scheme funded by BEIS. The criteria for selecting the neighbourhood within the West Midlands will be developed, but would include opportunities for adjacent investment (e.g. in transport, housing, natural capital and energy), level of deprivation and fuel poverty, housing stock type and tenure and availability of LAD 2 funding for area based programmes.

2.26.3 Warm Homes Saves Lives fuel poverty programme

The West Midlands has the highest fuel poverty gap of all the English regions and the second highest incidence of fuel poverty. Without addressing these foundations, the energy efficiency measures outlined in the FYP will be undermined and the carbon savings sought from the domestic market will not be achieved. Building on our existing programme, new work will include the demonstration of new CRM referral system, better targeted energy efficiency measures delivered through partnerships with providers, potentially through a more co-ordinated provider framework, the development of an innovative Social Impact Bond mechanism for fuel poverty and lobbying of BEIS for future ECO funding to be further devolved to LAs. This co-ordinated approach will help to shape and access national programmes and ensure the long-term funding is directed to where it is needed most in the West Midlands.

2.27 Commercial Efficiency and Local Area Energy Planning

2.27.1 Commercial Green Energy Taskforce.

The WSP report indicates that there are significant carbon savings to be made in the commercial sector. Whilst the technologies might be the same as the domestic sector, the approach to delivery is different. Establishing this taskforce will be the first step in developing a clear understanding of how we accelerate this work in the West Midlands in terms of retrofitting and realising the renewable potential of commercial buildings.

2.27.2 Local Area Energy Plan and a revolving Network Connections Fund

This would address the pressing short-term cost barriers to decarbonisation and green growth to overcome the problem of high cost of network connections for electric charging infrastructure, new developments such as the Giga Factory and other demands on the energy networks, through demand aggregation. Building on the Energy Transition project supported by the SED Board in August 2020, in order to identify where investment should take place, the WMCA should develop a Local Area Energy Plan and investment in shared expert capacity through Energy Capital to map out the implications of transport, housing and industry's decarbonisation plans and represent the requirements of the region through the Distribution Network Operators Business Planning processes, which determine where investment is made in the region's energy infrastructure and where it is left to the market to invest.

This would need to be expanded beyond Coventry City, where Energy Capital's current innovation project (RESO) is focused, and to enable deeper engagement with Western Power Distribution and Cadent across the whole region and identify ways to affordably fund network connections that support the region's decarbonisation plans.

2.28 Industrial Decarbonisation and the Circular Economy

2.28.1 A LEP-led Industrial Decarbonisation and Green Manufacturing Taskforce.

The WSP report indicates that there are significant carbon savings to be made in the industrial sector, but exploration into this issue has shown the complexity of solutions, including new technology and circular economy opportunities. There is an opportunity to share learning from the Black Country Industrial Cluster Decarbonisation programme funded by BEIS. It is therefore recommended that the WMCA works with the LEPs to establish a special Taskforce to develop a collaborative work programme on these issues and supports the Black Country in accessing future funding and explore opportunities for expanding solutions identified across the wider West Midlands.

2.28.2 Circular Economy Routemap.

The circular economy was highlighted as a priority in the June 2020 CA Board paper, *WM2041: A Programme for Implementing an Environmental Recovery*. Since then, a circular economy taskforce has been established and Useful Projects have been commissioned to support the development of a routemap by mid-2021, to understand where the West Midlands is uniquely placed to accelerate work on the circular economy. This will build on regional strengths, including: the circular economy work in Wolverhampton (including Wolverhampton University); the Repowering the Black Country work, exploring the potential of circular economy in industrial processes; and the activity that supports business engagement, for example International Synergies' work on industrial symbiosis. The routemap will provide a clear understanding of what our next steps should be, the 'big wins' for the West Midland and the investment required to deliver.

2.29 Transport

2.29.1 **An updated Local Transport Plan.** WMCA Board approved the approach for an updated LTP at its meeting on 24th July 2020. A review of the LTP is underway and is being progressed with the constituent authorities. Developing and managing the West Midlands LTP is one of WMCA's key statutory functions undertaken by TfWM. The current LTP, Movement for Growth, was adopted in 2016 but significant developments and changes have taken place in the last 5 years including increasing concerns regarding the climate emergency. The FYP outlines indicative mode shares and desirable reductions in transport carbon emissions. These could be progressed by enabling changes in consumer choices in line with the proposed "avoid, shift, improve" framework for reducing emissions and already adopted re-mode, re-route, re-time and remove journeys approach in the WMCA adopted Congestion Management Plan (containing a significant behaviour change programme). The scale and pace of change will be heavily dependent on public hearts and minds support for demand managed policies in transport and land-use policy changes required to support such a scale of change. The new LTP will be published in early 2022.

2.29.2 Infrastructure for Zero Emissions Vehicles (IZEV) Strategy.

This strategy, due to be completed in March 2021, builds on the West Midlands & Warwickshire ULEV Strategy approved by WMCA Board in January 2020, the decision by the CA Board to support the development of a Network of Transit Charging Stations across the region and the work of Midlands Connect. The strategy will recommend a partnership programme which reaches beyond TfWM's current role in strategic action planning for the Park and Ride estate and exploring options for collaboration in delivery of chargepoint infrastructure, into integrated infrastructure planning and delivery. It recognises the regional priority to facilitate the decarbonisation of public sector transport options and support modal shift, whilst at the same time enabling those individuals and service providers that do require private vehicles, to confidently make the transition to zero emission vehicles, and supporting vehicle manufacturers in the transition from the production of internal combustion engine to electrically powered vehicles.

This programme recognises the unique role that local authorities have in being able to bring together operators with complimentary charging requirements to establish charging hubs, supported by OZEV funding, which can be developed around the needs of the users and the availability of network capacity. A template for this approach can be seen in the development of Coventry and Warwickshire's Low Carbon Transport and Energy Hub or Tyseley Energy Park. This programme recognises the value of collaboration between transport and energy network operators, both to overcome short term barriers such as electrical network capacity costs and set the region on a pathway to achieve longer term goals in transport decarbonisation such as the provision of infrastructure to support the development of biofuel and hydrogen solutions.

2.30 Land Use

2.30.1 Natural Capital Action Plan and Board.

We will bring together stakeholders from across the region to provide support for work on biodiversity net gain and nature-based solutions. This will include a wide range of issues, including: tree planting, taking responsibility for a Local Nature Recovery Strategy and work to support funding and roll out of our Natural Capital Programme. Delivery will happen in conjunction with local partners and also in working with large scale infrastructure projects like the Commonwealth Games and HS2. An initial natural capital action plan for the WMCA is being presented to the March 2021 Environment and Energy Board.

2.30.2 Large-scale renewable energy projects.

The FYP identifies opportunities to use land within the WMCA area that is ideally suited for utility scale solar and wind electricity generation. The areas identified should be mapped, investigated further and prioritised where considered suitable. Working closely with key stakeholders including local authorities, communities and landowners, the WMCA and Energy Capital public sector can play an important role though helping developers to link up with end users to establish Power Purchase Agreements, supporting community energy groups to bring forward schemes, and even investing in schemes to create a return on investment which could be reinvested to support other areas of delivery of WM2041. This programme can be scaled up depending on the availability of funds, from a small neighbourhood community scheme to support the SMART hub programme, to larger developments supporting industrial and commercial decarbonisation.

2.30.3 Community Green Grants.

The importance of natural capital in both mitigating climate change, as well as boosting resilience to it, is highlighted in the FYP. In addition to this, we know natural capital provides significant co-benefits in terms of health and well-being to people and communities. However, access to green space is not equitable, a situation that has been brought into sharp relief during the Covid-19 lockdowns. Using data that WMCA and other regional partners have available, we know the neighbourhoods where there is currently deficit of access to green space and are seeking to work with delivery partners across the West Midlands to provide community grants to roll out projects to create, enhance and improve access.

2.31 Skills, Systems Management and Governance

2.31.1 Green Skills Strategy.

Work with Colleges West Midlands and the Jobs and Skills Delivery Board to develop a Green Skills Strategy linked closely with investment and job growth, introducing skills training in key areas that exhibit early job demand and demand for new or updated skills, in particular:

- Vehicle manufacture / technology (including Battery operatives and increased EV/ hybrid vehicle maintenance and repair)
- Transport (including Planning, management and co-ordination)
- Built environment (including Heat pump installers – specifically F gas, Retrofit co-ordinators and customer management, Electrical installers, Commercial, procurement, project management)
- New industry / manufacture (including Product design)
- Energy (including Solar installers)
- Tech (including Smart systems, data analysis, software design, Use of 5G)

2.31.2 Behaviour change and business pledge roll out.

There was a strong message coming through the original consultation on WM2041 that people across the region wanted more information on what they could do to reduce their carbon footprint. Behaviour change has also emerged very strongly as a crucial part of delivering net zero in the UK Climate Change Committee's 6th Carbon Budget, being implicated in 59% of the UK's actions to reduce emissions. The WMCA Environment Team has commissioned the national Behavioural Insights Team to advise us with this work. We will be working with key stakeholders such as TfWM who will deliver sector specific activity to drive a step change in this area of work. This work will reflect the diversity of the communities that we have across the West Midlands, ensuring that we understand how to reach out and make the zero carbon transition relevant to everyone. In addition to this, the WMCA has worked with regional businesses from the Mayor's Economic Impact Group to develop and launch a 'Net Zero Business Pledge' to support businesses in building action plans to reach net zero and to showcase some of the excellent work already being led by business in this area. The work will reach out to all businesses, not just those already working in the low carbon sector.

2.31.3 Create a place-based 'Centre for Climate Data'

We propose working closely with regional partners to bring together information to inform decisions on net zero and produce independent models and predictions. Relevant data could cover private and public emissions, utilities rollout and repair (particularly energy and fibre), planning, transport, public health, and supply/demand in key parts of the economy (e.g. domestic heat pumps, retrofit firms). This will be linked with the Digital Roadmap and plans for a WM Datastore.

2.31.4 Net Zero Citizens' Panel.

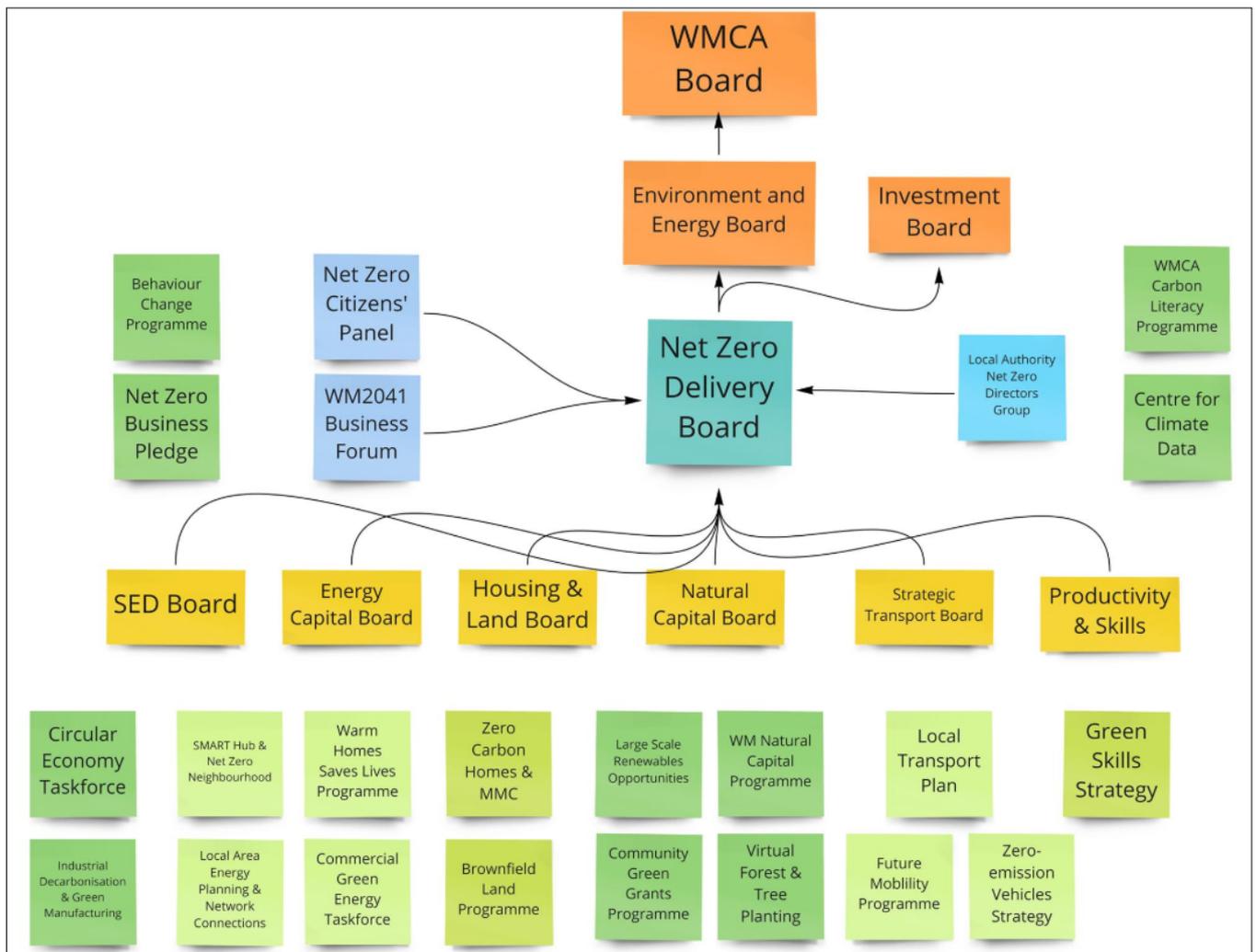
Citizens' panels and assemblies have proven to be a valuable part of the decision-making process around climate change solutions and driving behaviour change initiatives. They have been used at national level (e.g. the UK Climate Assembly, which reported in September 2020) as well as at the local authority level – for example, in Wolverhampton. Birmingham has also recently announced its intention to develop a citizens' assembly for the climate emergency to develop their climate change plans. A Net Zero Citizens' Panel, will form an important part of testing solutions and informing decisions on programmes developed from the FYP. In particular, it will ensure that we are upholding the WM2041 principle of achieving net zero without leaving anyone behind.

2.31.5 WMCA carbon literacy programme.

As well as working with stakeholders across the region to deliver on the net zero ambitions, the WMCA will show leadership through a carbon literacy programme being established and rolled out for all staff. This will be happening from March 2021 onwards and will be an important part of the behaviour change work. The business pledge will encourage all organisations to complete carbon literacy training.

2.31.6 Whole system governance.

The key 'systems managers', from a WMCA perspective are: Energy Capital; Transport for West Midlands and the WMCA Environment Team. Achieving net zero will require more than just a series of initiatives by each of these organisations though; it will require systems integration and whole systems change, to ensure that West Midlands citizens are able to make zero carbon choices. It will also require the generation of systems data to support the systems governance. A proposed structure to enable this is a Net Zero Delivery Board. It is suggested that this is a Technical Board with responsibility for achieving the 2041 target. This Board should have an outward focus, with the aim of creating an informed interface between the WMCA and the wider systems of which the West Midlands is a part; including our electricity network, gas network, communications network, transport system and planning system at a local level.



- 2.32 Crucially, these agencies will need to work increasingly closely with BEIS, Ofgem and key energy infrastructure agencies such as WPD and Cadent. There will also need to be close collaboration with other teams across the WMCA, for example Housing and Land and Productivity and Skills. These different parts of the programme will be brought together in the WM2041 Net Zero Delivery Board. The Environment and Energy Board will remain the main governing body for guiding the programme and approving workplans.
- 2.33 Local authorities have a key role to play in delivering net zero. The WMCA will need to seek joint approaches with local authorities to deliver at scale, where appropriate, to set the conditions for net zero delivery, respecting subsidiarity and relevant duties and powers.
- 2.34 It is of critical importance to recognise that this is not just a plan for the WMCA, however. Whilst the work has focused on what the role for the WMCA might be in the journey to net zero, action and delivery will be required by individuals, communities, local authorities and business. There is a role for everyone in delivering the net zero ambition and the report also outlines delivery plans for each of the areas in turn. The key message is that we need to act fast, together in order to make net zero by 2041 a reality.

3. Financial Implications

- 3.1 The FYP document estimates that the indicative gross cost of transition during 2021-26 is **£4.3bn**. The overall cost of the programme to 2041 is being estimated at **£15.3bn**.
- 3.2 The FYP will require investment through a variety of routes, including local authorities, central government, private sector investment as well as WMCA. Many of the interventions outlined in this document will require comprehensive business cases to be developed in order to ascertain more accurate costs/benefits and produce the detail for the financing and delivery. The WMCA is currently working to explore the different financing mechanisms that will need to be put in place in order to deliver on all aspects of the plan, through a Green and Social Finance Working Group.
- 3.3 Small-scale investment opportunities, such as the roll-out of all-electric buses in Coventry, are being worked through and larger investments in transport, housing and skills contribute to overall net zero goals, but there is considerable work to be done to secure the investment necessary to drive forward the Five Year Plan.
- 3.4 Use of Investment Programme funding is available, subject to the extension to the Investment Programme affordable limit, which is the subject of a separate report to this Committee.
- 3.5 The distribution of the increase in the Investment Programme affordable limit is provisionally laid out in the Financial Monitoring Report, which makes an allowance of **£5.1m** to fund WM2041 initiatives as outlined below (details in paragraph 2.22 above):

	£m
Net Zero Neighbourhood	2.1
SMART Hub	0.7
Energy & Environment Core Capacity	1.4
Natural Capital Programme	1.0
Total	5.1

- 3.6 All of the work-streams above demonstrate a clear link to the WM2041 strategy and Five Year Plan. The Net Zero Neighbourhood demonstrator would focus on delivery of energy efficiency and retrofit for buildings which could be the blueprint for region-wide schemes in the future. The creation of a SMART hub would bring together dedicated expertise to work in conjunction with local authorities and retrofit teams to drive forward the retrofit agenda. The funding will also provide much needed additional capacity and capability required across Energy Capital and the Environment teams to deliver the Investment Programme proposals and to mobilise the work on the FYP delivery for two years. Finally, it will support the roll out of a Natural Capital Programme, with the provision of Community Green Grants to target increased access to green space where there is currently a deficit. The programme will also support the natural capital elements of the FYP, tree-planting, micro-generation and biodiversity net gain across the West Midlands.
- 3.7 Should WMCA Board agree a funding allocation from the Investment Programme, assurance on cost outputs and approval to spend the budget will be obtained via the WMCA Single Assurance Framework.

4. Legal Implications

None from this FYP. We will work closely with colleagues in the Legal Team during business case development as these progress for each of the priority interventions.

5. Equalities Implications

The equalities implications of this paper – and the activities it proposes – should create net positive effects in terms of the impacts on citizens and communities. Underpinning all the work on WM2041 is the need for it to be a ‘just transition’ (deliberately mitigating the cost of changes for those least able to bear it) and it seeks to embed environmental goals as part of an overall approach to economic growth that is more inclusive.

6. Inclusive Growth Implications

WM2041 was established as a programme that had inclusive growth embedded within it. The commitment to transition to net zero in the WM2041 plans, as well as the alignment with the UN Sustainable Development Goals, underpin our whole approach to addressing climate change. This runs through the FYP, where we have highlighted co-benefits around addressing climate change. These range from reduction of fuel poverty through an extensive retrofit programme, through to natural capital solutions and widening access to green space for people across the region.

In addition to the solutions themselves, the FYP also outlines the numbers and types of jobs that might be created as part of the region’s actions to decarbonise. This includes reskilling opportunities for people currently working in ‘high carbon’ sectors to ensure that opportunities are available for everyone to be part of the transition to net zero.

7. Geographical Area of Report’s Implications

The report concentrates on the seven constituent authorities. Different parts of the FYP may involve non-constituent authorities as part of delivery. These relationships will be developed on a case-by-case basis.

8. Other Implications

None.

9. Schedule of Background Papers

Five Year Plan Summary document – attached with this paper.
Five Year Plan independent technical report – available on request.

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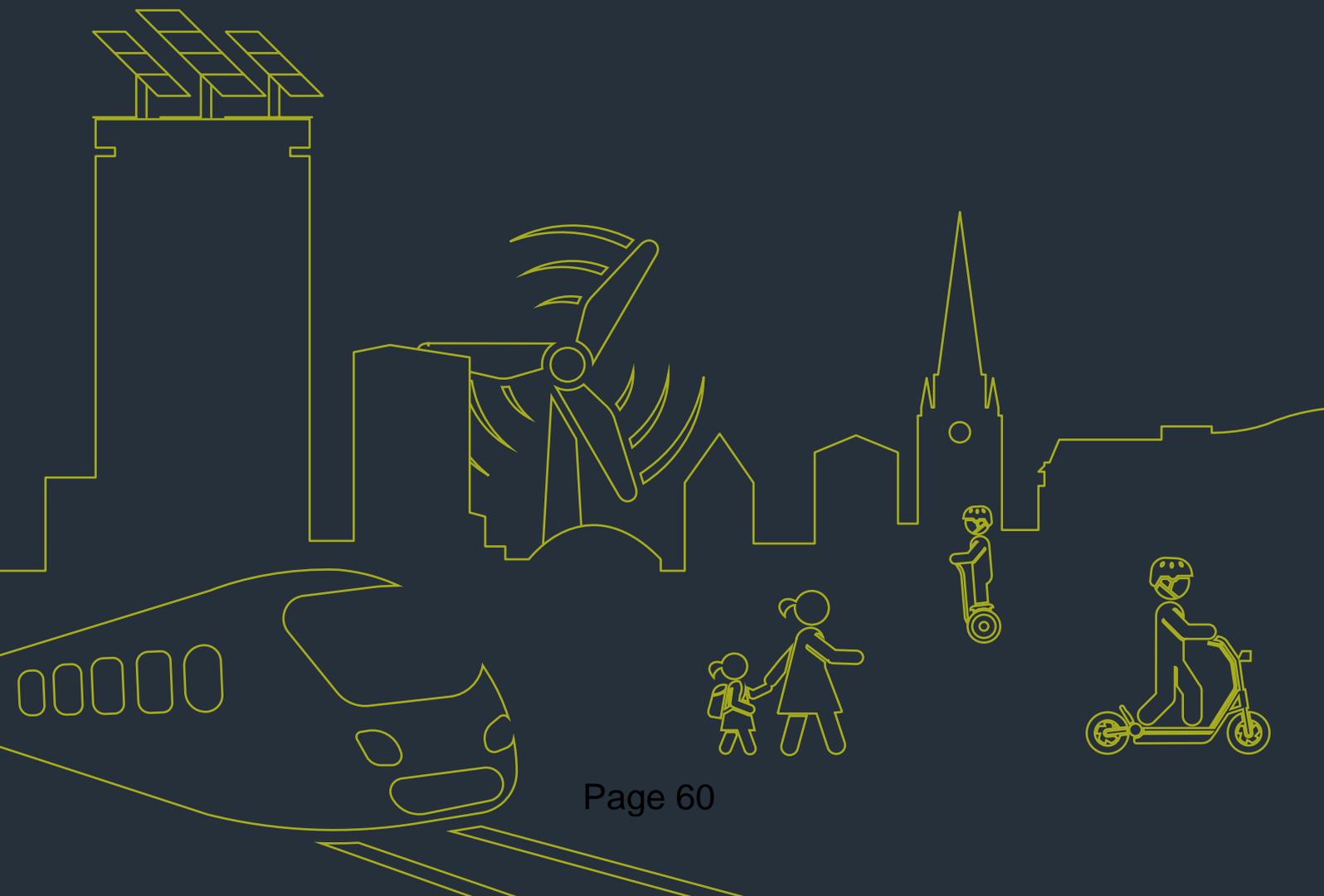
WM2041

FIVE YEAR PLAN 2021-26

Executive Summary



This summary of the Five Year Plan sets out how the West Midlands Combined Authority area can start to deliver net zero carbon emissions by 2041. It covers:



Executive summary.....4

Background.....10

Where are we now?.....16

Stakeholder engagement & data review.....30

Sectoral analysis.....34

Carbon modelling results.....58

Delivery plan.....66

Jobs and skills.....76



The Five Year Plan (FYP) – Executive summary

In 2019 the West Midlands Combined Authority (WMCA) set the region a target to be net zero by 2041 and meet the ambitions set out by the Paris Agreement.

This is the first Five Year Plan (FYP) to demonstrate how the region could deliver the 2041 target and it shows:

- ▲ Under a highly ambitious ‘Accelerated’ scenario, goals in domestic, commercial, industrial, transport and land use sectors could deliver a **33% reduction by 2026 (against 2016 baseline) and net zero by 2041**. The “Accelerated” scenario is recommended to be used as the standard to set the delivery goal ambitions.
- ▲ When considering current efforts and actions and the scale and pace required, the region **is currently not on target**.
- ▲ The **change in delivery pace required is huge and unprecedented**. It requires collaboration and delivery across all sectors well beyond current efforts.
- ▲ Delivery of this FYP to move the region to a net zero carbon society will represent **an investment in the region’s future** and create a better West Midlands.
- ▲ Although action and investment within the region and by WMCA is crucial, the goals will require **devolution of powers, additional government investment and action by the public**.
- ▲ Gross extra investment required under the ‘Accelerated’ scenario is **£4.3bn by 2026**. However, net investment will be much lower due to operational savings.
- ▲ 41% of delivery is related to technology, 16% requires behaviour changes and 43% is a combination of both. (Taken from Committee on Climate Change, Sixth Carbon Budget)
- ▲ Delivering the ‘Accelerated’ scenario could create **21,000 jobs by 2026 and 72,000 by 2041**.



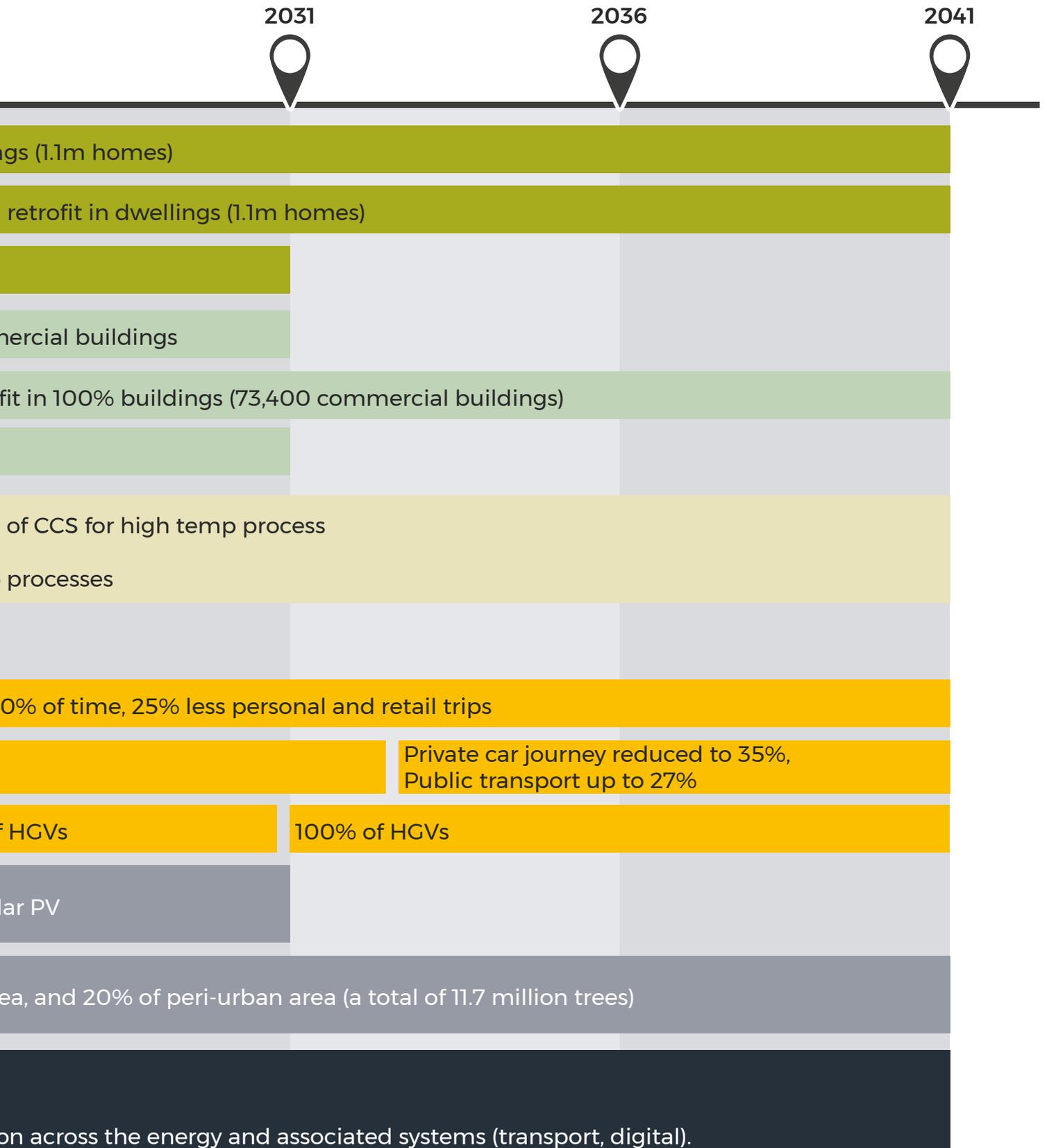
To set the region on course to deliver the net zero target by 2041, this FYP identifies key priorities for delivery, working with regional stakeholders, including:

1. Set up a **regional approach** to work with stakeholders to unlock investment to deliver energy efficient homes for up to 294,000 dwellings, with low carbon heating in 292,000, at a total cost of £3.6bn, reducing energy bills, fuel poverty and creating jobs.
2. Unlock investment of up to £70m in land based renewables and £483m on rooftop PV by 2026.
3. Energy Capital will support local authorities, LEPs and stakeholders to undertake and implement local area energy planning, enable net zero energy systems and renewables delivery.
4. Be a **pathfinder for energy devolution and regulatory change** to drive competitiveness of the region's industrial and commercial sectors, positioned as a global leader in the net zero transition as part of the WM Industrial Strategy.
5. Support changes in the way we travel through reduction in car usage and a much higher modal share of public transport and cycling. TfWM will continue to work with local authorities to deliver improvements to **active travel and public transport** as set out in the existing Local Transport Plan (LTP), Movement for Growth, as well as producing a new LTP aligned to WM2041.
6. Implement the **Zero Carbon Homes Routemap** which provides clear actions and targets for reducing operational, embodied and whole life emissions for new residential development.
7. Work with stakeholders to secure inward investment that supports green growth, including a battery **Gigafactory** and electric vehicle charging facilities, powered by clean energy infrastructure.
8. Launch a **Net Zero Business Pledge** to enable businesses in the region to become champions and understand how they can play their part.
9. Establish a regional natural capital board to produce a **natural capital plan for the West Midlands** to increase forestry cover from 1.5 to 13% at a cost of £60m up to 2026.
10. Work with stakeholders to develop and drive **behaviour change initiatives** across the region.
11. Work with colleges, universities and employers to develop the skills and training programmes required to provide the work force for the net zero transition.



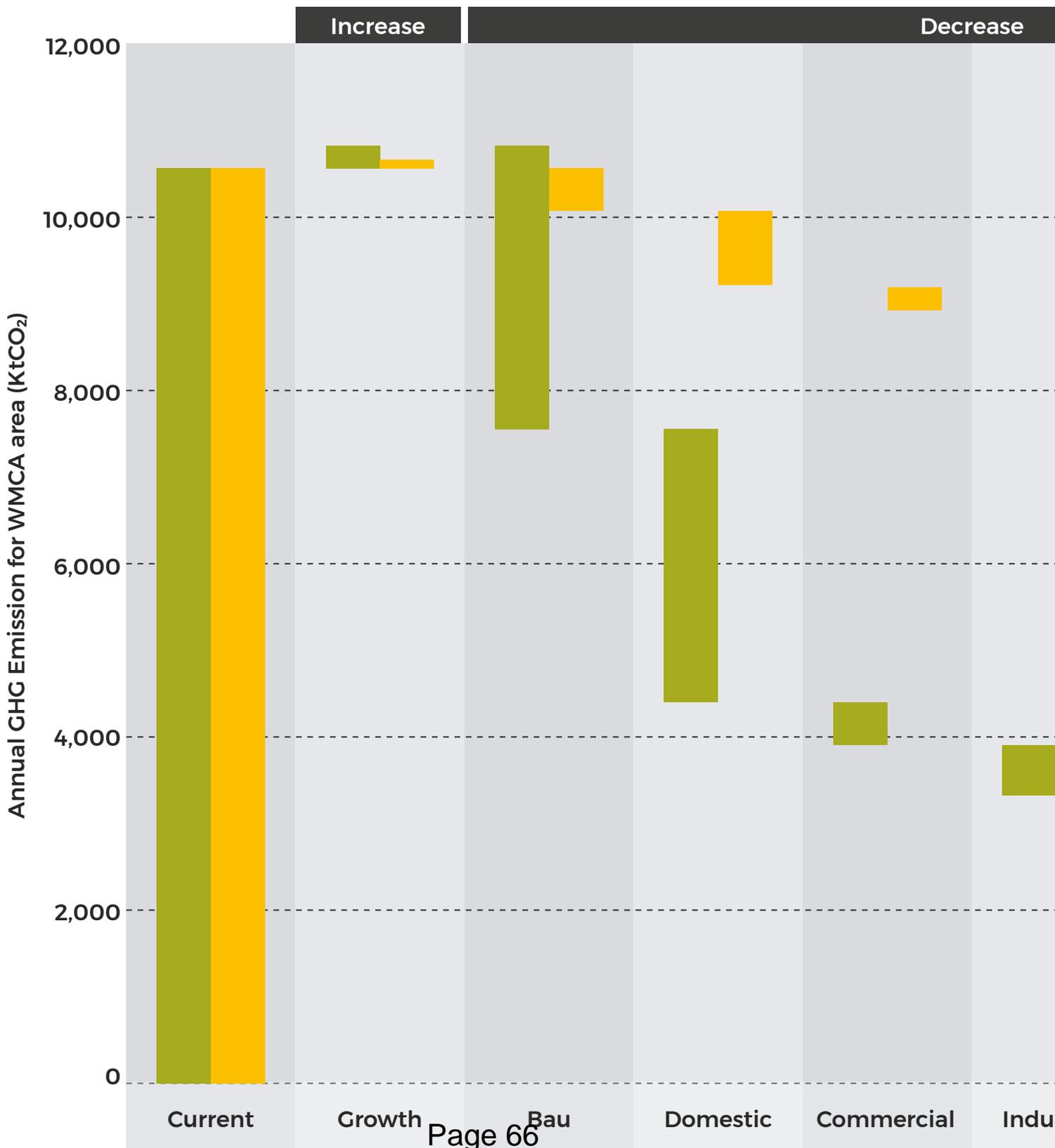
Timeline of actions under 'Accelerated' scenario by 2041

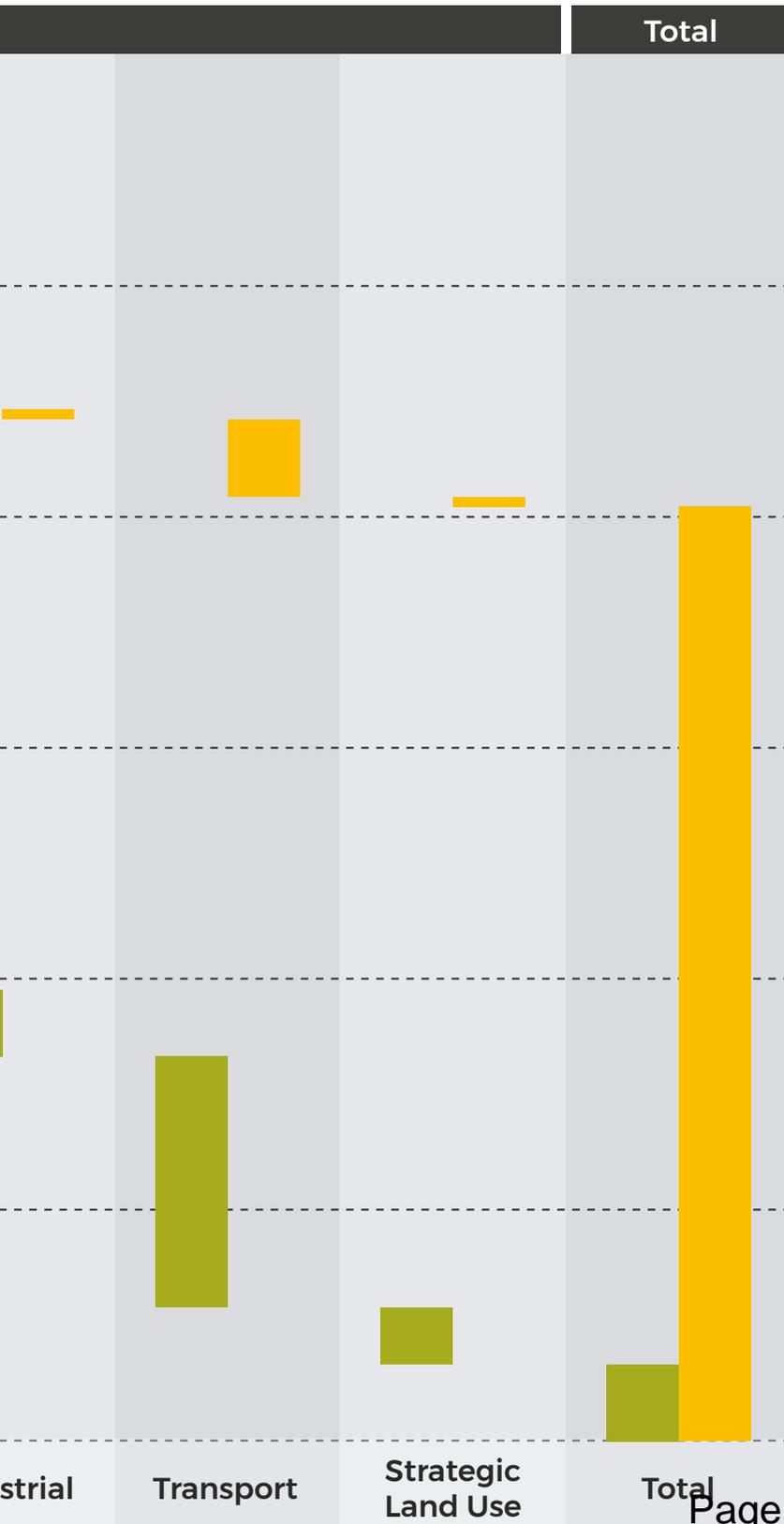
			2021	2026
	Domestic	Energy efficiency	Energy efficiency in 100% dwellings	
		Heating retrofit	100% low-carbon heating system	
		Solar PV	830 MWp of rooftop solar	
	Commercial	Energy efficiency	Energy efficiency in 73,400 commercial buildings	
		Heating retrofit	Low-carbon heating system retrofits	
		Solar PV	705 MWp of rooftop solar	
	Industrial	Energy efficiency and heating retrofit	16.7% deployment of H ₂ and 40% 10% energy efficiency 100% electrification for low temperature processes	
		Solar PV	96 MWp of PV	
	Transport	Avoid	35% of people tele-commuting 50% of people working from home	
		Shift	Bike increase to 10% of trips	
		Improve	100% electric taxis, buses, 50% of other public transport	
	Land Use	Renewables	59 MW Wind and 448 MWp of solar	
		Natural capital	Tree coverage in 13% of WMCA area	
	Systems Management		Upgrade and manage coordination	



on across the energy and associated systems (transport, digital).

Carbon modelling results for 2041 and 2026 (Accelerated scenario)





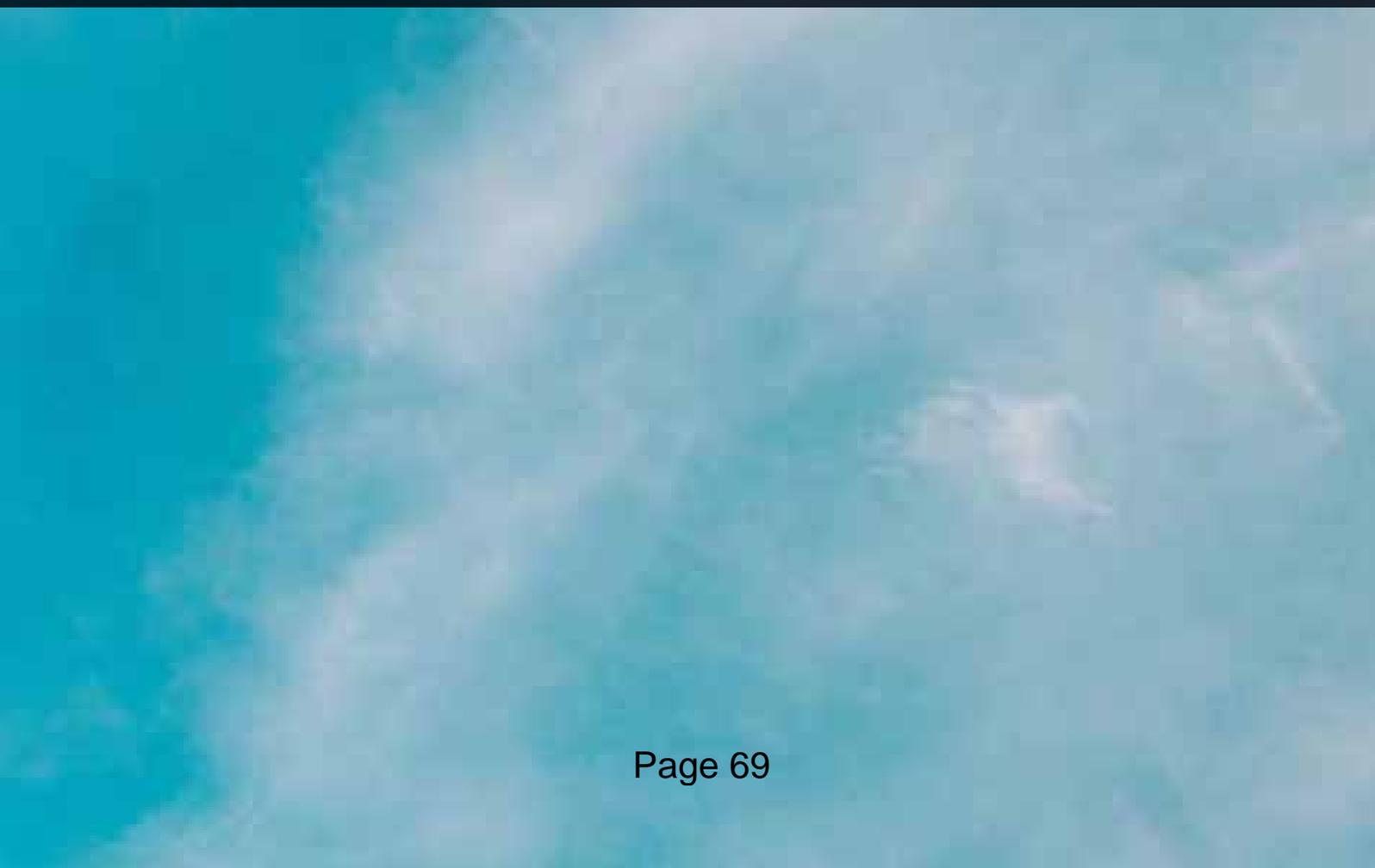
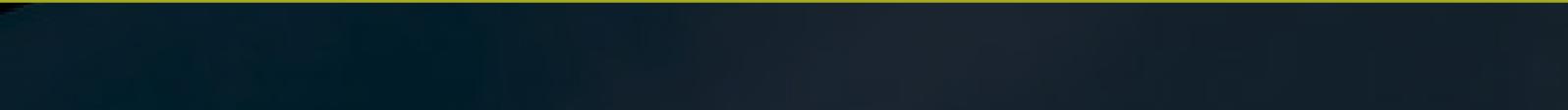
Modelling shows implementing all goals gives a **94% reduction by 2041 – net zero is realistic.**

The ‘accelerated’ scenario results in a **33% reduction to 8.1 MtCO₂ per year by 2026** (against a 2016 baseline).

Carbon modelling shows that there is **a gap between what is technically possible and socially tolerable** and the Tyndall target of 4.9MtCO₂ per year by 2026.



BACKGROUND



Background

Following the approval of the **‘WM2041: A Programme for Implementing an Environmental Recovery’** in June 2020, the WMCA and stakeholders committed to producing five-year delivery plans in support of delivering the **net zero carbon target for the West Midlands by 2041.**

The aim of this first Five Year Plan (FYP) is to provide clear guidance on the types of measures that will need to be implemented in the 2021-2026 timeframe to reach net zero by 2041.

The WMCA and stakeholders, must understand where and how investment is required in programmes of delivery and policy changes to support the 2041 target.

The WMCA also needs to understand how this should be sequenced and the combination of approaches that will need to be taken to get them to a position of net zero by 2041.

#WM2041 – goals and principles

The original WM2041 plan (published in January 2020) suggested that becoming zero carbon needed to take account of wider social, economic and environmental principles. These are:



Alignment with the UN Sustainable Development Goals

Investing in mitigating and adapting to climate breakdown is essential for the future of the WMCA region.

The WMCA is committed to a model of inclusive growth which judges economic activity by the quality of its outcomes for people and place, aligned with UNSDGs.

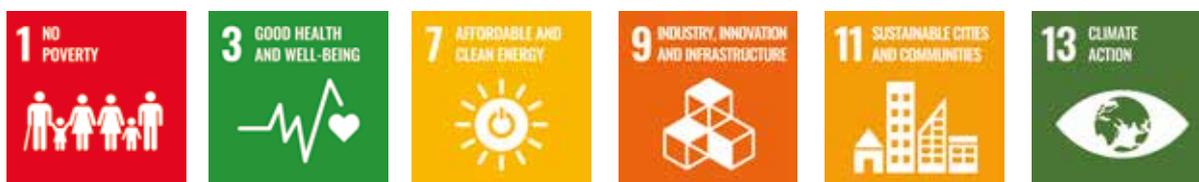
1 Unite people across the region by creating common cause and **addressing inequalities**



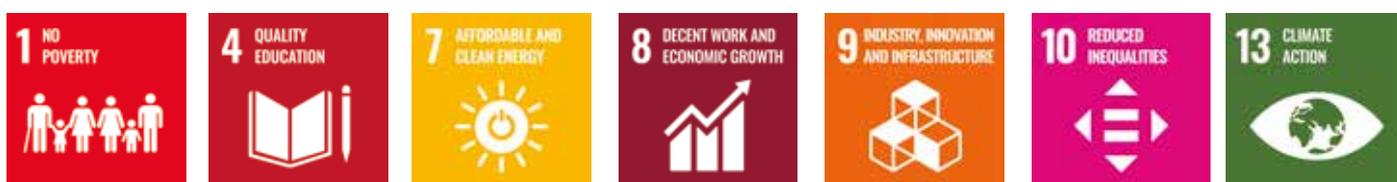
2 Make space for **sustainable transport**



3 Invest in **comfortable homes and buildings**



4 Build wealth, and recycle it throughout the region through **skills and community ownership**



The first Five Year Plan aims to:

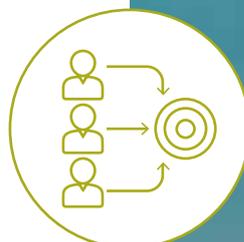
Evidence based plan

Provide an **evidence based plan**, linking up WM2041 and local authority delivery plans, projects and investment programmes.



Common vision for stakeholders

Create a **common vision for stakeholders** across the West Midlands with a strategic plan, policies and outline of practical devolution opportunities to deliver WM2041.



Different existing and potential new routes to delivery

Outline **different existing and potential new routes to delivery** and where this is best led by communities, the public sector, the private sector, or a mixture.



Funding sources, financing and investment

Outline the **funding sources, financing and investment** to deliver the FYP.



A step change

Represent **a step change** in the way the region works together to deliver against environmental priorities for an inclusive, prosperous and fair transition.

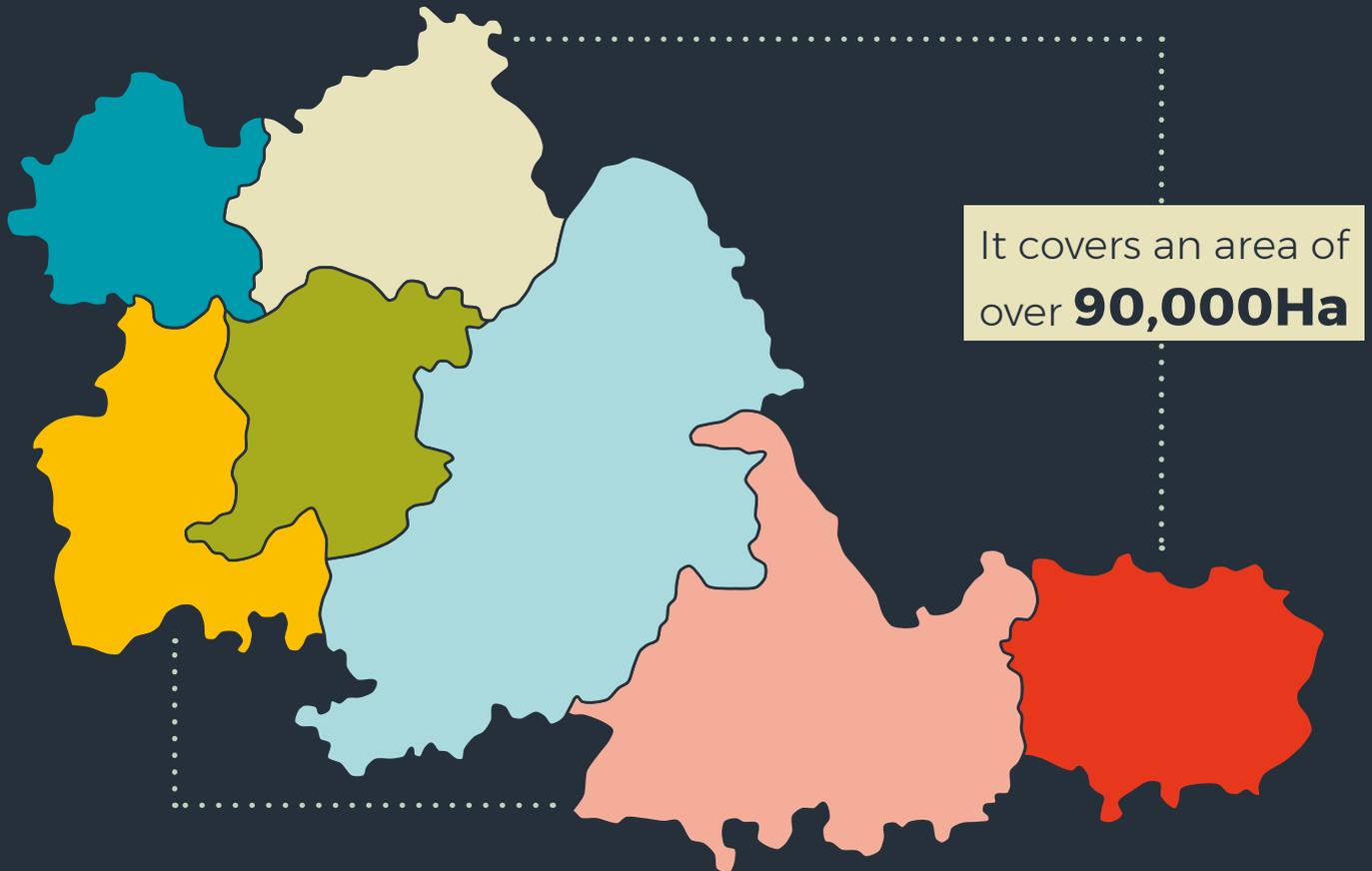




WHERE ARE WE NOW ?



About the West Midlands Combined Authority region



**2.9m people in
1.15 million homes**

Birmingham

Coventry

Dudley

Sandwell

Solihull

Walsall

Wolverhampton

Page 76

88,600 businesses
across the seven authorities

78,400 businesses employing fewer than 10 people with a similar number turning over less than £1million

1,000 businesses employing more than 100 people with a similar number turning over more than £10million

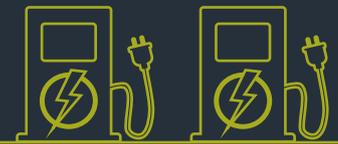


1.4 million cars registered in the West Midlands Combined Authority (including 32,000 ultra low emissions vehicles).



455 public EV chargers in the West Midlands Combined Authority of which 97 are 'rapid'.

75 million vehicle miles taking place annually in the West Midlands Combined Authority. Over 60% of all journeys are made by car.

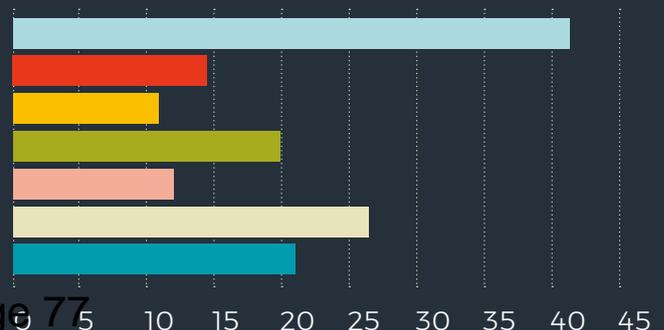


There is significant **variation across the seven local authorities** including the levels of fuel poverty (the national average for fuel poverty is 10.3%) and in the indices of multiple deprivation.

Proportion of households fuel poor (%)

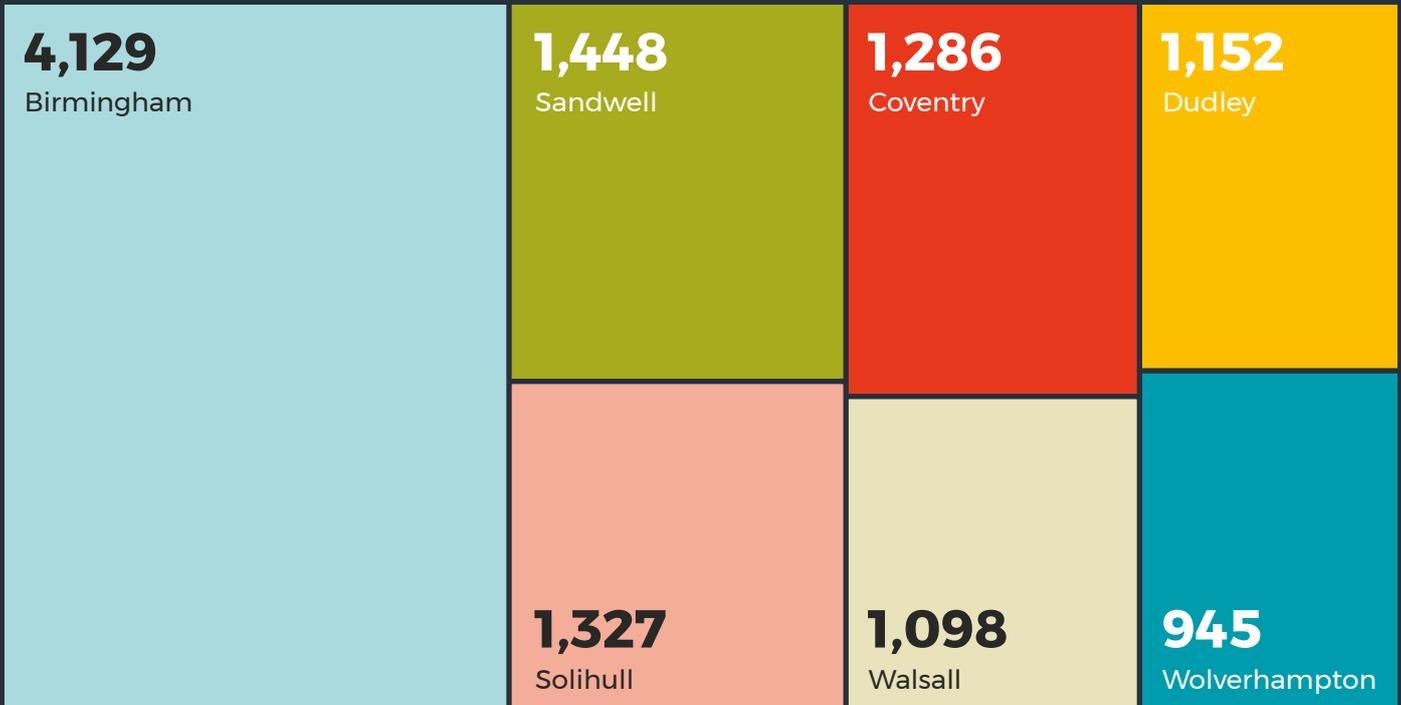


Proportion of LSOAs in most deprived 10% nationally



GHG emissions in the West Midlands Combined Authority

2018 Share of GHG Emissions (ktCO₂)

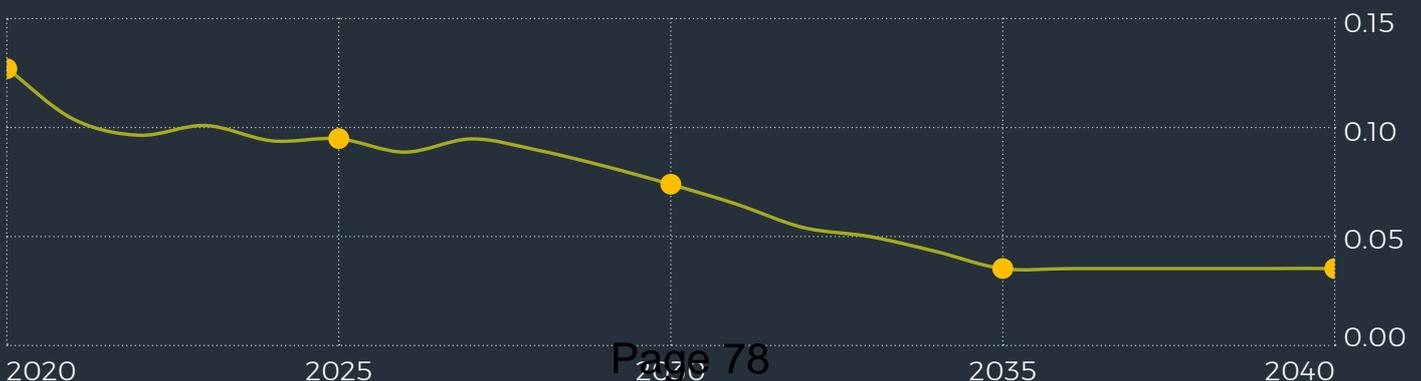


11,385 ktCO₂ emitted across **constituent local authorities** *in 2018*

The split in energy consumption of **50,238 GWh**

Projected Decarbonisation of Electricity

(kgCO₂/ kWh)



Energy Use

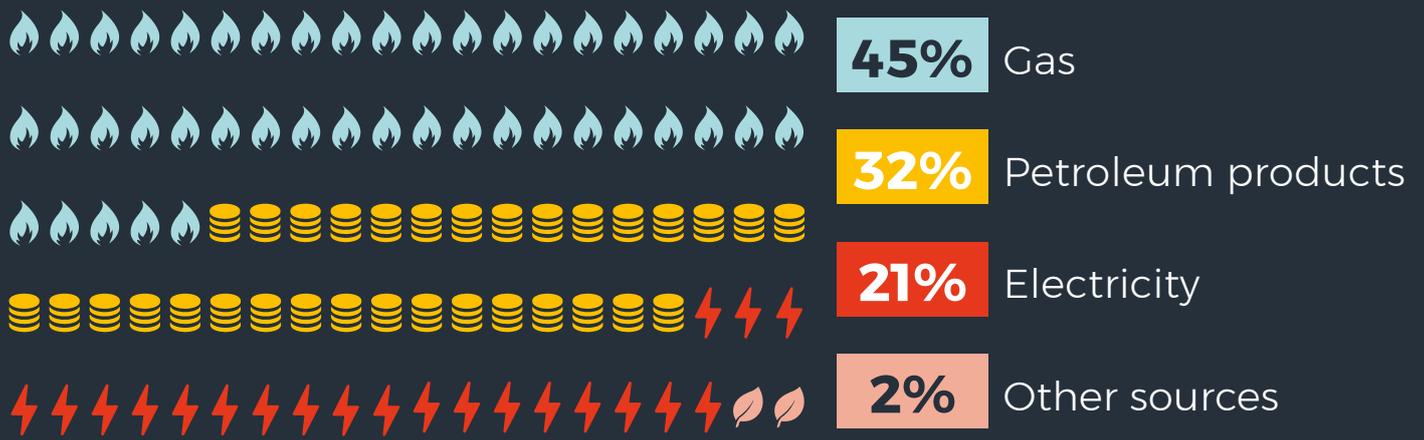
by End User

Energy consumption is split evenly between -

29% Transport

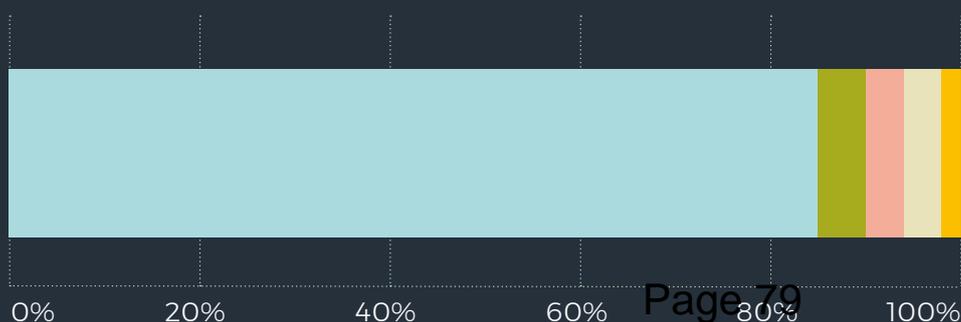
39% Domestic

32% Industry & Commercial



UK Heating Appliances in Homes (%)

Gas Central Heating Electric Storage Heating Oil Central Heating
Other Communal Heating



The vast majority of gas consumption is for space and water heating, and cooking, whereas petroleum is almost completely used for transport.

Scope of carbon emissions in FYP

▲ **To estimate carbon emissions from the seven constituent local authorities** by considering fuel use within the local authority geographic area only. This is a standard method for regional analysis.

▲ **The rationale for this methodology is that:**

- The dataset has been developed for use by local authorities and devolved administrations for targeting and monitoring carbon reduction and energy efficiency policies
- Sub-national energy use and GHG emissions data are available from central government.
- There is a level of consistency between the reporting from local authorities and allows for easier comparison and benchmarking.

▲ **The four main fuel categories considered are:**

- Natural gas
- Electricity
- Road transport fuels
- Residual (non-electricity, non-gas and non-road transport) fuels

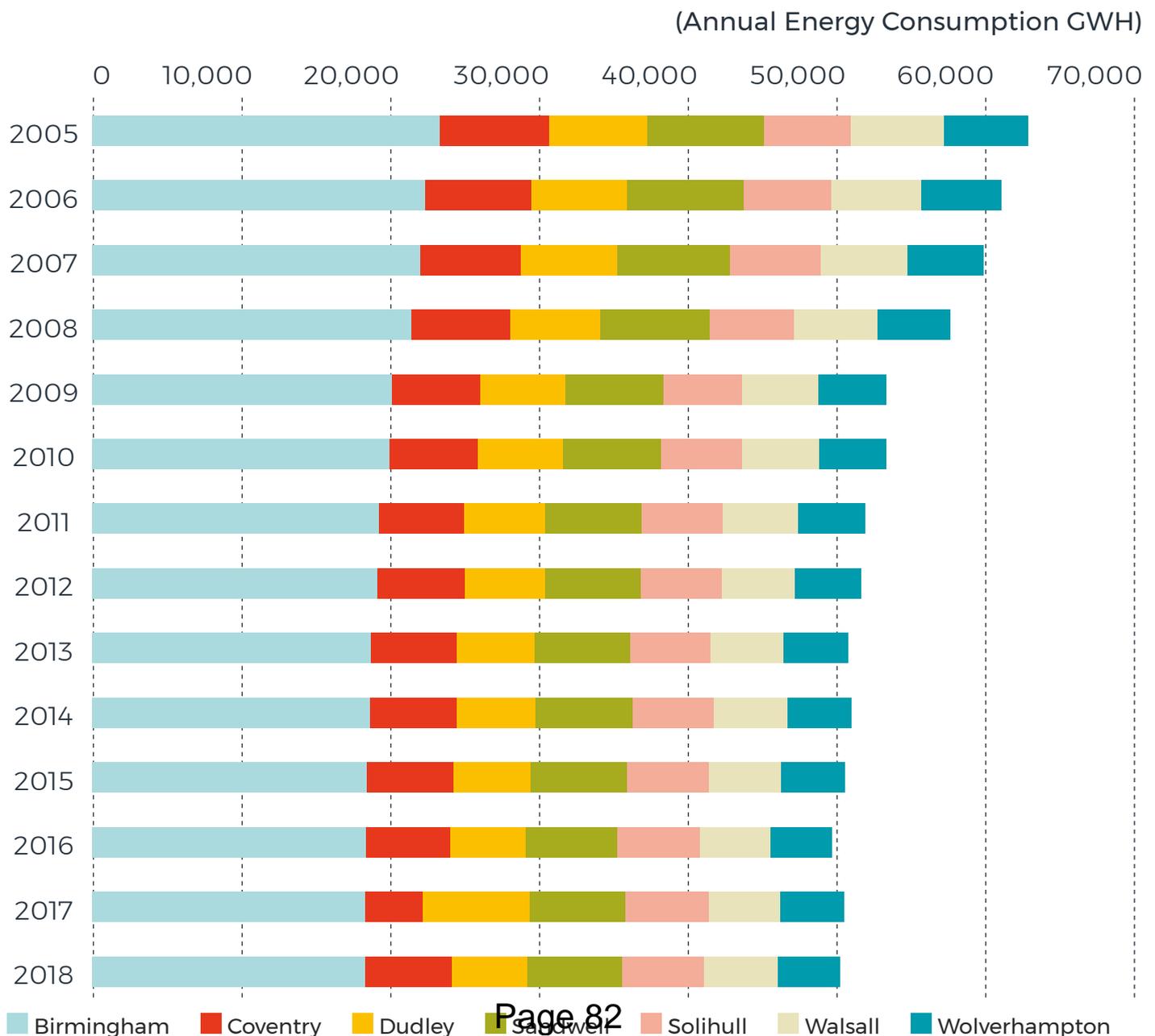
▲ This approach does mean, however, that **only energy use undertaken within the physical boundary is considered**. Other emissions, such as from the release of fluorinated gases, often used in refrigeration, are omitted.





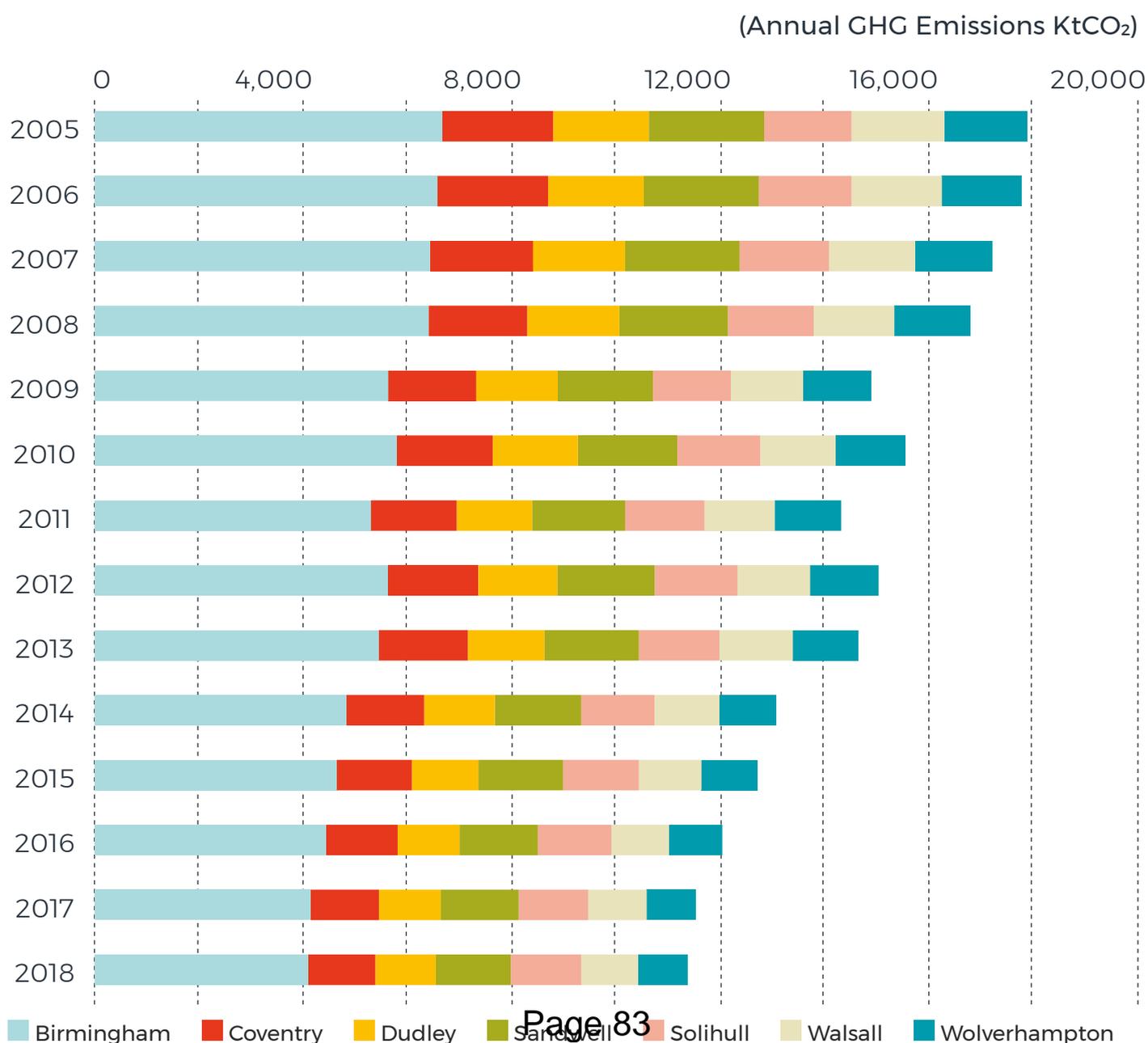
West Midlands Combined Authority area energy consumption

Energy consumption in the region	Fallen since 2005	The split of emissions by end-user		The split of emissions by fuel	
50,000 GWh per annum	↓ 20%	Domestic	39%	Natural Gas	45%
		Commercial/Industry	32%	Electricity	21%
		Transport	29%	Petroleum	32%



West Midlands Combined Authority area GHG emissions

Greenhouse gas emissions in the region	Fallen since 2005	The split of emissions by end-user		The split of emissions by fuel	
11 KtCO ₂ per annum	↓ 36%	Domestic	34%	Natural Gas	37%
		Commercial/Industry	30%	Electricity	22%
		Transport	36%	Petroleum	36%



The region is doing a lot already

Wolverhampton

Council own emissions net zero by 2028 and LA wide by 2041

New Cross Hospital
6.9MW solar array

University research programmes for the built environment

Dudley

Low carbon place project

LED street lighting completion

Sandwell

Council own emissions net zero by 2030 and LA wide by 2041

Town centre heat network



Walsall

Council own emissions net zero by 2050

Birmingham

Council own emissions net zero by 2030

Authority-wide net zero by 2030

Clean air zone from summer 2021

Leading energy expertise - Birmingham Energy Institute at University of Birmingham, Tyseley Energy Park, Energy and Bioproducts Research Institute (EBRI), Energy Systems Catapult

EV charging infrastructure rollout

Solihull

Council own emissions net zero by 2030 and LA wide by 2041

Town centre heat network

Airport net zero by 2033

JLR net zero by 2030

Coventry

Council own emissions net zero and at least 55% reduction by 2030 (against 1990)

All electric bus city by 2025

EV charging infrastructure

Developing a national pilot for a Regional Energy Systems Operator (RESO)

Birmingham

Solihull

Coventry

Existing WMCA investment and programme development

Transport

- ▲ WMCA is investing in a range of transport schemes being delivered by TfWM totalling **£1.1bn** including **Active Travel** supporting cycling and walking, **Sprint Bus networks**, new and improved **rail stations** and **Midland Metro tram network**.



Buildings

- ▲ **Regional retrofit programme** development to outline investment and opportunities to deliver energy efficiency in buildings. WMCA also helped secure £1m funding to support people in fuel poverty.
- ▲ **Zero Carbon Homes Charter** and Routemap produced to show how the region can deliver zero carbon homes by 2025.



Energy

- ▲ **Energy Capital** board brings together key stakeholders for the region's energy transition, ensuring it supports green growth and removes barriers at the local level. The board is developing the regulatory and devolution requests to government.



Circular and Green Economy

- ▲ **Circular Economy task-force** established Nov 2020 to identify the business and social opportunities by adopting more circular, less wasteful approaches.
- ▲ Developed a **Green Innovation Challenge** with WM5G & 5PRING Accelerator to support new business solutions to our WM2041 challenges that could make use of 5G.



Natural Capital

- ▲ **WM Virtual Forest** website launched to accelerate tree planting with regional stakeholders.
- ▲ £2m WMCA investment to support **Wildlife Ways** in Solihull.
- ▲ Developed **West Midlands National Park** concept with Birmingham City University.

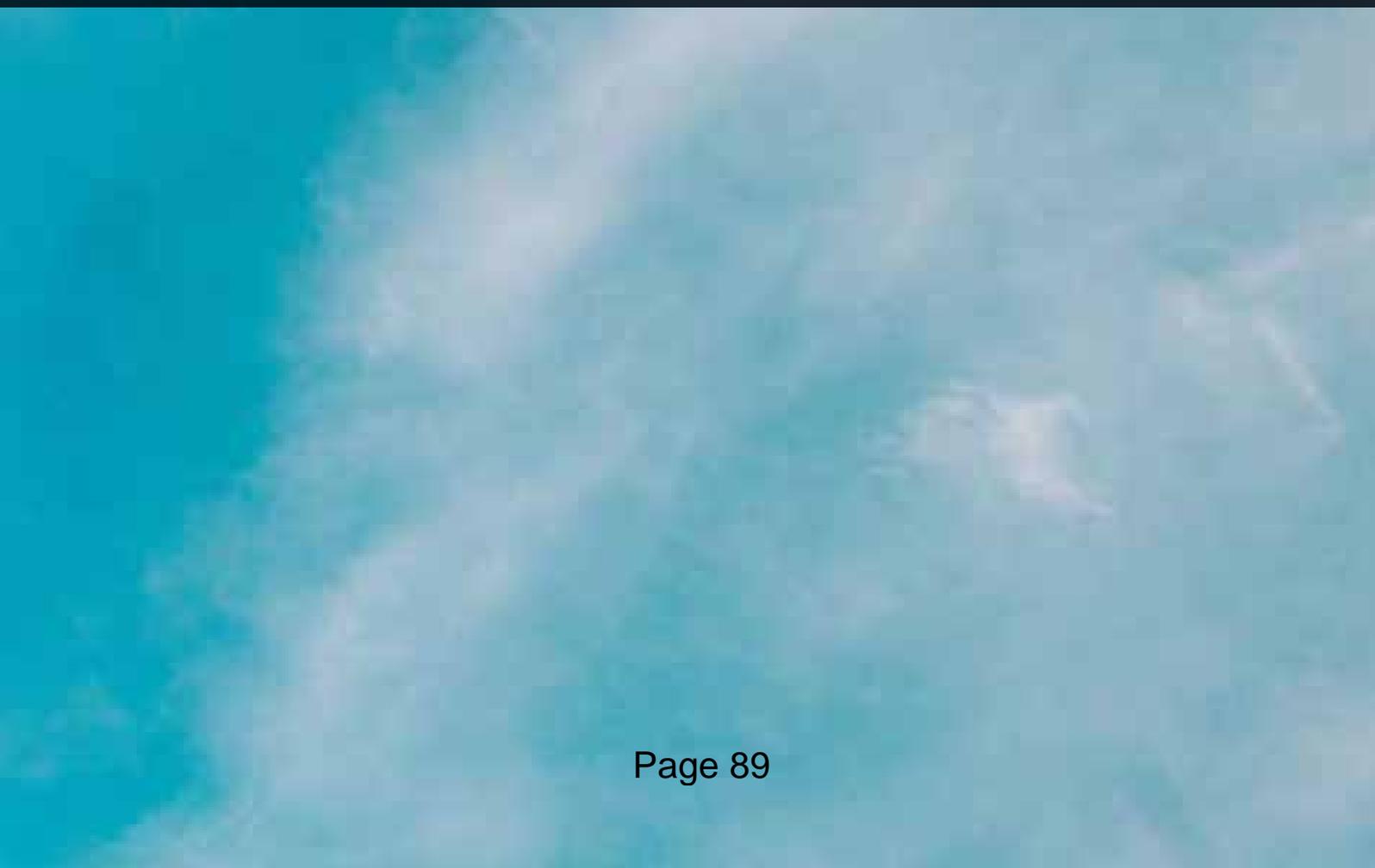
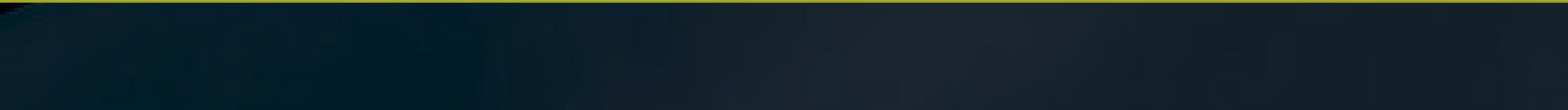


National policy timeline

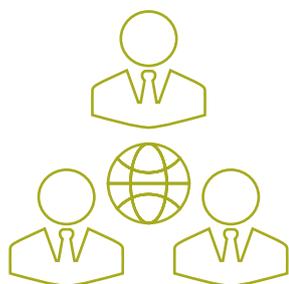
Pre 2020	<ul style="list-style-type: none"> ▲ Minimum energy Efficiency Standards (MEES) for new let of at least EPC E
2020	<ul style="list-style-type: none"> ▲ MEES expanded to cover existing Private Rental Sector ▲ Green Home Grants for dwellings ▲ Grid Carbon of 233gCO₂/kWh
2023	<ul style="list-style-type: none"> ▲ MEES expanded to cover existing non-domestic lets
2025	<ul style="list-style-type: none"> ▲ MEES expanded to minimum EPC C for Private Rental Sector, new lets only ▲ Future Homes Standard for construction of new dwellings ▲ Grid Carbon of 175gCO₂/kWh
2026	<ul style="list-style-type: none"> ▲ National policy could result in 7% reduction by 2026 for the region
2028	<ul style="list-style-type: none"> ▲ MEES expanded to minimum EPC C for all Private Rental Sector ▲ Heat Pump target installation of 600,000 per year
2030	<ul style="list-style-type: none"> ▲ MEES expanded to minimum EPC C for non-domestic lets ▲ Grid Carbon of 137gCO₂/kWh ▲ New Car Ban for petrol and diesel engines ▲ 10 Point Plan delivered
2035	<ul style="list-style-type: none"> ▲ Clean Growth Strategy as many homes at EPC C as possible ▲ New Car Ban for hybrid engines ▲ Grid Carbon of 68gCO₂/kWh
Post 2040	<ul style="list-style-type: none"> ▲ De-carbonised Railways mainly electrified in the West Midlands by 2040 ▲ National Net Zero target by 2050 ▲ Grid Carbon continues to de-carbonise



STAKEHOLDER ENGAGEMENT & DATA REVIEW



The role of WSP in producing the FYP



240
individuals
actively engaged



97 different
organisations

Methods of engagement



Regular progress
meetings



One to one virtual
meetings



Surveys



Presentation at an
existing West Midlands
network or meetings



Virtual workshops
(specifically to present on
the WM2041 Five Year Plan)

“

We know and understand that the green agenda is a priority and the direction of the broad ambitions, however there is limited precision on the details and so, unfortunately little gets done.

“

Current committed actions will only move the dial a little - there is a need to go beyond business as usual.

“

Consideration of people's mindset is important; they are generally supportive of climate change until they either have to change their ways or spend money.

Page 90

Key findings from stakeholders



Interventions

- ▲ Energy efficiency, alternative modes of transport and alternative fuels need to be the focus.
- ▲ Recognition of the importance of nature-based solutions, which should go beyond just tree planting.
- ▲ Interventions should not just be technological – behaviour change is key.
- ▲ There are existing commitments around net zero, and varying degrees of implementation that should be included.

Delivery Mechanisms

- ▲ Integration and alignment across the region is vital – we all have a role.
- ▲ Local authorities need to have a central role in delivering and supporting private organisations.
- ▲ Importance of having a regional approach with the West Midlands Combined Authority.
- ▲ Engagement and collaboration with suppliers and wider industry seen as key to delivery.
- ▲ Behaviour change and acceptability of interventions and how they are delivered is important.
- ▲ There is a need for support through the planning system and consistent policy on land use.

Jobs and Skills

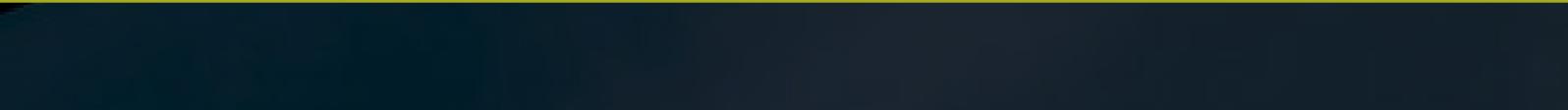
- ▲ Engagement and alignment between educational institutions and employment providers is key.
- ▲ The partnerships and delivery mechanisms are already in place.
- ▲ Low carbon jobs and skills is still in its infancy with limited confidence and understanding of what the 'Green Recovery' actually means in terms of jobs and skills.
- ▲ Renewable energy and automotive skills perceived as most important, by most respondents.

Resources

- ▲ Main barriers – access to finance & funding structure, followed by regional powers & infrastructure.
- ▲ Clear structures and avenues for funding for each intervention would instil confidence.
- ▲ There is a need for national grid to be able support energy efficient transitions.
- ▲ The plan needs to include real costs, practicalities, accessible funding options and constraints.
- ▲ Concerns were raised around paybacks and how much time these might take to be realised.

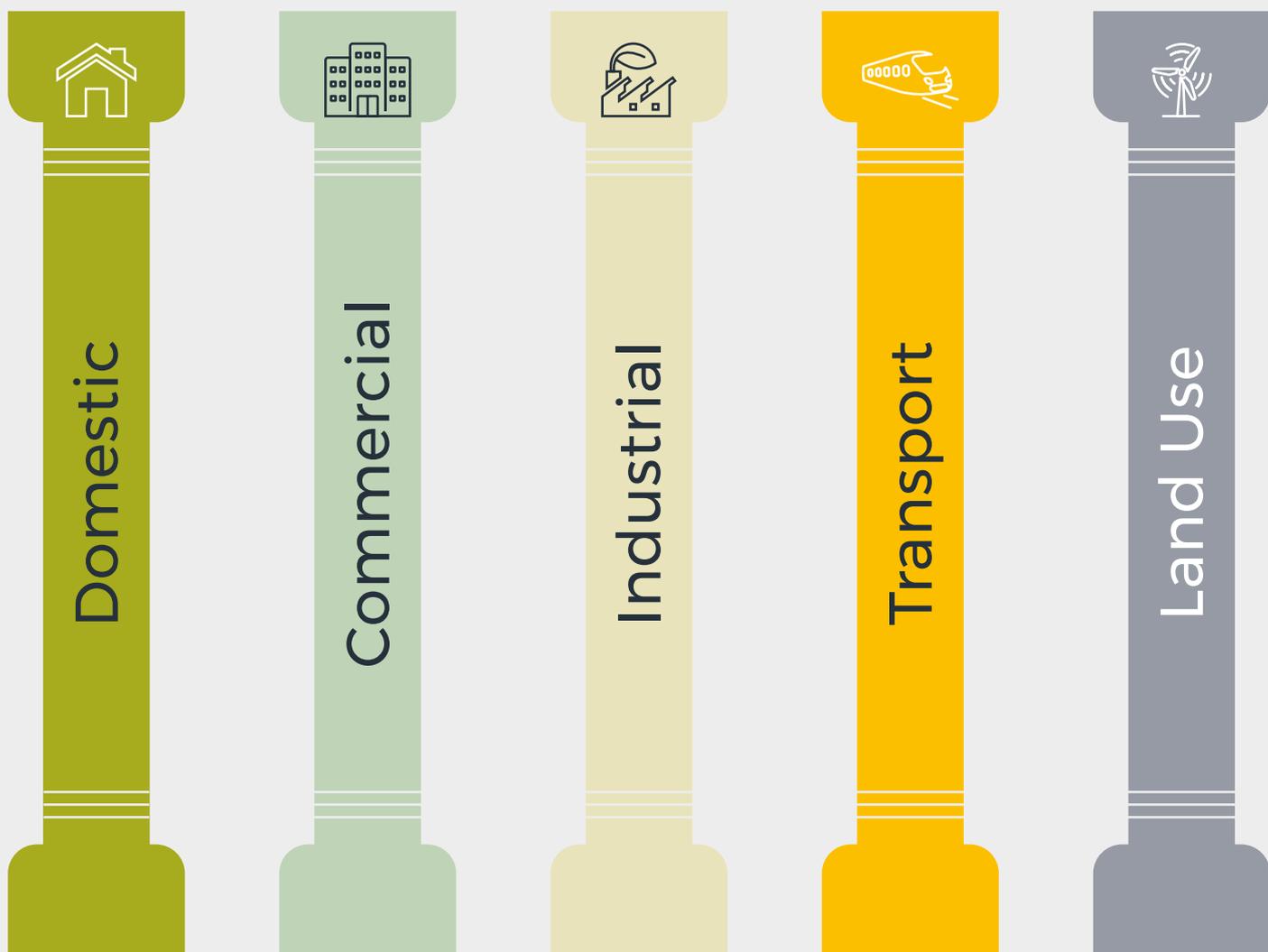


SECTORAL ANALYSIS



Sectoral breakdown

Net Zero



System Management

Page 94

These are the 15 main goals and modelling of carbon reduction.

Co-benefits of delivery -

1	Domestic energy efficiency retrofit
2	Domestic heating retrofit
3	Domestic solar PV
4	Commercial energy efficiency retrofit
5	Commercial heating retrofit
6	Commercial solar PV
7	Industrial energy efficiency & fuels
8	Industrial renewables
9	Avoiding travel
10	Shifting travel
11	Improving passenger service fleets
12	Improving freight fleets
13	Improving private vehicles
14	Land use (Renewables)
15	Land use (Natural Capital)

- ▲ Lower energy bills & fuel poverty
- ▲ Reduce inequalities

- ▲ Boosting regional competitiveness
- ▲ Retain energy spend in region
- ▲ New business opportunity & economic growth

- ▲ Cleaner air
- ▲ Better physical & mental health

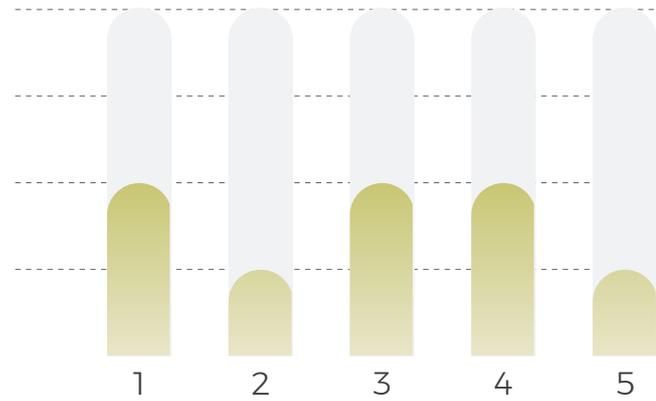
- ▲ Adapting to climate change
- ▲ Enhancing biodiversity
- ▲ Better physical & mental health

Delivery scenarios

Moderate

Sector delivery levels for each goal are mainly set at 'Medium' or 'Low' but are still beyond the business as usual delivery pace.

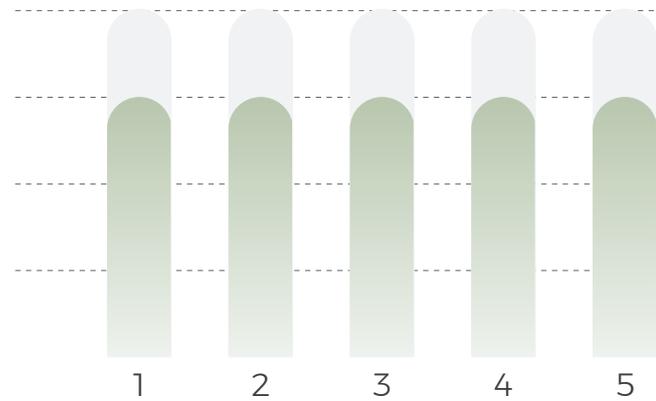
❌ Achieve 2026 goal ❌ Achieve 2041 goal



Accelerated

A much more rapid and aggressive delivery pace across sectors, with most set at a "High". Energy efficiency and fuel switching for industry is medium as the majority of technologies required are at an early stage of development. Due to its much smaller scale, solar PV in industrial buildings has been set at a very high level. **This is the reference scenario for the plan - it is hugely ambitious.**

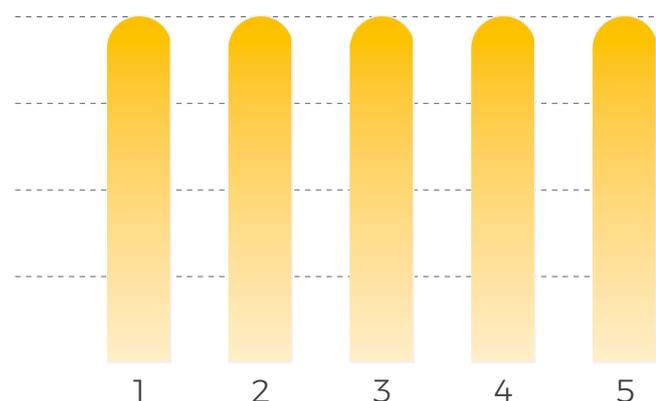
❌ Achieve 2026 goal ✅ Achieve 2041 goal

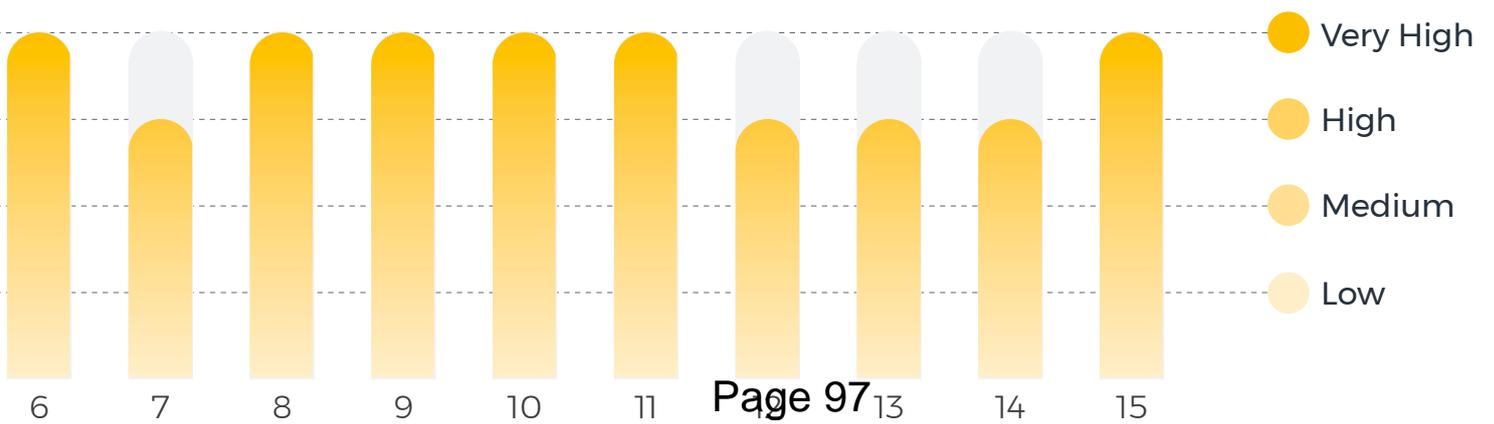
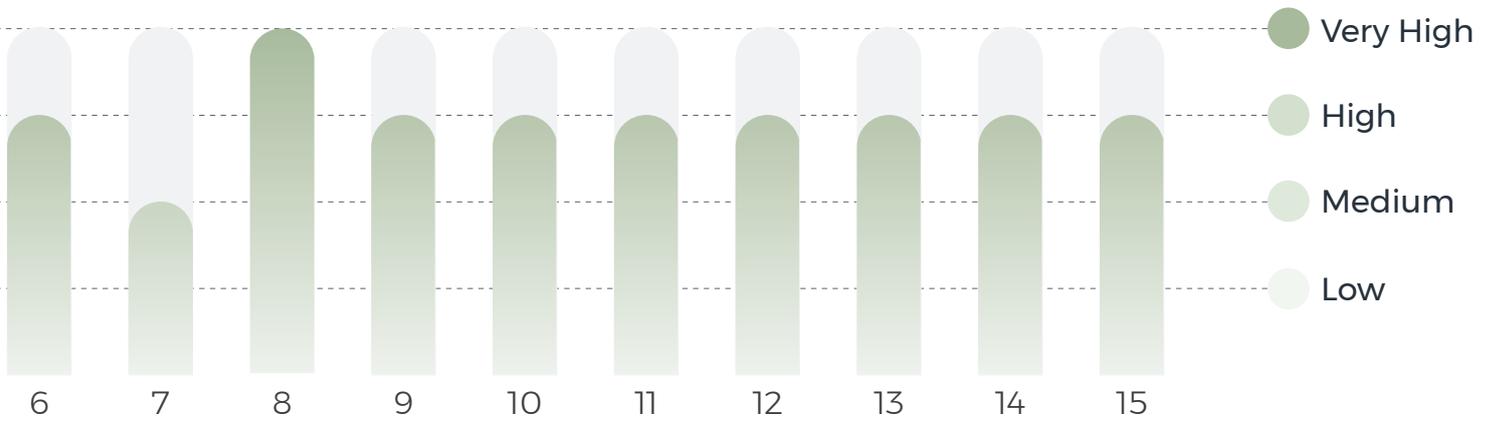
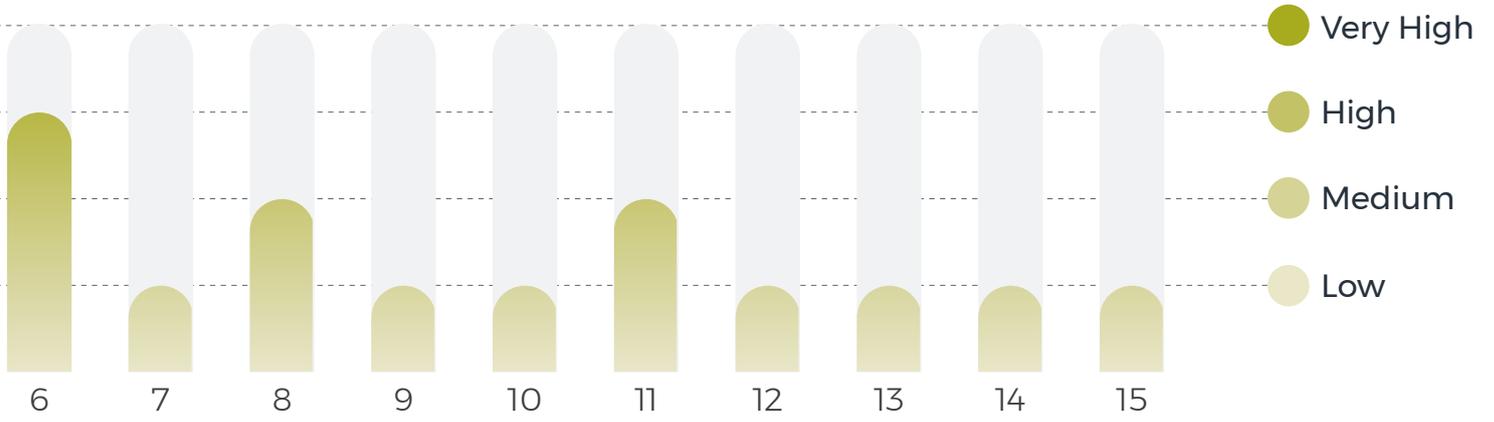


Maximum

This scenario was developed to illustrate what would be required to meet the 2026 carbon budget identified by Tyndall. It is at the limit or beyond what it is technically possible, even ignoring legislative competence and finance restrictions. It would require large behaviour change from people and could create unintended consequences. It has not been used, but can be explored by those seeking to understand what is required.

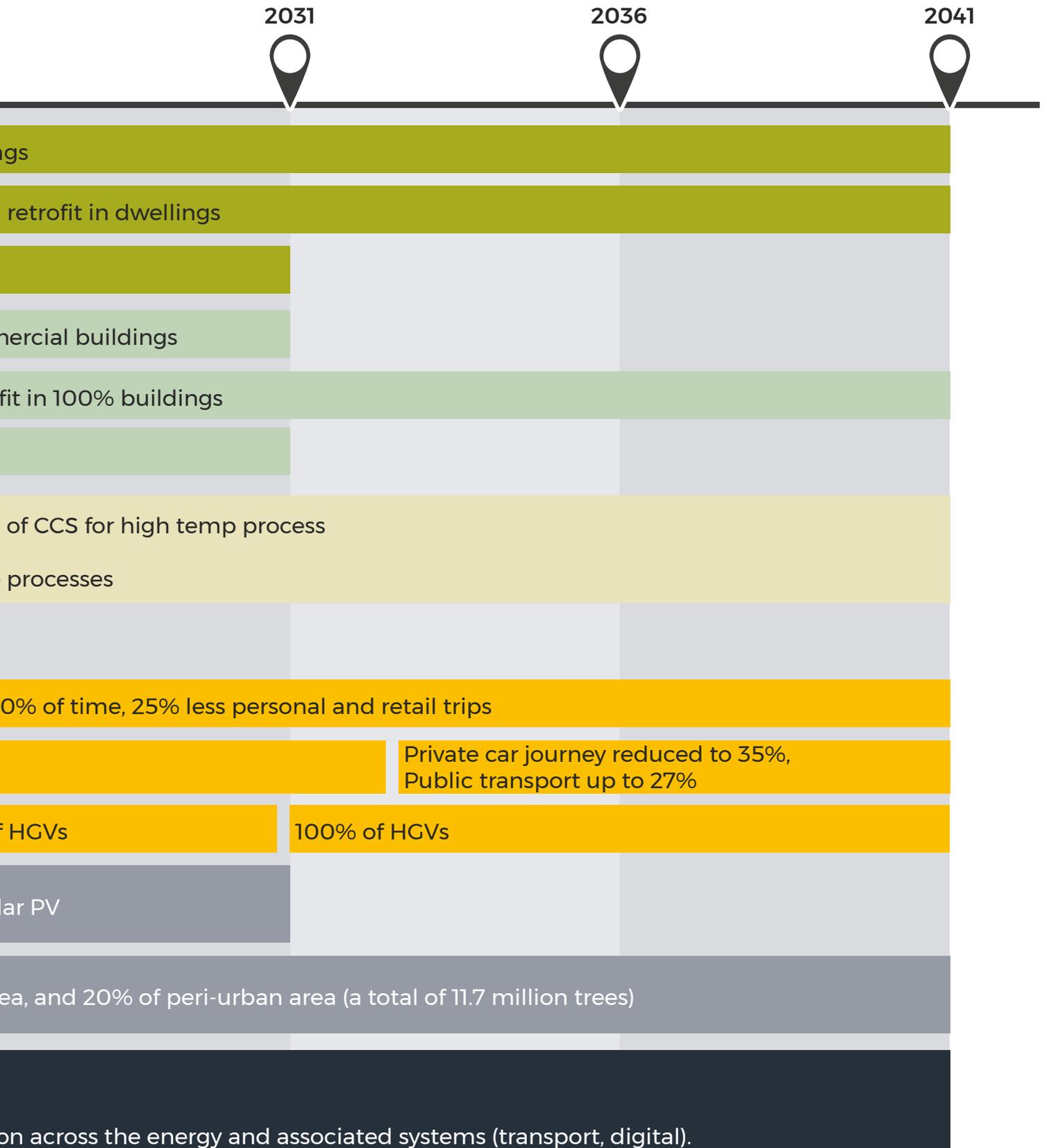
✅ Achieve 2026 goal ✅ Achieve 2041 goal





Ambition and timeline under 'Accelerated' scenario to 2041

			2021	2026
	Domestic	Energy efficiency	Energy efficiency in 100% dwellings	
		Heating retrofit	100% low-carbon heating systems	
		Solar PV	830 MWp of rooftop solar	
	Commercial	Energy efficiency	Energy efficiency in 73,400 commercial buildings	
		Heating retrofit	Low-carbon heating system retrofits	
		Solar PV	705 MWp of rooftop solar	
	Industrial	Energy efficiency and heating retrofit	16.7% deployment of H ₂ and 40% energy efficiency	
		Solar PV	100% electrification for low temperature processes	
	Transport	Avoid	35% of people tele-commuting 5 days a week	
		Shift	Bike increase to 10% of trips	
		Improve	100% electric taxis, buses, 50% of other vehicles	
	Land Use	Renewables	59 MW Wind and 448 MWp of solar	
		Natural capital	Tree coverage in 13% of WMCA area	
	Systems Management		Upgrade and manage coordination	



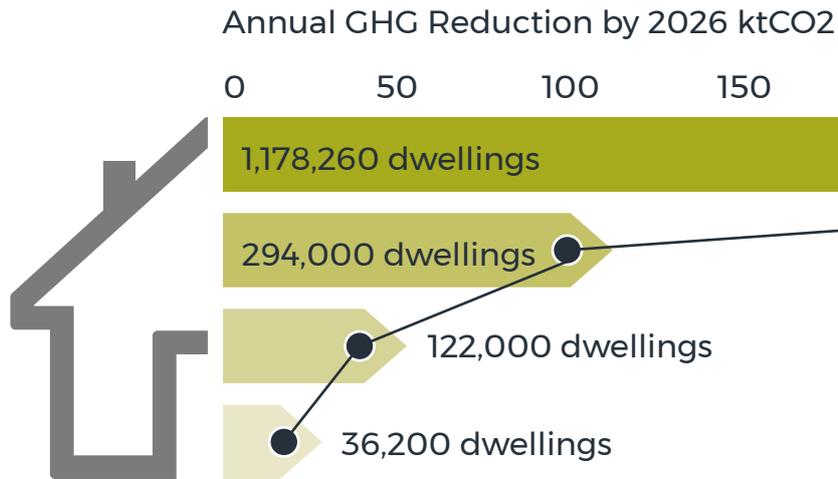
on across the energy and associated systems (transport, digital).

Domestic

Goal 1 – Energy Efficiency Retrofit



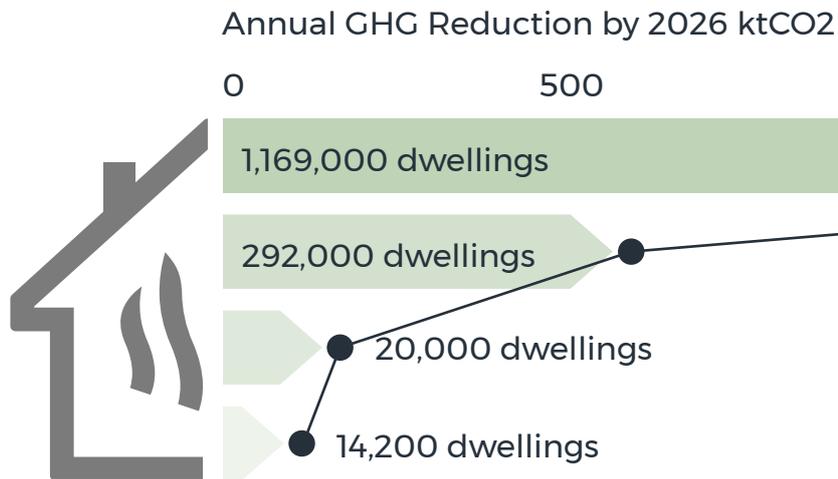
The installation of specific measures including **smart meters, smart thermostats, cavity and solid wall insulation, loft insulation, double glazing and behaviour change.**



Goal 2 – Heating Retrofit



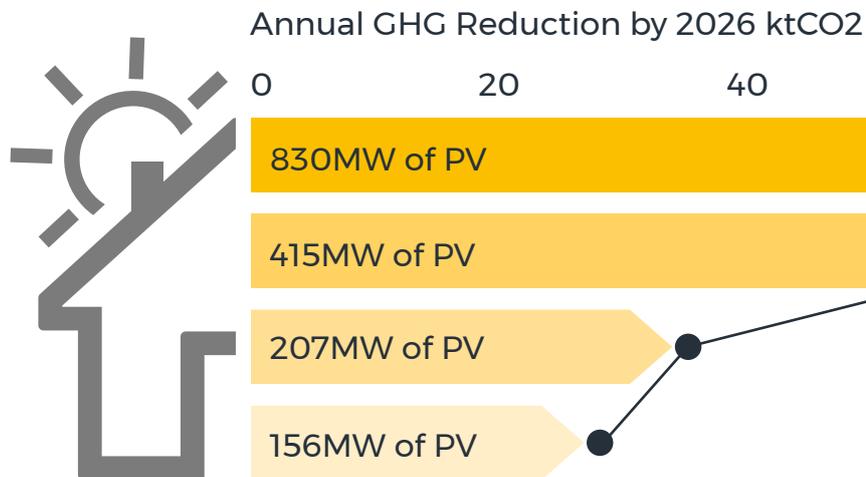
Alongside energy efficiency measures, the installation of renewable heating (nominally air source heat pump) to provide heating and hot water. **Hydrogen as an alternative after 2026.**

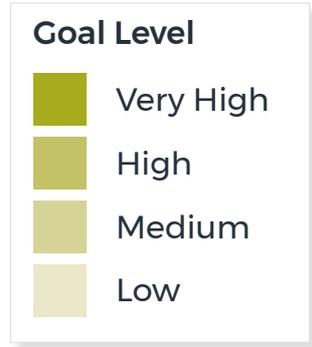


Goal 3 – Solar PV

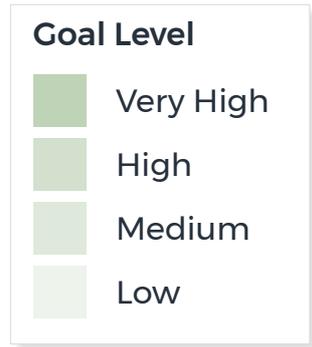


Micro-generation within homes consisting primarily of rooftop solar. Photovoltaics will be the vast majority. Could include storage but this doesn't change the carbon impact.

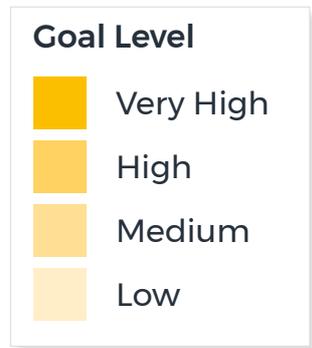




● <CO₂ 2026



● <CO₂ 2026



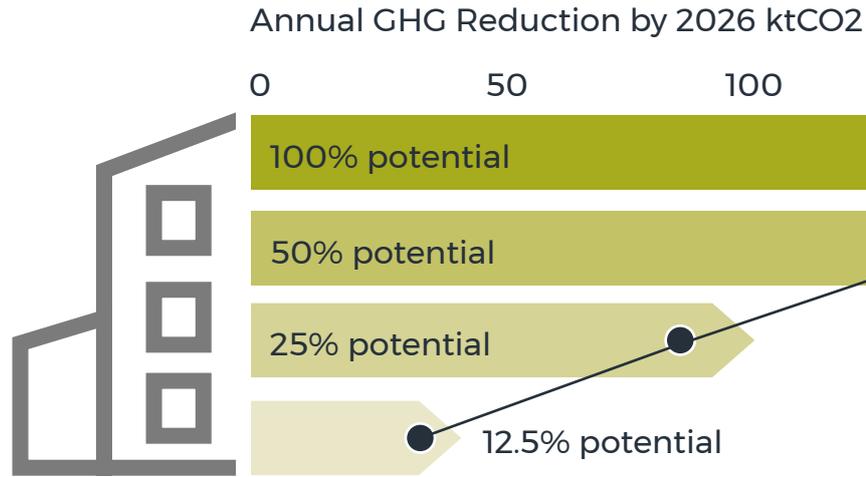
● <CO₂ 2026

Commercial

Goal 4 – Energy Efficiency Retrofit



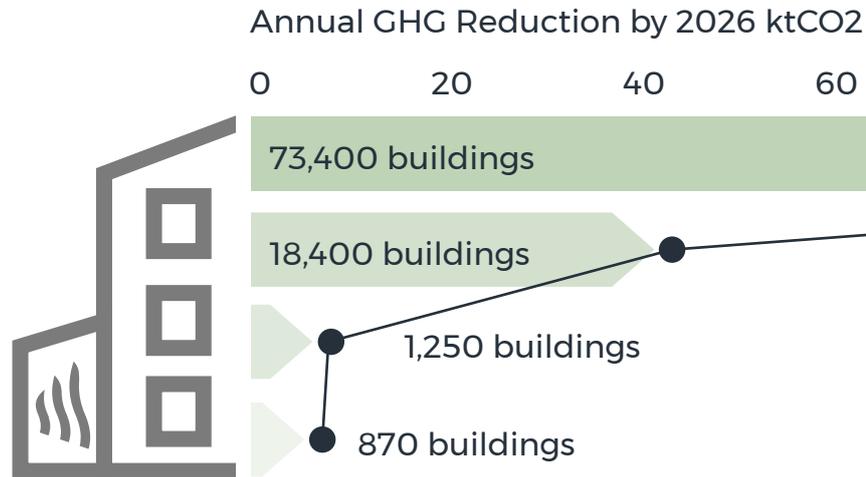
Energy efficiency measures applied to offices, retail and other commercial property types, as identified in the Building Energy Efficiency Surveys



Goal 5 – Heating Retrofit



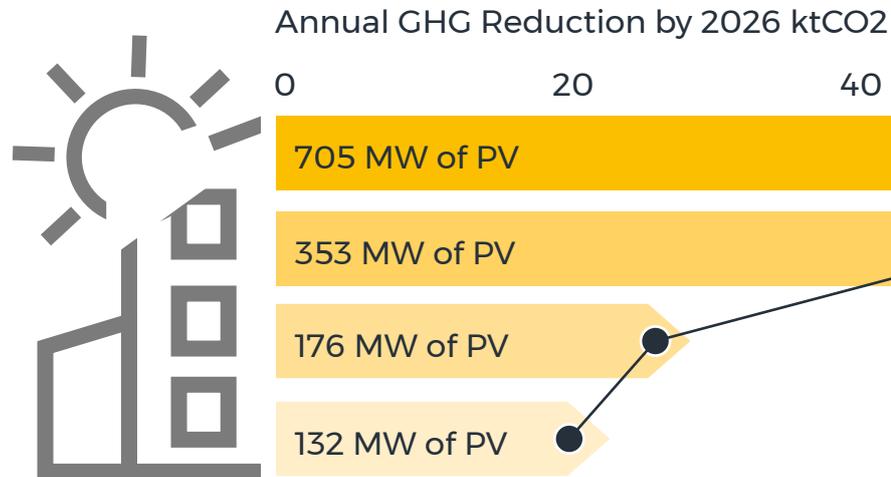
Applied to a 26,000 retail and 18,000 offices (excluding industry). Replacement of fossil fuel boilers with nominally air source heat pumps. Heat pump COP of 2.75

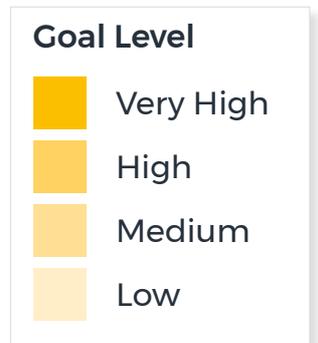
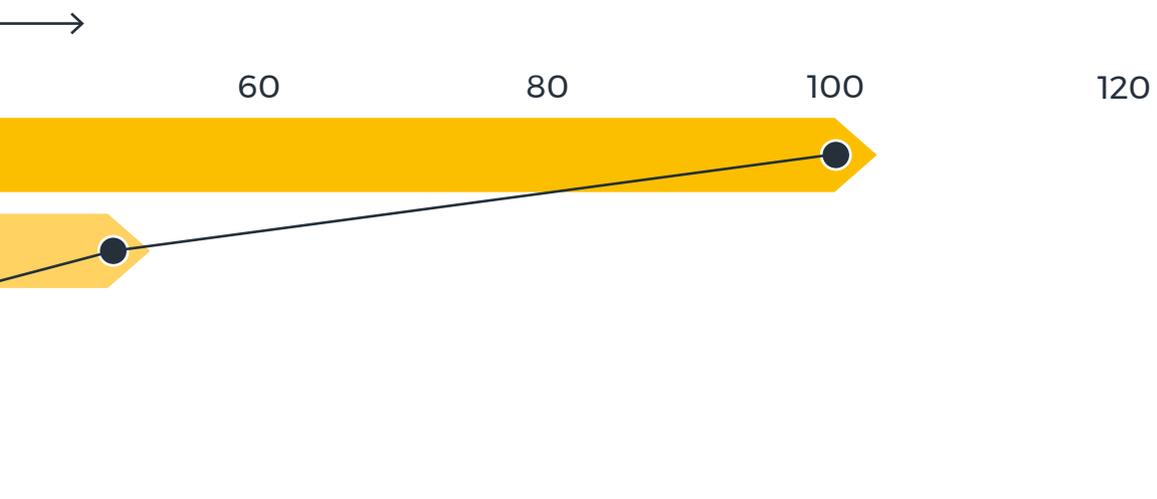
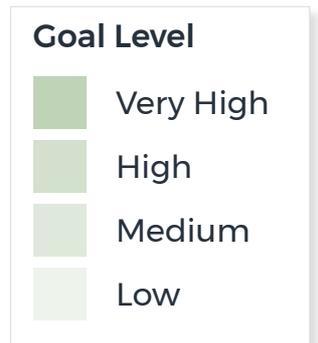
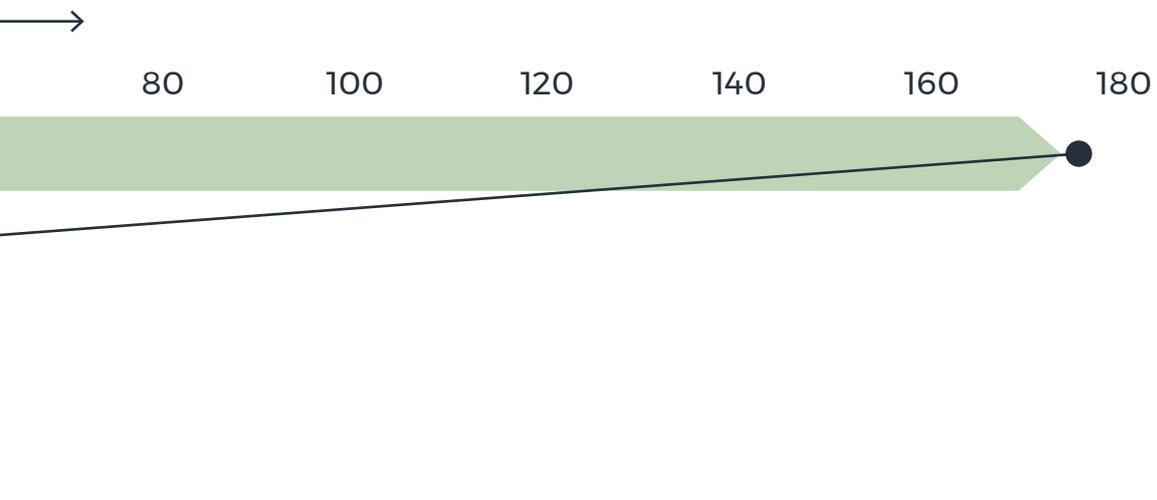
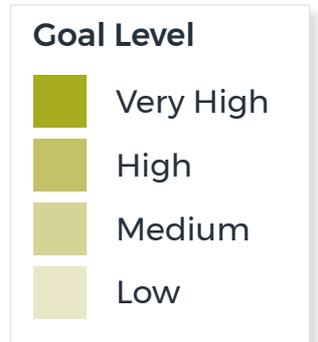
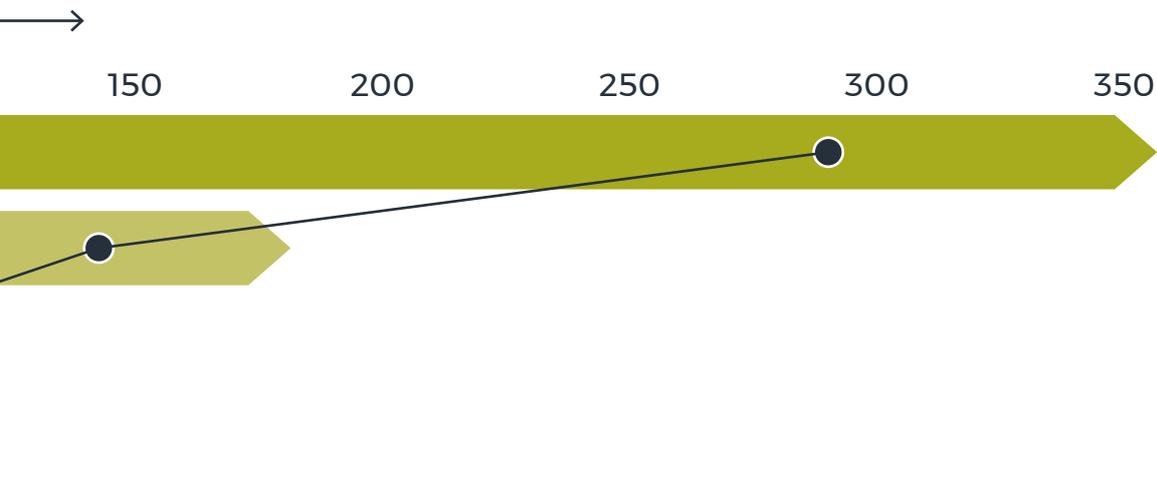


Goal 6 – Solar PV



Rooftop Solar PV on commercial properties. Photovoltaics will be more beneficial in the shorter term as the grid is still comparatively high carbon





Industrial

Goal 7 – Energy Efficiency & Fuels

Covering steel and iron, mineral products, chemicals, mechanical / electrical engineering, vehicles manufactures, textiles, food and beverages, printing, paper and other industries.



- Energy Efficiency
- Hydrogen
- CCS

Annual GHG Reduction by 2026 ktCO₂

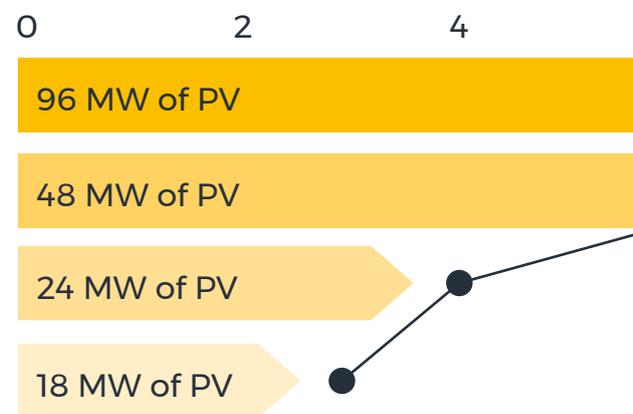


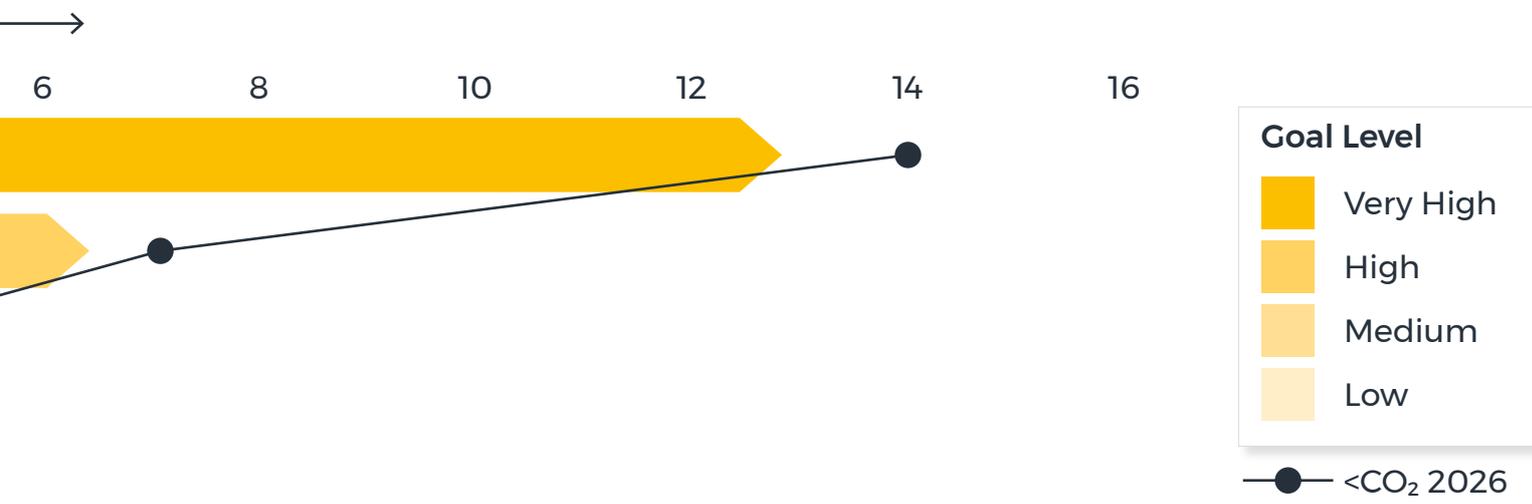
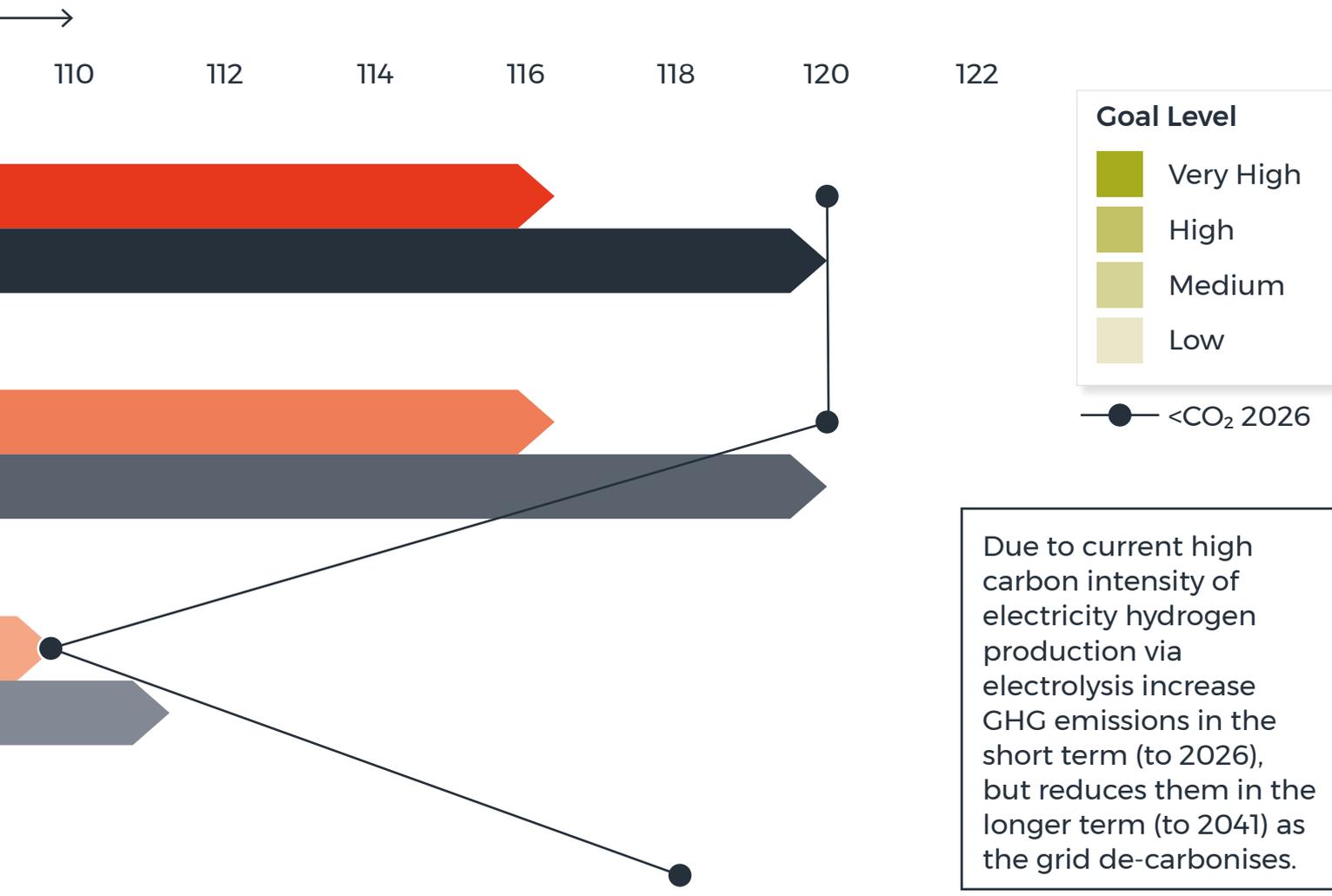
Goal 8 – Solar PV

Rooftop Solar PV on industrial properties. Other opportunities such as waste to energy also likely, but not captured here.



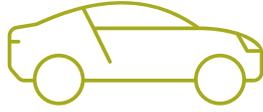
Annual GHG Reduction by 2026 ktCO₂





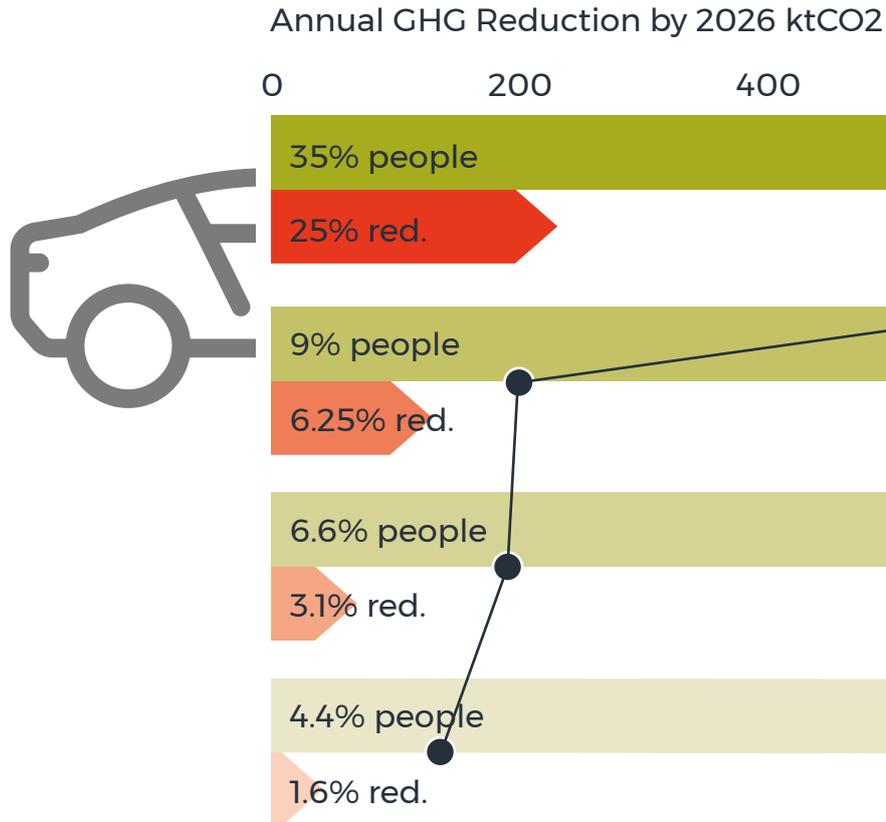
Transport

Goal 9 – Avoiding travel

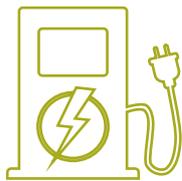


Increased take up of working from home or working at local hubs. 5-10% work from homes (pre-pandemic levels). Reduction in travel by 25% for retail and business (excluding commuting)

- Car
- Cycling

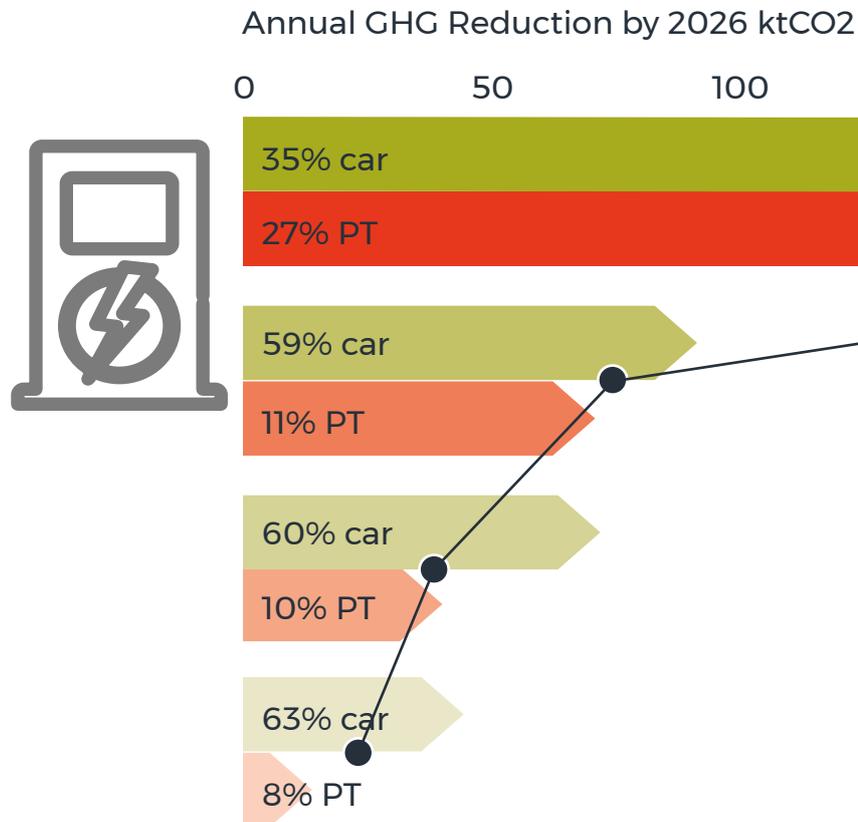


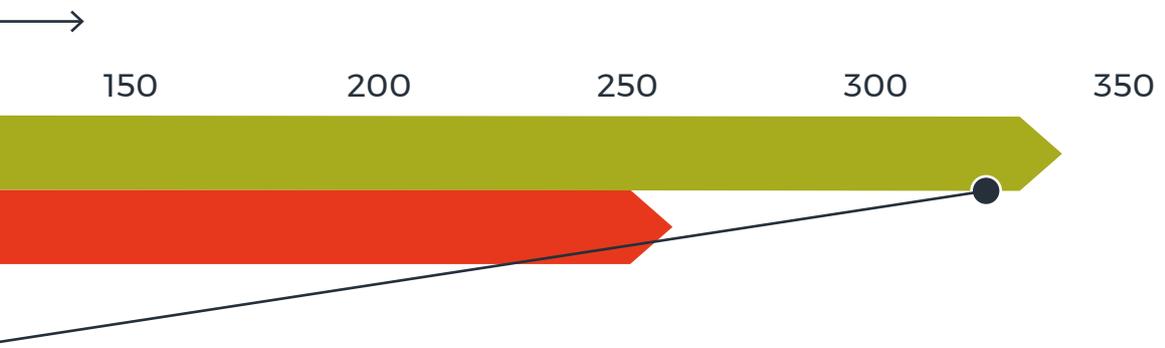
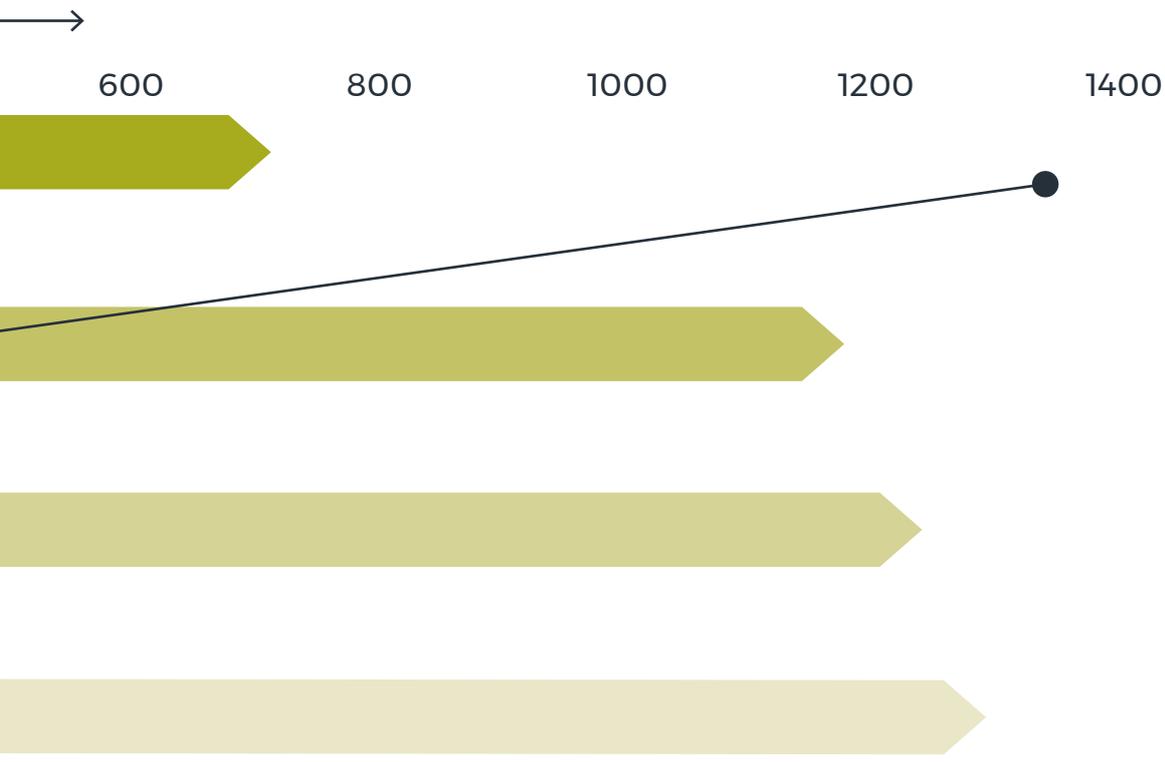
Goal 10 – Shifting travel



Long term strategy shift in travel in line with city regions such as Munich, Stuttgart and Dusseldorf, where car use accounts for typically 35 - 45% of all journeys, compared to 67% in WMCA.

- WFH
- Trips Reduction



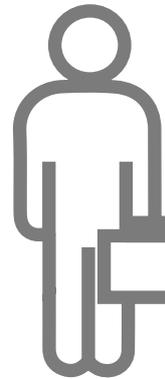


Transport

Goal 11 – Improving passenger service fleets



Mandate the electrification of 21,300 taxis and 2,300 buses throughout the region.



Annual GHG Reduction by 2026 ktCO₂



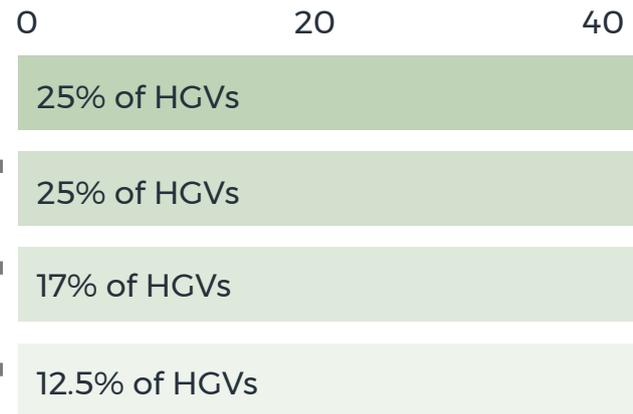
Goal 12 – Improving freight fleets



In line with Midlands Connect Tool, consider the decarbonisation of HGVs nationwide. Assumed electrification, but realise the solution may be a mix of technologies



Annual GHG Reduction by 2026 ktCO₂



Goal 13 – Improving private vehicles

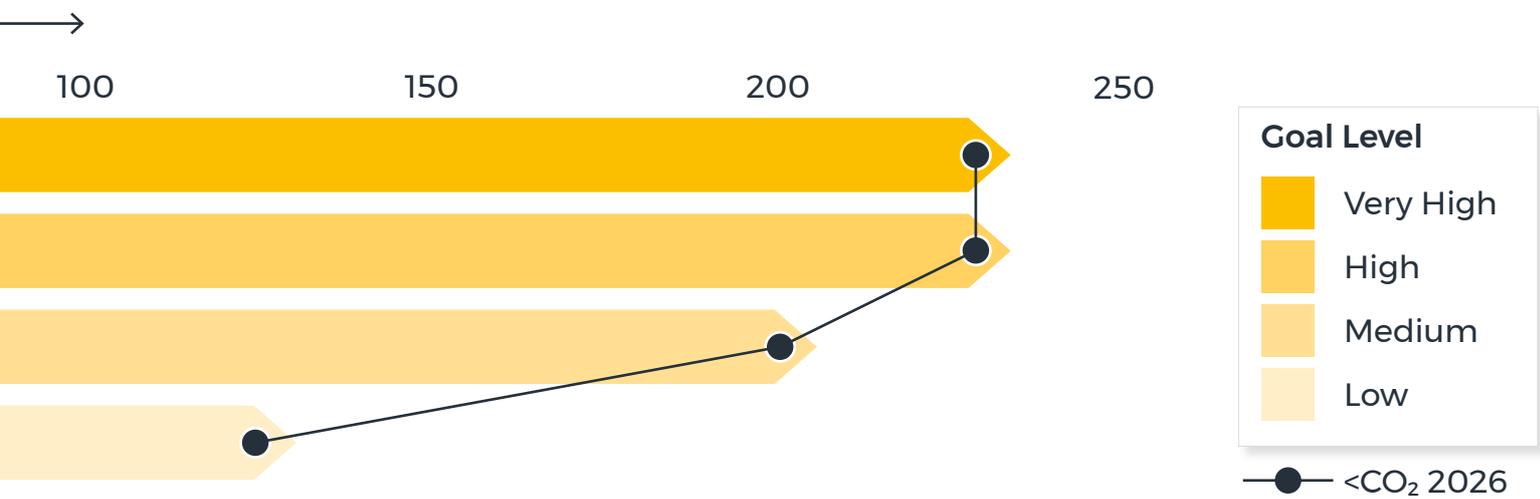
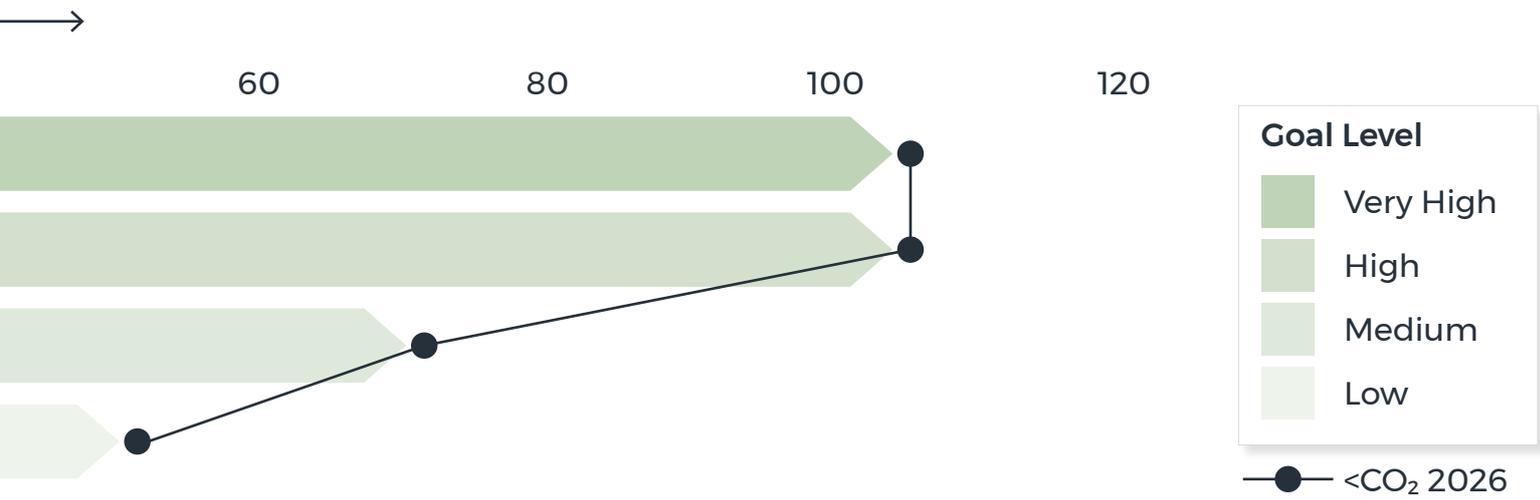
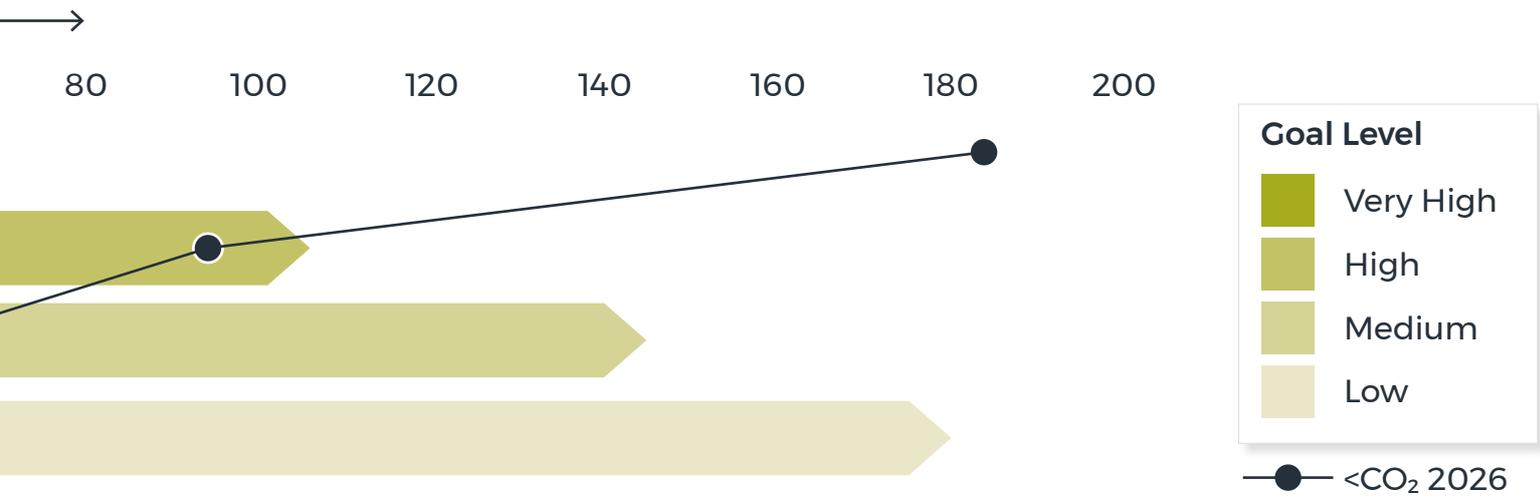


An accelerated uptake during the 2020s, ahead of the 2030 ICE Ban, will increase carbon savings in the shorter term. The CCC projections were used as trajectories.



Annual GHG Reduction by 2026 ktCO₂





Strategic Land Use

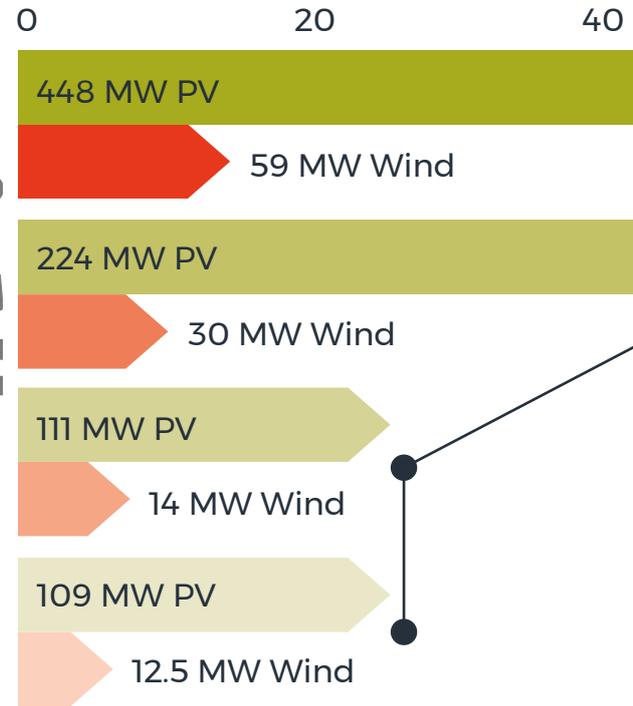
Goal 14 – Renewables

Utility scale Solar PV and Wind across the region on poorer quality land.

GIS mapping has been undertaken to understand what area is most suitable.

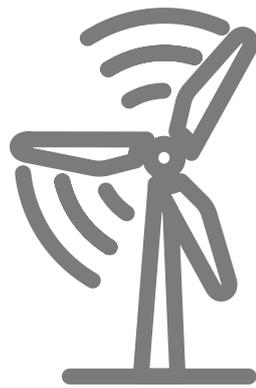


Annual GHG Reduction by 2026 ktCO₂

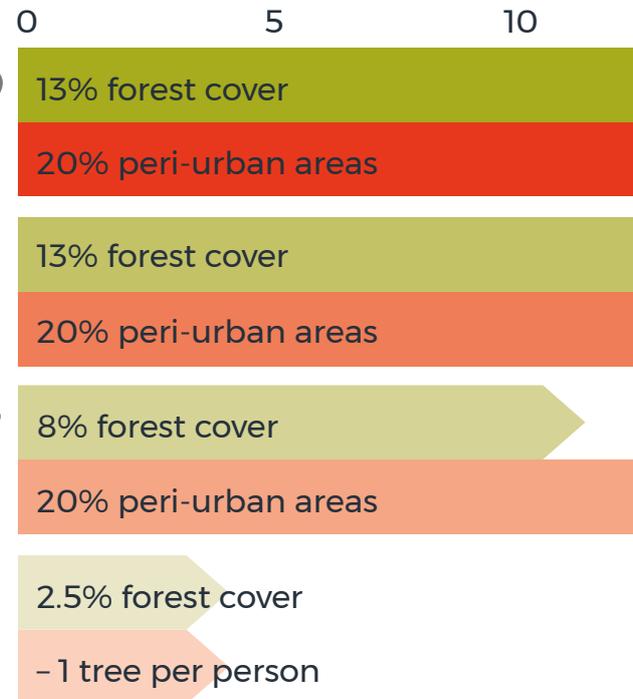


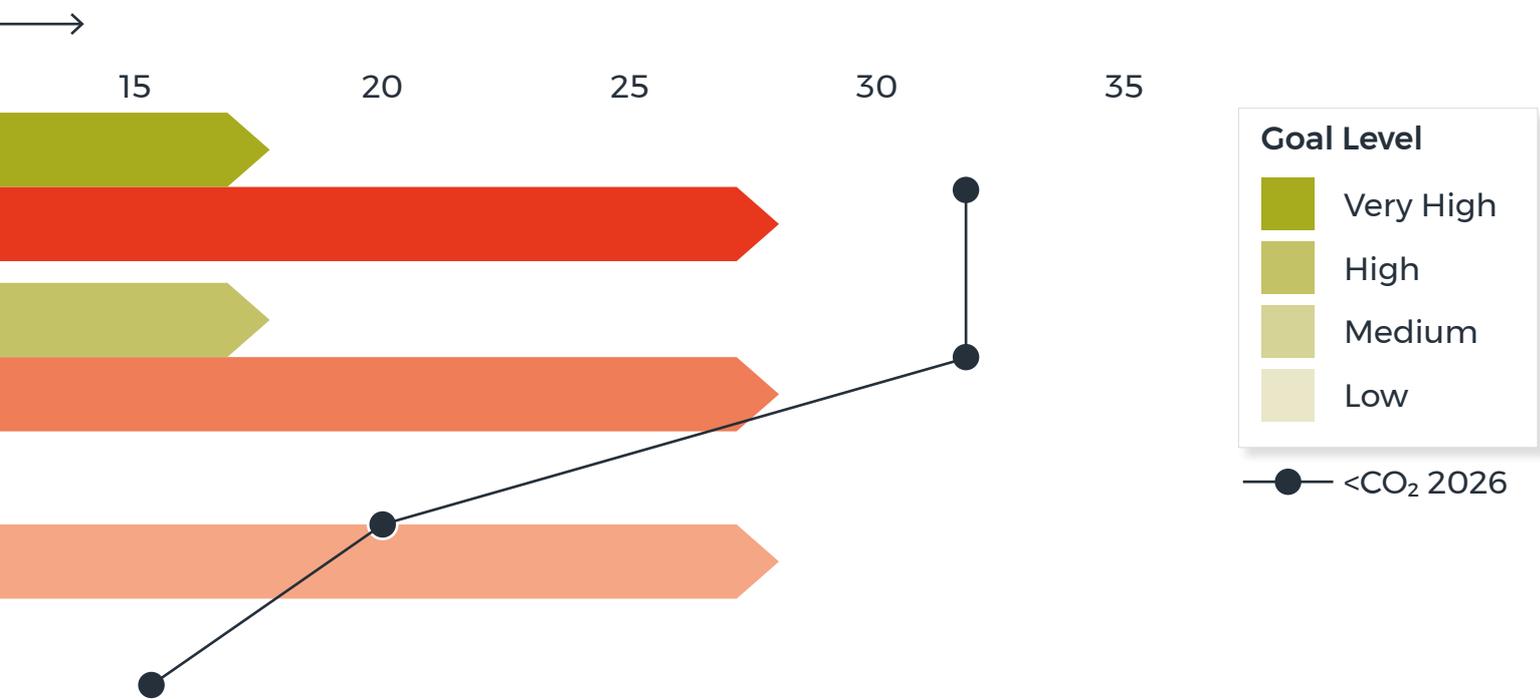
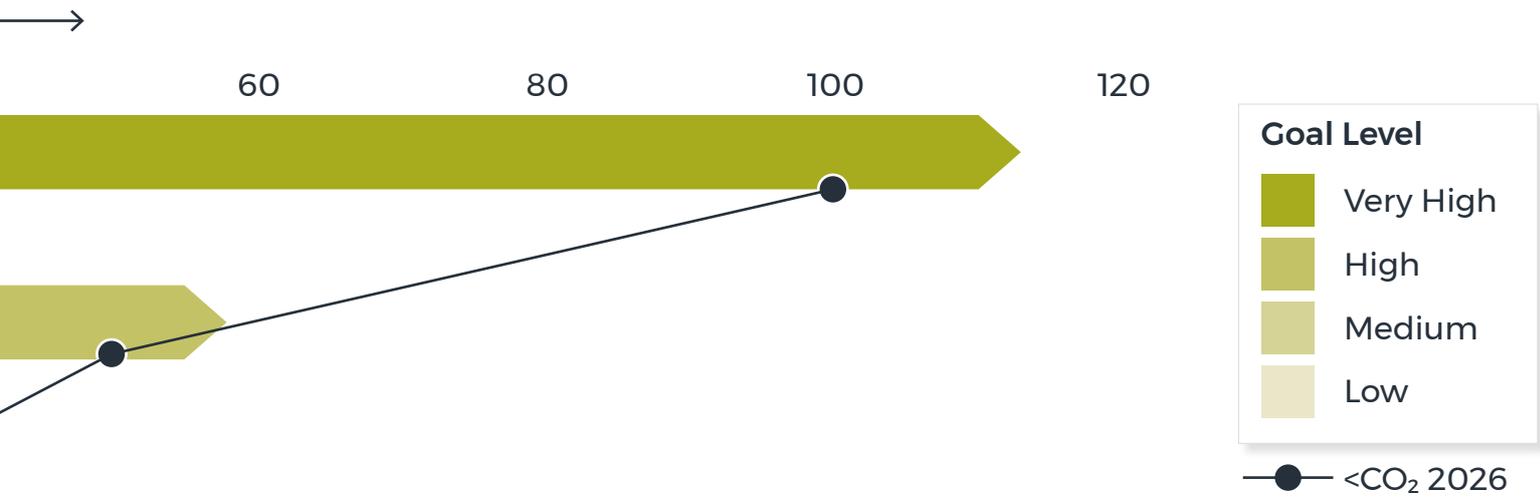
Goal 15 – Natural Capital

Enhancing natural capital to sequester carbon. While reducing carbon will be one of the benefits. Wider ecological benefits should be realised as part of this effort.

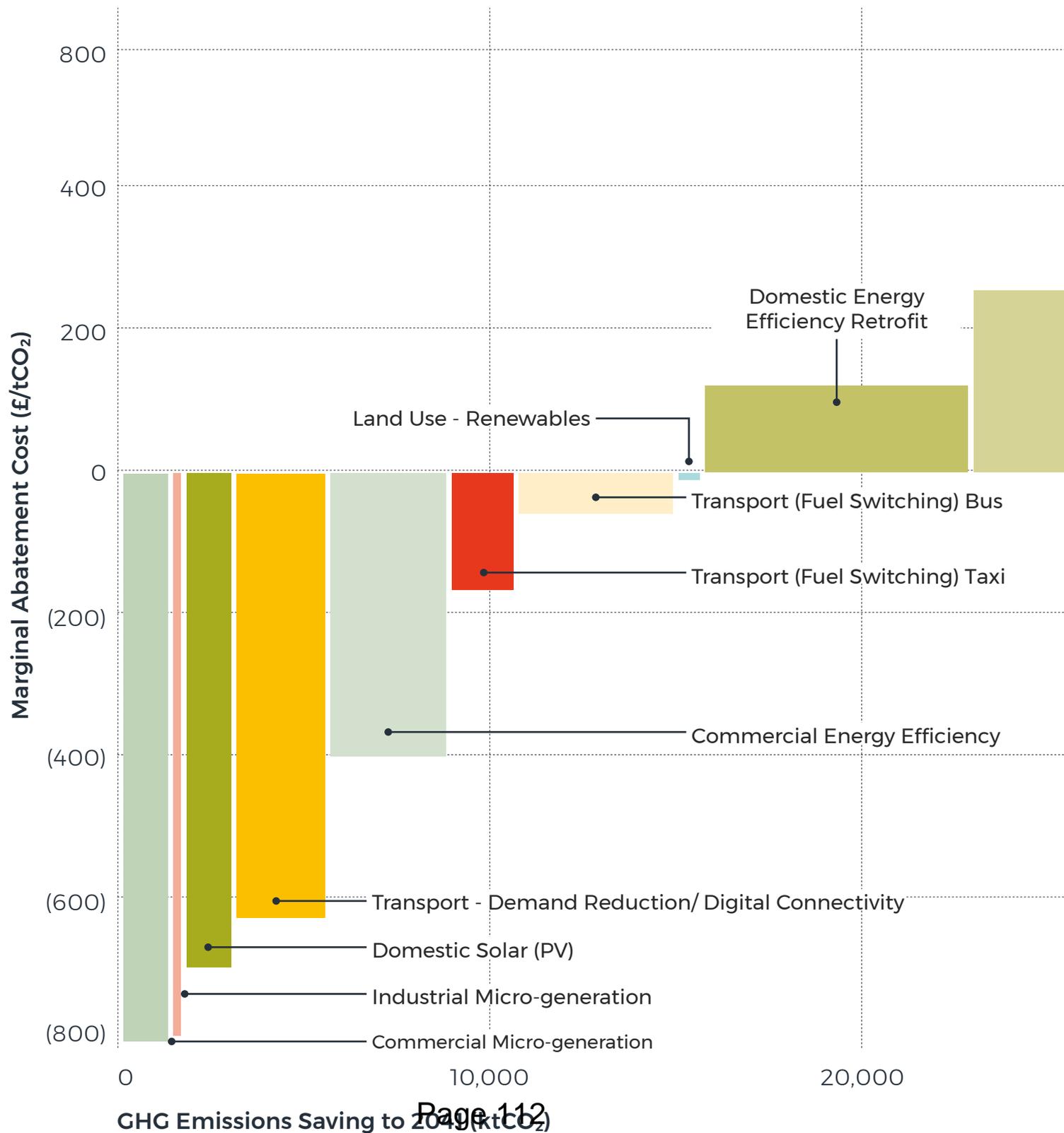


Annual GHG Reduction by 2026 ktCO₂





Marginal abatement cost curve (MACC) of 'Accelerated' scenario to 2041



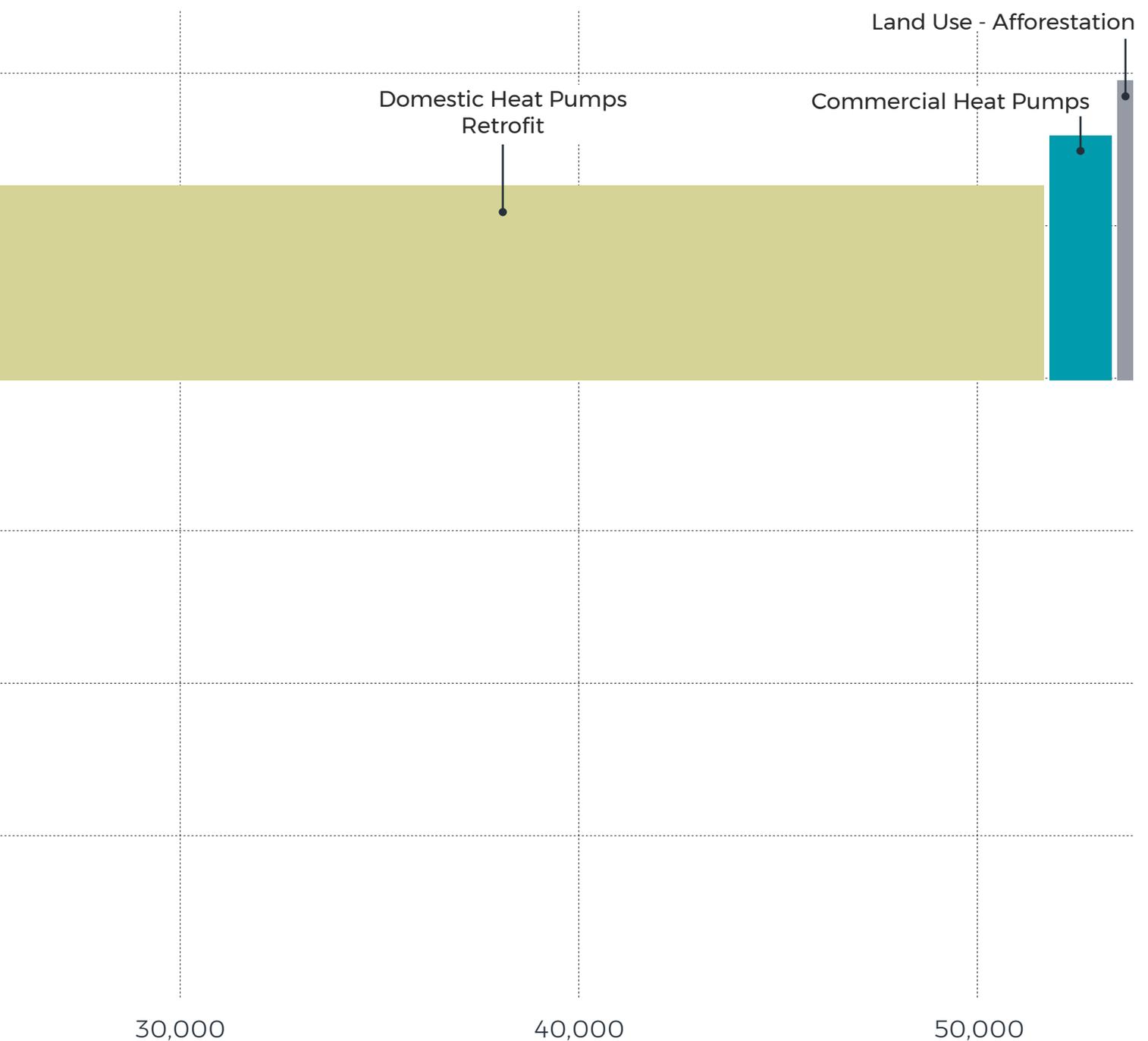
The MACC indicates broadly which measures will be more or less cost effective in terms of emissions reduction. These are ranked left to right.

Economic modelling goes to 2041 to allow time for payback beyond 2026, some measures may have savings well beyond that.

Areas below the x-axis are those where there is a commercial return on investment; the width of the bar indicates the potential carbon saving that could be achieved.

Costs do not include the start-up and management of the programme itself (e.g. the resource/ staffing requirements, business case development etc.). In addition the investment and savings may be attributed to different parties.

The MACC provides the basis for further business case development, highlighting key projects and roles for the WMCA.

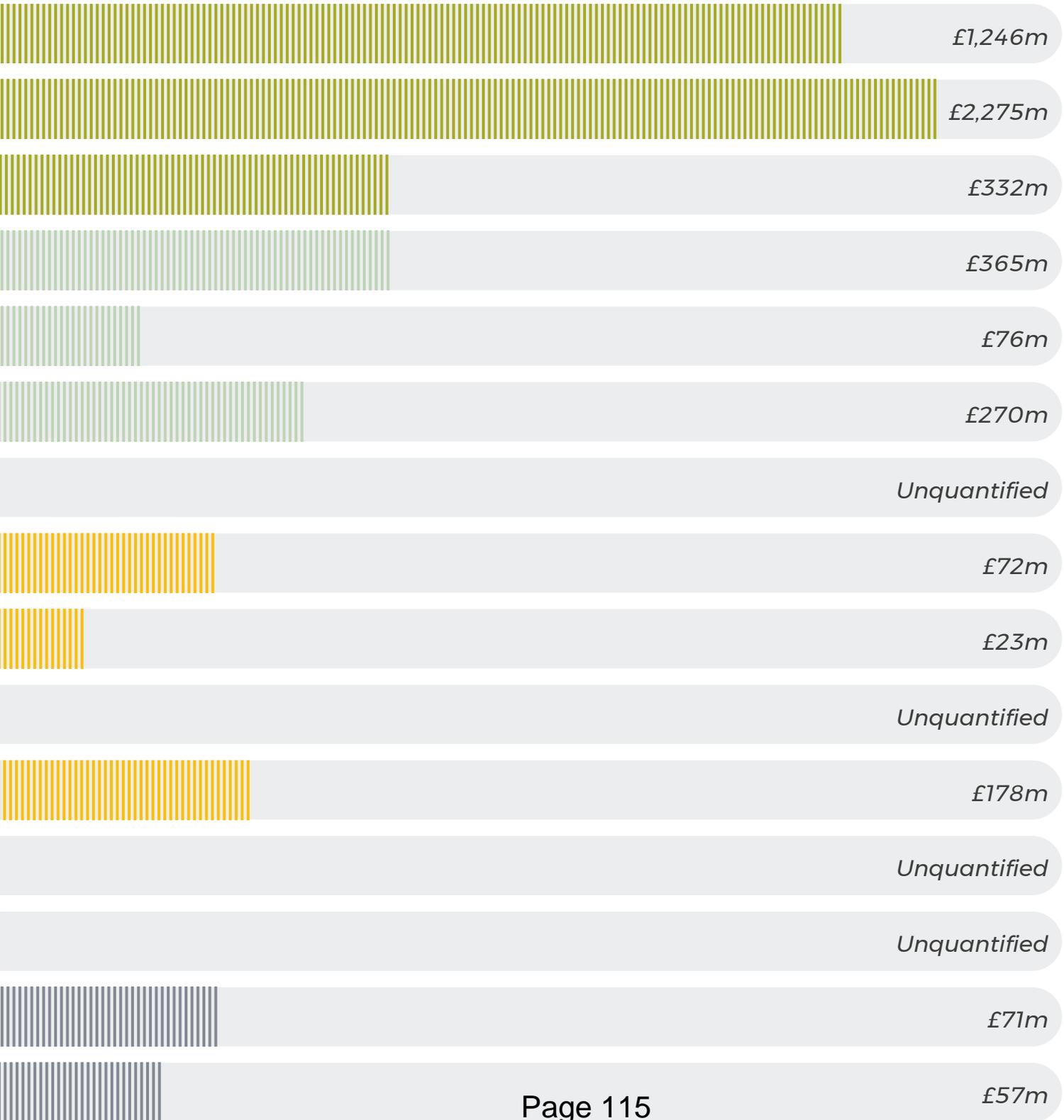


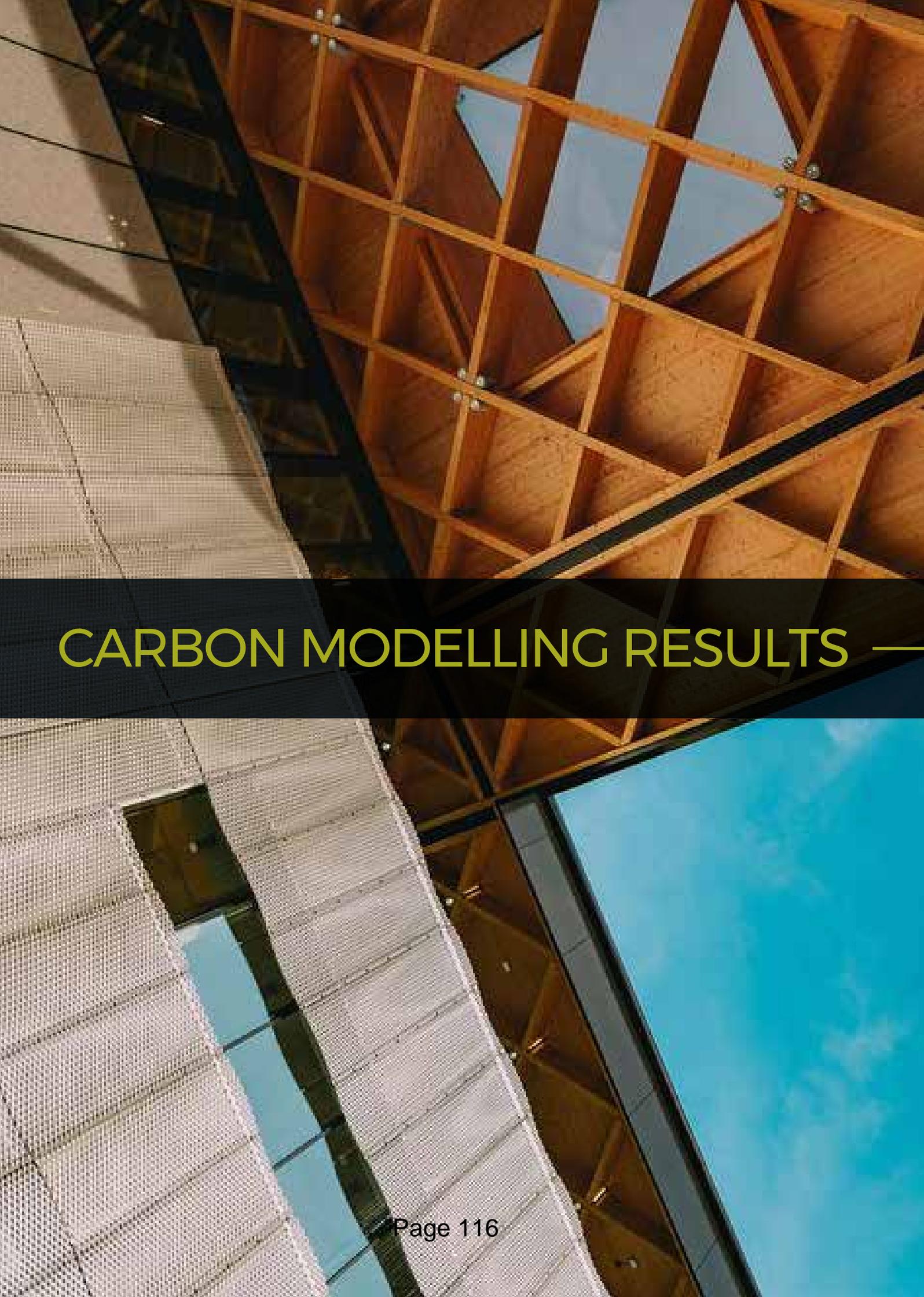
Summary of investment required to 2026

Measures

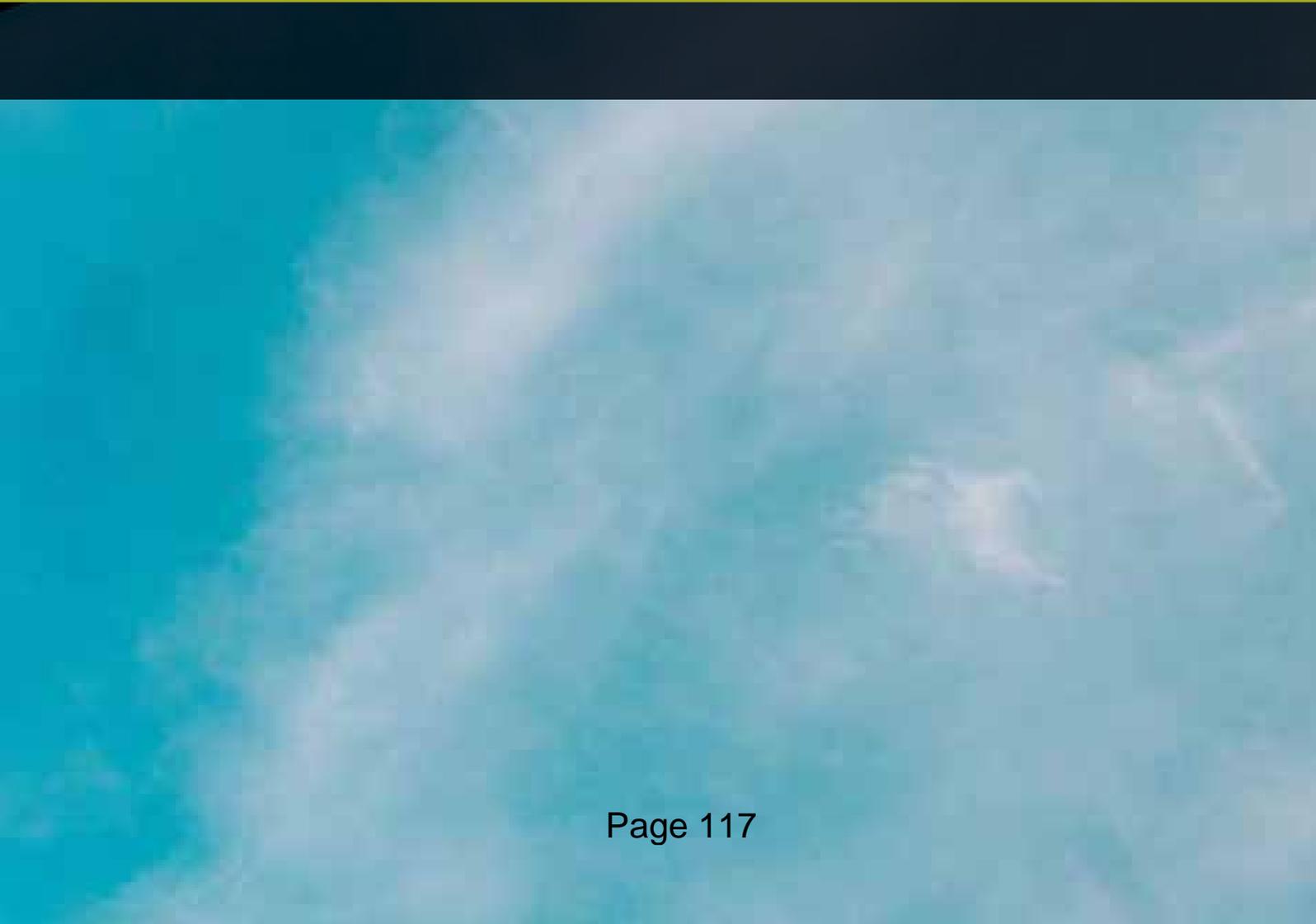
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	14	Land use (Renewables)
	15	Land use (Natural Capital)

Investment to 2026



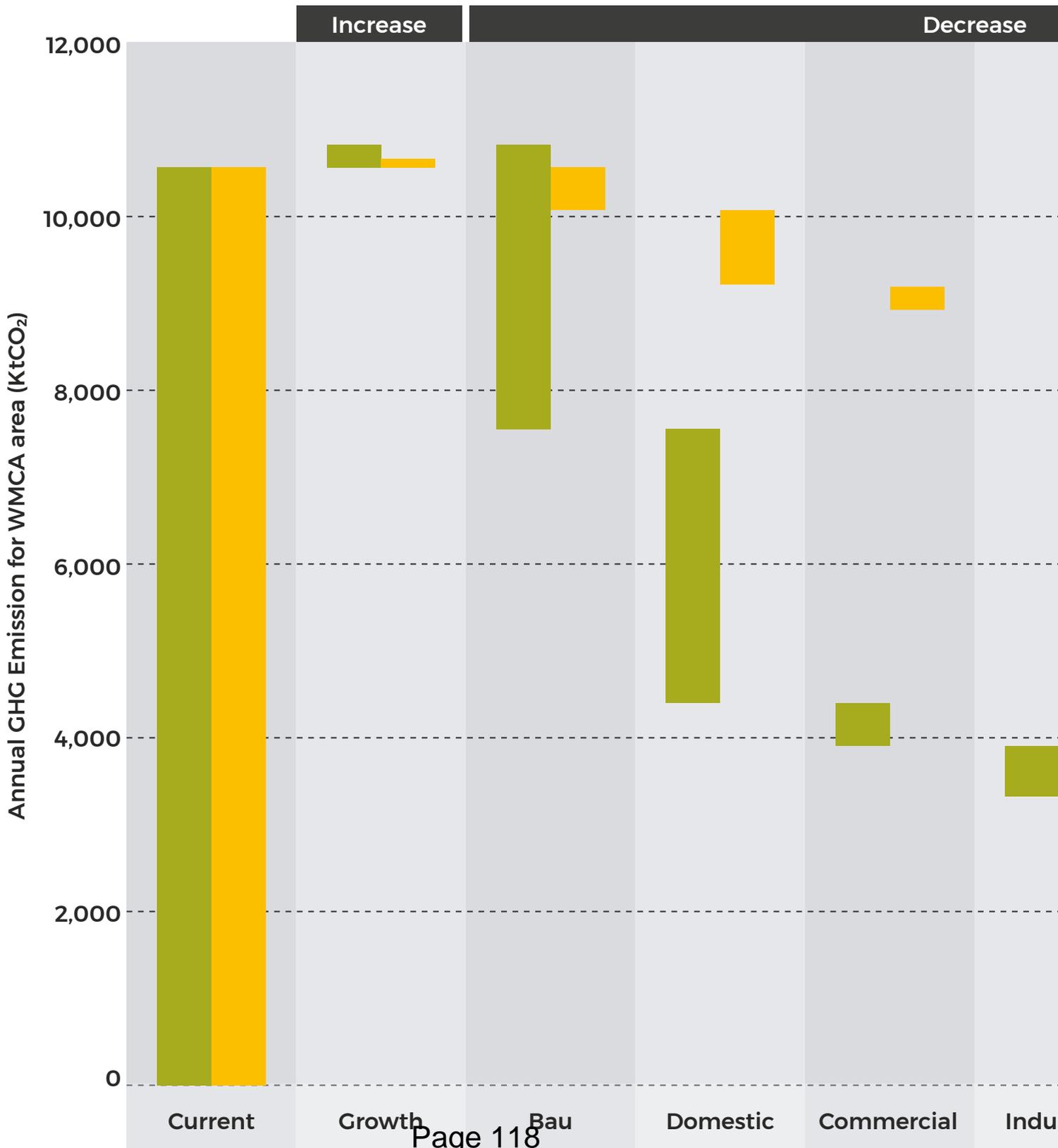


CARBON MODELLING RESULTS —



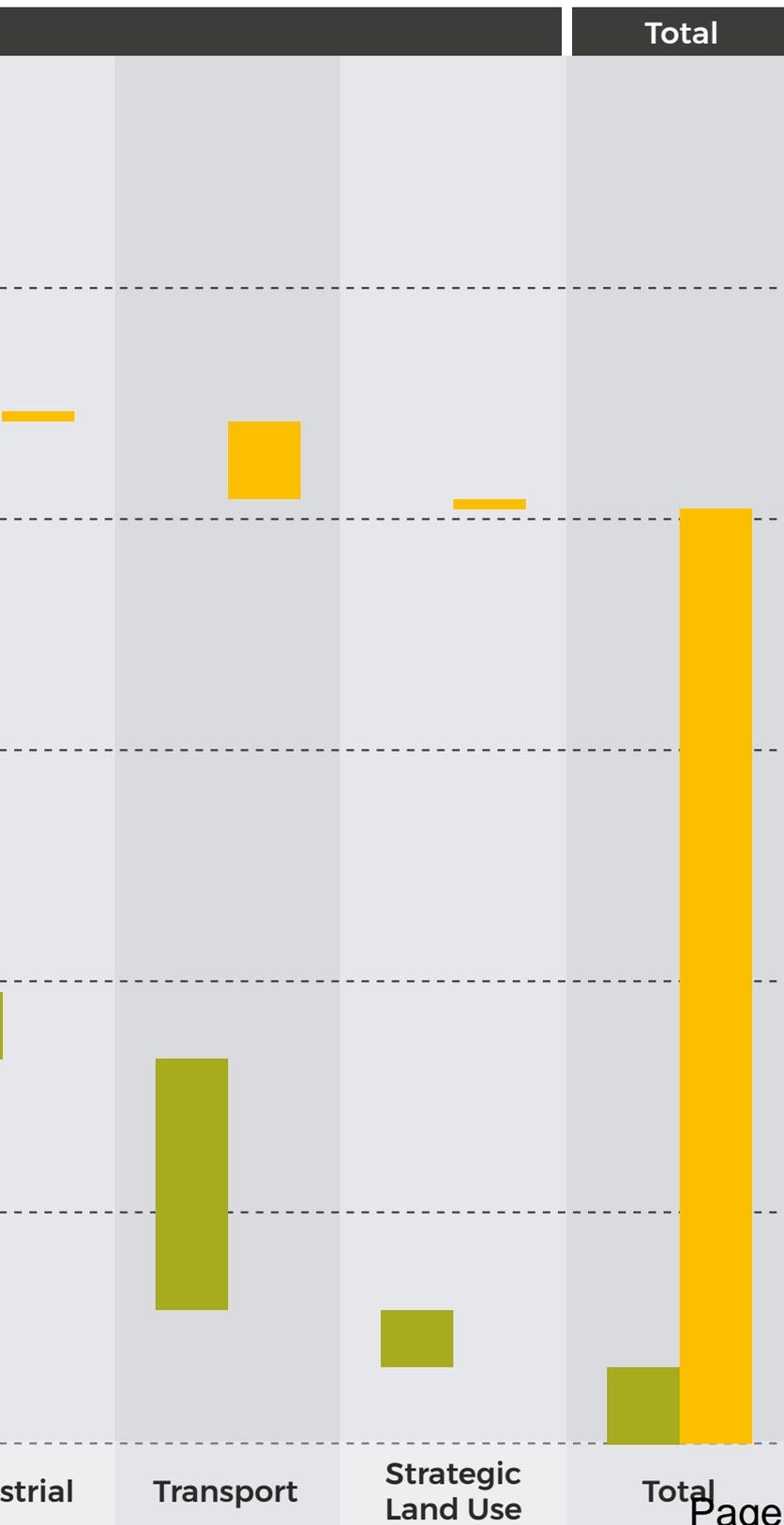


Modelling shows the region needs to commit to the **'Accelerated'** scenario to deliver a **94% reduction by 2041.**





What does this mean for the first FYP by 2026?



Modelling of the 'Accelerated' scenario shows that a **33% reduction** is possible by 2026 (against a 2016 baseline).

The region would be emitting **8.1Mt CO₂ per year**.

The suggested Tyndall Centre target for the region to stay within the Paris Commitment is to emit no more than **4.9Mt CO₂ by 2026**.

This would require radical actions, some of which are not thought feasible in the timescale due to legal, social and financial requirements.

What we would need to do reach 4.9Mt CO₂ by 2026?

Retrofit all 1.1 million homes by the end of 2025 and install **heat pumps** at the same time.



Retrofit 100% of retail, offices and a range of other non-domestic properties to their **maximum potential**.



Maximise rooftop solar across domestic, commercial and industrial sites as well as ground mount - **2.1GW potential of solar** to be installed.



Electrify 100% of taxis (21,000) and buses (2,300) within the region.



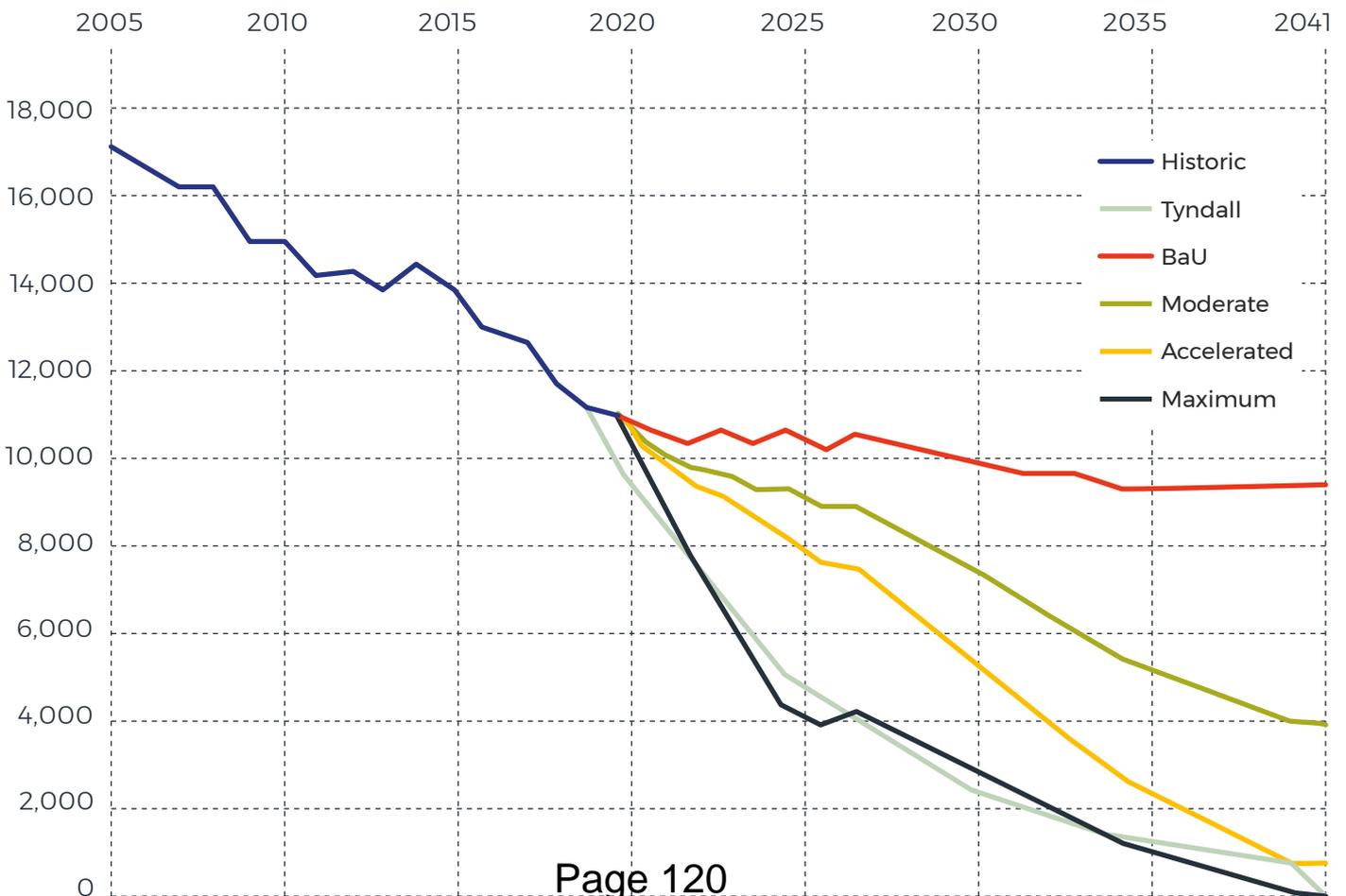
Demand management to encourage reduction in travel, and mode and destination shifting, and to avoid demand rebound.



Cutting car share from 63% of trips to 35%.



Historic and Projected (Inc. Actions) vs. Budgeted GHG Emissions



Ambition and Timeline under 'Accelerated' Scenario to 2026

Given the impetus to decarbonise as soon as possible the report sets out a hugely ambitious, but realistic 'Accelerated' to net zero by 2041.

The WMCA recognises the urgency of carbon reduction and will push the region to accelerate net zero delivery in sectors, where feasible, especially where they bring other benefits to people, the economy and our environment as part of a just transition.

		2021	2026
Domestic	Energy efficiency	Energy efficiency in 25% dwellings	
	Heating retrofit	Low carbon heating system retrofit in 292,000 dwellings	
	Solar PV	415 MWp of rooftop solar	
Commercial	Energy efficiency	Energy efficiency in 50% buildings	
	Heating retrofit	Low-carbon heating system retrofit in 18,000	
	Solar PV	350 MWp of rooftop solar	
Industrial	Energy efficiency and heating retrofit	4% deployment of H2 and 5% of CCS for High Temp process, 2.5% energy efficiency, 25% electrification for LT processes	
	Solar PV	48 MWp of PV	
Transport	Avoid	9% of people tele-commuting 50% of time, 6% less personal and retail trips	
	Shift	Bike increase to 5% of trips, Car decrease to less than 60%	
	Improve	50% of taxis, buses and 25% of HGVs	
Natural Capital	Renewables	30 MW Wind and 225 MWp of solar PV	
	Natural capital	Tree coverage in 3% of WMCA area, and 5% of peri-urban area	
Systems Management		Upgrade and manage coordination across the energy associated systems (transport, digital)	

What does net zero look like?



WHERE DO WE NEED TO BE?

	Goal	Deployment required for net zero
Domestic	Energy efficiency	1.1m homes (100%)
	Heating retrofit	1.1m homes (100%)
	Solar PV	830MWp
Commercial	Energy efficiency	100%
	Heating retrofit	73,400 buildings
	Solar PV	705MWp
Industrial	Energy efficiency	15% energy efficiency
	Heating retrofit	33% deployment of H2 and 40% CCS for high temp. 100% electrification of low temp
	Solar PV	96MWp
Transport	Avoid	35% people telecommuting 50% of time, 25% less personal / retail trips
	Improve	100% taxis & buses electrification
	Shift	Shift to 35% trips by car
Natural Capital	Renewables	59MW wind and 448MWp of solar potential
	Natural capital	13% WCA tree coverage

Delivering a net zero society will require significant and unprecedented change. The changes will directly affect people and we need to ensure the transition is fair.



WHERE ARE WE NOW?

Currently installed in West Midlands

Accelerated scenario delivery for 2026

Smart thermostats at 6% of homes . Smart meters at 31% homes. 27% of homes with cavity walls have them unfilled. 18% of lofts are insulated and easy to treat . 7% of homes do not have double glazing.

294,000 homes

Almost all homes are on fossil fuel boilers

292,000 homes

Approximately 63MWp to date.

415MWp

TBC

37,000 buildings,
50% potential

77% of heating and hot water by gas or oil in offices,
similarly 63% of heating and hot water by gas for retail

37,000 buildings

Approximately 26MWp to date across non-domestic in total

353MWp

Emerging technologies

10% EE, 17% H2, 20% CCS

Not yet commercialised technology

17% H2, 20% CCS.

Approximately 26MWp to date across non-domestic in total

96MWp

5-10% work from homes (pre-pandemic levels)

9% people telecommuting
and 6.25% reduction in trips

~1% of buses

100% electrification
by 2030

63% of trips by car currently

59% trips by car

<20MW of solar

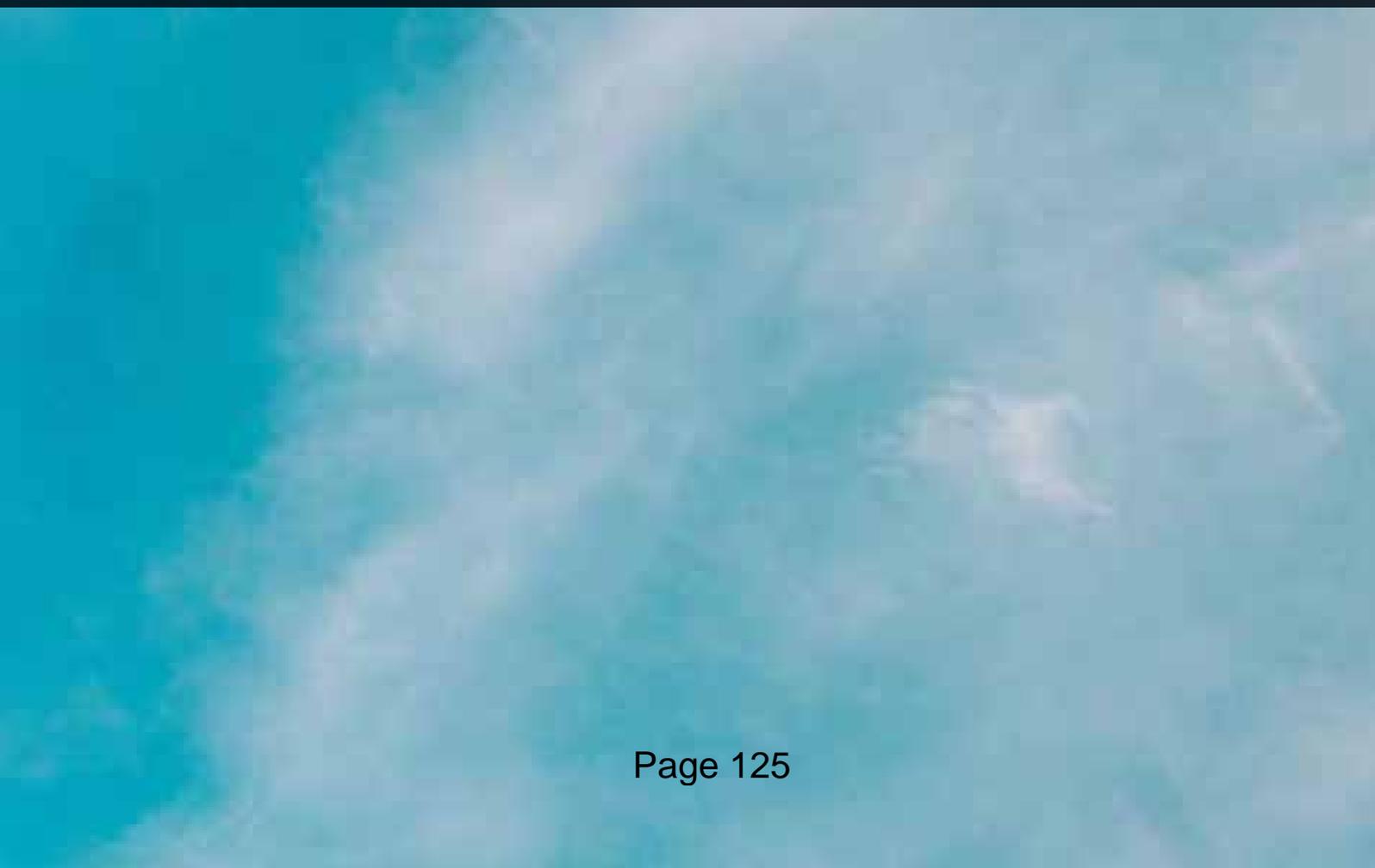
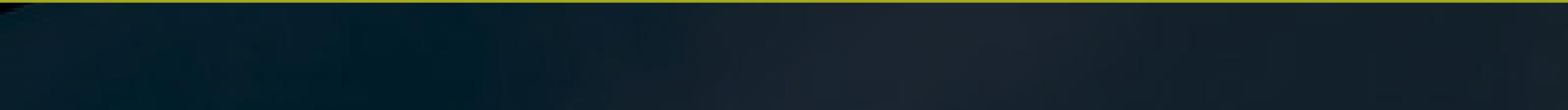
30MW wind and
224MWp solar

1% WMCA tree coverage

13% forest cover/20% peri-
urban areas



DELIVERY PLAN



To enable FYP
delivery, the
WMCA will:





Deliver

Lead on or work with others in the region to deliver carbon emissions reduction



Enable

The West Midlands Combined Authority can support others to deliver



Influence

Using the West Midlands Combined Authority to influence action by others indirectly

Delivery requires significant acceleration across all sectors by all stakeholders if we are to achieve the 2041 target.

Local authorities have a key role to play alongside the WMCA. The WMCA is seeking joint approaches to deliver at scale and set the conditions for net zero delivery.



People will need to make significant changes to their **lifestyles** which will positively impact on their **health and well-being**.

Universities and colleges will need to work with employers to ensure there is **no skills gap**.



Communities have to work to meet the challenge and ensure a **just and equitable transition**.



Private and voluntary sector are needed to **collaborate and deliver projects**



The Delivery Plan for 2026 (1/2)

	 Domestic	 Commercial
Lead Role and Delivery Route	WMCA to fund business case and Energy Capital lead the work, through Fuel Poverty and Regional Retrofit Steering Group (FPRR). <ul style="list-style-type: none"> ▲ Promotion of the campaign and opportunities. ▲ Cross-disciplinary co-ordination team with stakeholders. Managing finances ▲ Developing clear single programme for domestic sector and managing and administrating 	WMCA to fund business case and Energy Capital lead the work. <ul style="list-style-type: none"> ▲ Promotion of the campaign and opportunities to businesses ▲ Cross-disciplinary co-ordination team with stakeholders. Managing the financial streams from national government and other incentives ▲ Developing clear single programme for sector and managing and administrating.
Investment required to 2026	£3.5bn in first FYP	£0.4 bn gross investment in first FYP
Stakeholder	Housing associations, local authority housing, homeowners and private landlords, supply chain, public, national government - BEIS	Commercial forums (e.g. Better Buildings Partnership, supply chain, Federation of Small Businesses), LEPs, Energy Capital, BEIS, WPD
Local Authority collaboration	Work with FPRR, receive funding, work with installers and householders, lobby for funding. Retrofit own housing stock and zero carbon policy for new build	Work with Energy Capital and LEPs to develop local area energy planning
Next Steps	Establishing the Fuel Poverty and Regional Retrofit (FPRR) Centre of Excellence and developing investable propositions to stimulate the market and scale-up efforts to tackle fuel poverty.	WMCA should fund the development of a strategy to support, persuade and incentivise business organisation representatives.



Industry



Transport

<p>Energy and the on aging national atives amme</p>	<p>The regional role will be led by Energy Capital, building on the expertise and research developed through work with the Black Country Consortium.</p> <ul style="list-style-type: none"> ▲ Co-ordinating with UK government ▲ Finance - Management of finance, grants, private investment ▲ Co-ordination with industry 	<p>Delivery of the LTP will require action by TfWM in collaboration with partners. They will work with our local partners to establish governance that monitors the policy delivery of all key stakeholders in the area in addition to monitoring the impact of policies.</p>
<p>FYP</p>	<p>The gross investment cost within the first FYP is difficult to quantify due to the TRL of the proposed interventions</p>	<p>Proposals to Government to go further and faster, with a £2.5bn rolling, five-year single infrastructure package covering £1.5bn of transport investment together with energy and digital interventions.</p>
<p>Building ation for Capital,</p>	<p>LEPs, Industry, BEIS, Cadent, WPD, Energy Capital</p>	<p>TfWM, Local authorities, Highways England, Private fleet and transport operators, the public, WPD, Energy Capital, DfT, BEIS</p>
<p>EPS to ing</p>	<p>Work with Energy Capital and LEPS to develop local area energy planning</p>	<p>Work with TfWM as it develops policies for low carbon transport to, from and within the area, and carry out their functions so as to implement those policies.</p>
<p>ment e and ns and</p>	<p>Energy Capital to lead on an industrial de-carbonisation taskforce, building on work started in partnership with the Black Country Consortium.</p>	<p>Proposals for Intra-City Transport Fund. Draft Local Transport Plan consultation, autumn 2021 and adoption in early 2022.</p>

The Delivery Plan for 2026 (2/2)



Land Use - Natural Capital

Land U

Lead Role and Delivery Route

This will be led by the Environment Team at the West Midlands Combined Authority:

- ▲ Promotion of the opportunities around tree planting and other nature-based solutions
- ▲ Co-ordinating with local authorities
- ▲ Programme Management

It is proposed that the... working closely with... and local authorities... to unlock investment... delivery may be differ... the emphasis will ne... and scale.

Investment required to 2026

£60m within first FYP
A budget of ~£200k per annum would be appropriate with 2 or 3 staff dedicated to its management, within the wider team.

£50m gross investment... A budget of ~£200k p... appropriate with 1 or... management, within

Stakeholder

Landowners, local authorities, NGOs, business representatives, universities, developers, DEFRA group (to include Natural England, Environment Agency and Forestry Commission) and LEPs.

Landowners, local au... developers

Local Authority collaboration

Work with WMCA and other stakeholders to ensure existing natural capital plans are joined up with cross-boundary opportunities. Lobby gov for funding. Develop policies at local level with natural capital group and a natural capital accounting approach.

Work with Energy Ca... and rooftops, as well... to install renewables... to delivery and busin... investment.

Next Steps

The WMCA should fund the initial management and administration to promote this with others through a regional natural capital board, develop the full business case, co-ordinating with the stakeholders.

The WMCA should fu... and administration t... develop the full busin... the stakeholders.



Use - Renewables



Cross - cutting

This is led by Energy Capital, the WMCA Environment Teams and regional stakeholders to identify opportunities. The routes to be pursued for each opportunity but need to be on delivering at pace

This will be led by the Environment Team at the West Midlands Combined Authority and will include:

- ▲ Management of net zero business pledge
- ▲ WM2041 behaviour change, working with communications teams and region stakeholders
- ▲ Programme management, administration and reporting of WM2041 progress, including providing the secretariat function for the WM2041 Net Zero Delivery Board

Staffing within first FYP per annum would be 2 staff dedicated to its delivery within the wider team.

Funding to oversee programme delivery within the WMCA Environment Team. Some elements of the programme may attract external funding, for example, the Net Zero Business Pledge.

Engage local authorities, investors and other stakeholders

Local authorities and key stakeholders such as Sustainability West Midlands to support delivery. All regional stakeholders to be engaged as appropriate

Use Energy Capital to identify available land and explore stakeholder opportunities, develop preferred route and business cases where LA owned

There are opportunities to work with the WMCA Environment Team to deliver the cross cutting work on business engagement, carbon literacy and behaviour change programmes.

Lead the initial management and administration to promote this with others, develop the full business case, co-ordinating with the stakeholders.

The WMCA should fund the initial management and administration to promote this with others, develop the full business case, co-ordinating with the stakeholders.

Cross-cutting, enabling actions



WMCA will launch a **West Midlands Net Zero Business Pledge** to highlight existing business leadership, build on region's networks and provide support so all businesses know how they can play their part.



WMCA will commence **Carbon Literacy** training for staff during 2021 to work towards becoming a "carbon literate" organisation. All organisations in the region are encouraged to complete the UN recognised training to make the West Midlands a carbon literate region.

WM2041 communications & behaviour change

Building on the findings of this plan, WMCA will work with regional stakeholders to develop initiatives and information that will **enable people to make a positive contribution** to net zero and improve their quality of life.

Green Finance

WMCA will lead on the development of **green finance solutions** to support the delivery of this plan.

Monitoring and reporting

There will be an ongoing need to monitor performance and report back findings, which must then be able to inform project planning, specification and resources, including:

Reviews on delivery and carbon reduction progress

Data collection, validation and interpretation

Defining methodology for performance monitoring

WMCA's role in systems management & governance

In order to ensure a cross-cutting approach to net zero delivery, it is proposed that a new WM2041 Net Zero Delivery Board is established that will:

- ▲ Provide oversight of progress against strategy, business cases and delivery to achieve both 2026 and longer term 2041 ambitions;
- ▲ Take responsibility for the achievement of net zero goals across the region and advocate for the necessary resources and powers to achieve this.
- ▲ Recognise the importance of and facilitate integrated transport, energy and planning at a local level in delivering net zero.
- ▲ Enable effective intelligence and data transfer between sectors to enable this.
- ▲ Keep an eye on the goal and identify policy and regulatory barriers to the achievement of net zero by 2041 in the region and take action to remove these
- ▲ Bring together local authorities where appropriate to deliver at scale and the pace required, respecting subsidiarity and relevant duties and powers;
- ▲ Recognise the key role of LEPs, businesses, third sectors and education institutions, engaging them in a co-ordinated and strategic way around net zero delivery;
- ▲ Receive input from a Net Zero Citizens' Panel to test solutions and inform decisions developed from the FYP;
- ▲ Get the region behind net zero and communicating a story together which is compelling and demonstrates commitment;
- ▲ Report progress to the WMCA Environment and Energy Board.

Auditing including governance, risk management and financial control

Dissemination of learnings

Annual monitoring and scrutinise performance and reporting against targets

Review of changes in national policy

Technological assessments and reviews of emerging best practices

External/independent auditing



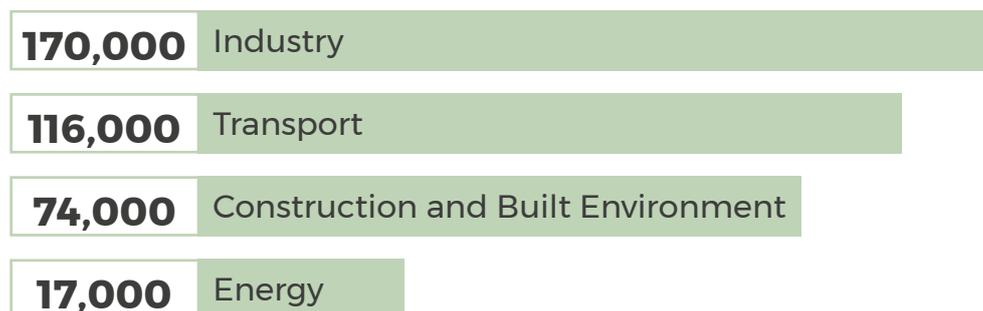
JOBS & SKILLS



Where we are today

Sector	Number of jobs
Agriculture, forestry and fishing	400
Mining and quarrying	300
Manufacturing	133,000
Electricity, gas, steam and air conditioning supply	5,500
Water supply; sewerage, waste management and re-mediation activities	10,800
Construction	58,600
Wholesale and retail trade; repair of motor vehicles	183,200
Transportation and storage	66,600
Accommodation and food service activities	81,000
Information and communication	30,000
Financial and insurance activities	42,100
Real estate activities	24,400
Professional, scientific and technical activities	84,700
Administrative and support service activities	135,100
Public administration and defence; compulsory social security	50,000
Education	126,800
Human health and social work activities	178,500
Arts, entertainment and recreation	23,300
Other service activities	24,800

Automotive, logistics, manufacturing have shaped the sub-regional economy.



(Number of jobs)

Control of own **Adult Education Budget**.

Significant changes in existing occupations will happen at the **low and medium-skill** levels.

New and emerging occupations will require **higher-level qualifications**.

Green and low carbon skills

- 1 **Low-carbon electricity**
Wind power, solar PV, hydropower, nuclear, CCS
- 2 **Low-carbon services**
Low-carbon financial, IT, and advisory service
- 3 **Low-emission vehicles & infrastructure**
Low-emission vehicles & infrastructure, fuel cells and energy storage systems
- 4 **Energy efficient products**
Insulation, lighting, monitoring and control systems
- 5 **Low-carbon heat**
Renewable heat, heat networks and CHP
- 6 **Alternative fuel**
Bioenergy and hydrogen production

Around half of **automotive** companies produce vehicle components in the West Midlands



Increased demand for **electric cars** will increase jobs in West Midlands - existing manufacturing capacity



Also install **low carbon heating technologies**, energy efficiency products and solar installations



Most jobs created in the WMCA will be in manufacturing low emission vehicles, battery packs and modules in giga factories situated near existing production sites. Wider mobility services and products may also play a role and affect demand for new vehicles and create opportunities for employment in the wider mobility sector.



New jobs created and others lost

Sector	Goals	Jobs created
Domestic	Energy efficiency	Retrofit coordinators, installers and designers
	Fuel switching	Heat pump installers
	Micro-generation	Solar PV installers
Commercial	Energy efficiency	Retrofit coordinators, installers and designers
	Fuel switching	Heat pump installers
	Micro-generation	Solar PV installers
Industrial	Energy efficiency and fuel switching	Retrofit coordinators, installers and designers, Heat pump installers
	Micro-generation	Solar PV installers
Transport	Demand reduction (WFH)	Digital skills, jobs in more rural areas in local workspace hubs, goods deliveries
	Fuel switching (HGVs)	Hydrogen, Electric vehicle manufactures
	Fuel switching (buses, taxis)	Petrol and diesel engine manufacturers
	Demand reduction (trips)	Increase in LGV services and driver from more deliveries
	Mode shift	Increased public transport operators & and wider mobility services and products
	Ev uptake	EV vehicle manufacturing
Land Use	Renewables	Solar and wind installers
	Natural capital	Tree planters, ecologists, environmental managers, woodland managers

Jobs lost



Gas boiler maintenance repairs



Gas boiler maintenance repairs
and gas transmission



Reduced demand for City services
such as food and beverage stores,
Vehicle manufacturers

Petrol and diesel engine manufacturers

Petrol and diesel engine manufacturers

Vehicle manufacturers

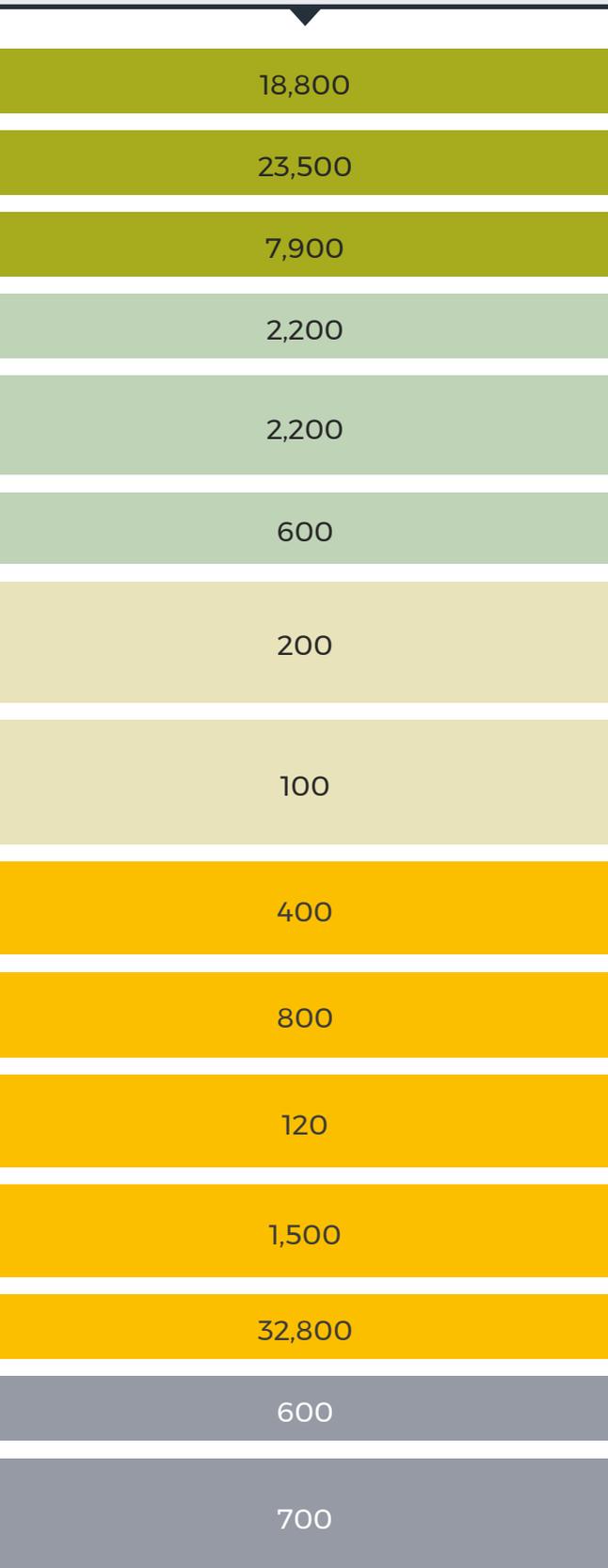
Vehicle manufacturers

Petrol and diesel vehicle manufacturing

A big opportunity for the region

Sector	Goals	Net jobs created by 2026
Domestic	Energy efficiency	5,500
	Fuel switching	6,900
	Micro-generation	1,800
Commercial	Energy efficiency	500
	Fuel switching	500
	Micro-generation	100
Industrial	Energy efficiency and fuel switching	10
	Micro-generation	10
Transport	Fuel switching (HGVs)	0
	Fuel switching (buses, taxis)	500
	Demand reduction (trips)	40
	Mode shift	1,500
	Ev uptake	3,400
Land Use	Renewables	40
	Natural capital	200

Net jobs created by 2041



A real need for **skills & apprentices**

Potential for **21,000** jobs to be created by **2026**

Potential for another **71,000** jobs to be created by **2041** (**92,000 total**)

140,000 jobs need to re-skill as result of transition (**11.1%**)

143,500 jobs are aligned to net zero transition (**11.5%**)

283,000 total jobs linked to transition (**22.5%**)

Construction	Transport	Manufacturing
Water collection, treatment and supply	Sewerage and waste collection	
Energy generation, transmission and distribution	Electrical, plumbing and other building services	

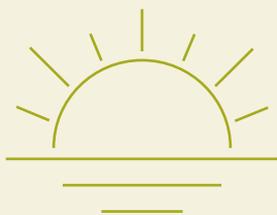


A DAY IN THE LIFE



A day in the life of a West Midlands resident in 2026

Early Morning



7:30 AM

Amelia wakes up in her warm home that she has fully retrofitted with loft and wall insulation and new glazing. She no longer has to worry about condensation covered windows or draughts.

Mid-Morning



8:00 AM

Amelia works flexibly from home and no longer commutes every day. She uses the extra time to start work early and run errands at lunchtime.

Midday



12:30 PM

It's a bright sunny day so the rooftop solar panels are generating all of the electricity the home needs. Amelia puts the washing machine on a low temperature wash to take full advantage.

Afternoon



1:30 PM

Amelia has a busy afternoon so heads to a flexible office space her company has rented. Once she finishes meetings Amelia makes the final arrangements for a community tree planting event at the weekend.

Evening



6:00 PM

Dropping off the bike Amelia opens her phone and turns up the home temperature using her smart thermostat which connects to the heat pump.



Who is Amelia?

Amelia (pronouns: she/her) is in her early thirties working in the professional services industry. She lives in the West Midlands with her partner at their two bedroom home which they own together.



7:55 AM

After breakfast she walks over to her home office, with planning permission from the council she no longer has to work from her dining table!



8:05 AM

Everyone in the street now has ultra-fast broadband so tele-conferencing is a breeze, even when her partner is also connected.



1:00 PM

Amelia stops for lunch in the new community pocket park and then heads round the corner to collect some parcels from her local collection hub.



5:30 PM

There are plenty of electric taxis close by, but instead she rents a bike and uses the newly installed cycle lanes with her parcels in her backpack.



9:00 PM

After dinner, she logs on to the college website to view the new modules available. Amelia is learning new skills to meet the demands of her business clients who want to reduce their carbon impact and improve their competitiveness.

Contact

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As one of the world's leading professional services firms, WSP provides technical expertise and strategic advice to clients in the Transportation & Infrastructure, Property & Buildings, Environment, Industry, Resources (including Mining and Oil & Gas) and Energy sectors, as well as offering project and program delivery and advisory services. Our experts include engineers, advisors, technicians, scientists, architects, planners, surveyors and environmental specialists, as well as other design, program and construction management professionals. With approximately 48,000 talented people globally, we are uniquely positioned to deliver successful and sustainable projects, wherever our clients need us.



WMCA Board

Date	19 March 2021
Report title	Economic Update and Next Steps
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 Director	Julia Goldsworthy, Director of Strategy email: julia.goldsworthy@wmca.org.uk tel: (0121) 214 7941
Report has been considered by	WMCA Programme Board

Recommendations for action or decision:

WMCA Board is recommended to:

- (1) Note the latest economic intelligence about how the Covid-19 pandemic and introduction of the Trade and Cooperation Agreement have affected the region's economy.
- (2) Note implications for the West Midlands of the 3 March Budget and 'Plan for Growth'.
- (3) Endorse the response and recovery planning undertaken to date - including a review of the business support system and development of finance instruments to support growth companies - and support the further development of recovery plans with partners, linked to five major challenges set out in 4.5.

1. Purpose

- 1.1 This paper summarises the latest economic data, regional implications of the 3 March Budget and Government's 'Plan for Growth'.
- 1.2 Building upon how the region has come together to respond to the economic and community emergency, the report uses insight from the State of the Region update to pinpoint the major challenges and inequalities that will ensure the region, in the words of the Young Combined Authority, "*we must rebuild, and rebuild back better*".

2. Latest economic intelligence

- 2.1 The first Covid-19 case in the West Midlands was confirmed on 5 March 2020. In the intervening period, 9,738 people have died across the WMCA's constituent and non-constituent authorities¹ and during 2020 the region's economic output fell by over £10bn because of restrictions to constrain the spread of the pandemic.

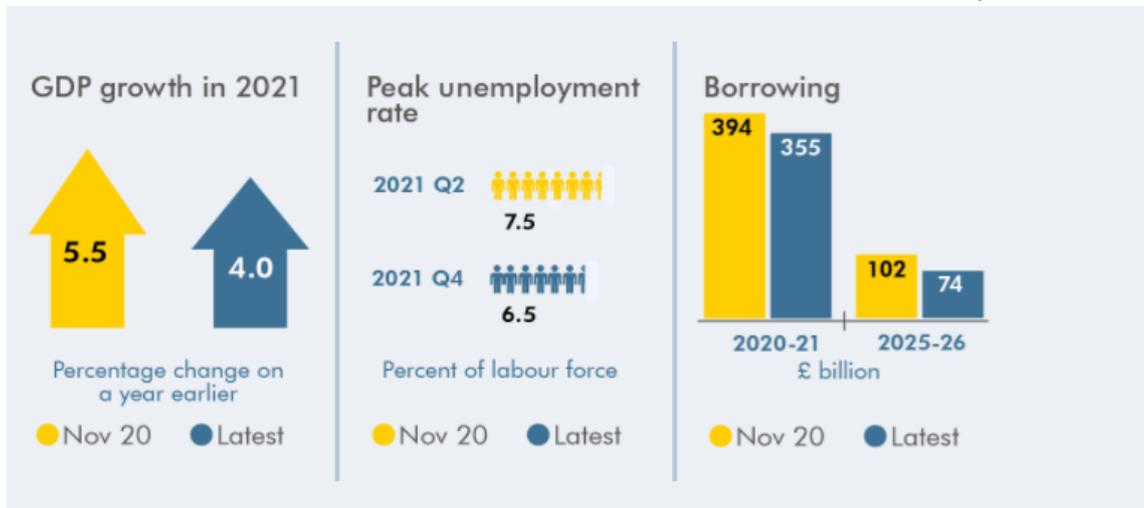
National picture

- 2.2 Nationally, the UK economy contracted by 9.9% in 2020. Moving into 2021, first quarter output has been constrained by national lockdown and trade frictions from the move to the Trade and Cooperation Agreement with the EU, but the Office for Budgetary Responsibility (OBR) finds that the rapid rollout of effective vaccines offers hope of a swifter and more sustained economic recovery. The easing of public health restrictions in line with the Government's 22 February Roadmap² should permit a rebound in consumption and output through 2021, partially supported by the release of extra savings built up by households during the pandemic. GDP is expected to grow by 4% in 2021 and to regain its pre-pandemic level in the second quarter of 2022, six months earlier than it forecast in November. The pandemic is nevertheless still expected to lower the supply capacity of the economy in the medium term by around 3% relative to pre-virus expectations.
- 2.3 The national impact on people and businesses remains challenging, with unemployment projected to rise by a further 500,000 people to a peak of 6.5% at the end of 2021, but this is around 340,000 less than the 7.5% assumed previously, thanks partly to the latest extension of the furlough scheme. Changes to the headline measures of growth, unemployment and borrowing are summarised below.

¹ To 23 February. Source: <https://coronavirus.data.gov.uk/details/deaths> - deaths within 28 days of a positive test

² See: <https://www.gov.uk/government/publications/covid-19-response-spring-2021/covid-19-response-spring-2021>

Fig 1 – Overview of new forecasts in the OBR’s Economic and Fiscal Outlook (March 2021)

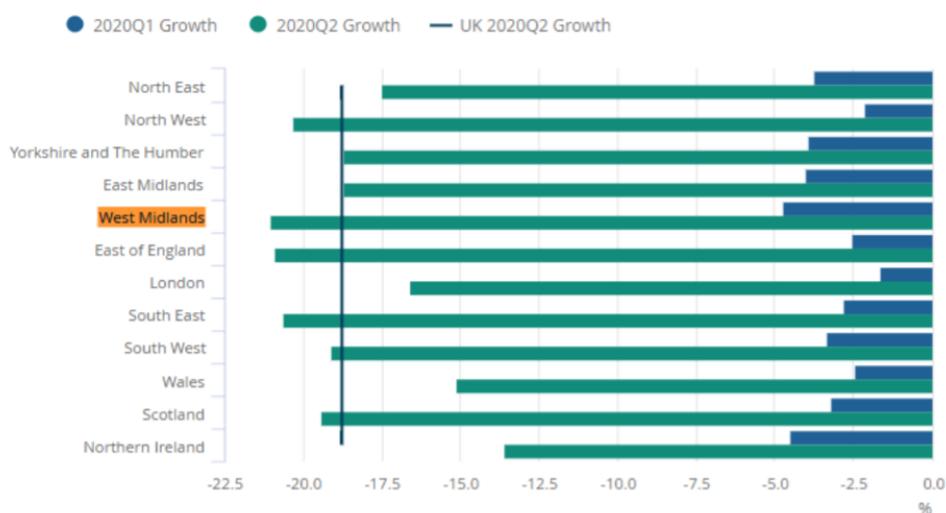


Source: OBR Economic and Fiscal Outlook (March 2021)

Economic and social impacts in the West Midlands

2.4 At the outset of the pandemic, experts forecast the economic impact of restrictions would be more severe in the West Midlands than elsewhere. This was based upon its sectoral strengths and young, diverse demography. Most of the region’s residents and businesses have been under tighter operating restrictions since 14 October 2020, in addition to the first lockdown from 23 March to 4 July 2020. Regional output statistics are now available and the West Midlands experienced the largest negative growth of all regions in the first two quarters of 2020 (see Fig 2).

Fig.2 – Quarter-on-quarter GDP change for UK regions



Source: Office for National Statistics – Regional GDP estimate

2.5 Analysis for the updated State of the Region report draws out the major ways in which the pandemic has affected people, including:

- 135,000 fewer workforce jobs across the region.
- 207,645 people across the 3 LEP area claim benefits because they are out of work, which is an increase of 90,055 since March 2020. The claimant rate among young people has nearly doubled to 41,230 young people (a rate of 8.4%).

- 261,000 people were furloughed in January 2021, a rate of 14.5%.

These themes resonate with the Jobs and Training priority in region's Community Recovery prospectus, *Levelling-up the West Midlands*³:

2.6 Economic evidence also points to stark sectoral impacts. The region's Local Industrial Strategy identifies distinctive sector strengths, with LEPs pivoting their leadership of regional sector action plans to help businesses survive and adapt to Covid-19 and the end of the Transition Period. Fig.3 summarises the insight and evidence about the sectoral impacts related to Covid-19 restrictions, with the highest risk sectors in Retail, Hospitality, the Cultural Economy, Advanced Manufacturing and Transport & Logistics.

Fig.3 – West Midlands Covid-19 sector risks

West Midlands Covid Sector Risks	Skills & Labour - % furlough in WM)	A2F – diff. between % of loans & economy proportion	Lockdown	Order Books	Insolvency & Debt	Social Distancing	Transition to New Business Models	Testing & Labour Supply	Digital / Home Working	Risk Management Capability	Overall Risk to Future Growth (inc. via EY forecasts)
Advanced Manufacturing & Engineering	12%	-1.3%									HIGH
Construction	15%	0.1%									MEDIUM
Retail	13%	-6.0%									HIGH
Cultural Economy	62%	2.6%									HIGH
BPFS	12%	1.4%									LOW
Energy and Low Carbon	6%	-0.1%									MEDIUM
Creative Industries	10%	1.8%									MEDIUM
Healthcare & Life Sciences	3%	2.3%									LOW
Transport and Logistics	8%	0.4%									HIGH
Hospitality	45%	-4.1%									HIGH
Public Sector	2%	3.3%									LOW

2.7 This summary includes businesses' access to finance across the sectors, which has been subject to a detailed report by the LSE⁴. It shows that the liquidity crisis of 2020 will soon become the solvency crisis of 2021. The authors say that more than one in seven UK businesses are at risk of failure in the next few months, with those 390,000 'at-risk' registered businesses employing 1.9 million people across the UK. Recommendations include providing protection from excess debt in the short-term and the introduction of a path to prosperity by stretching loan subsidies and moving to a system of debt restructuring in the recovery period. This is particularly relevant for the recovery, with growth SMEs able to grow and create jobs faster than incumbents.

³ See: <https://governance.wmca.org.uk/documents/s5129/Appendix.pdf>

⁴ LSE (2021): A major wave of UK business closures by April 2021? The scale of the problem and what can be done <https://cep.lse.ac.uk/pubs/download/cepcovid-19-016.pdf>

2.8 Across the UK, there is a projected investment shortfall of £15bn this year for start-up and scale-up firms, with the magnitude of financial shock in the West Midlands potentially greater than other regions. An initial piece of analysis has been completed which found historic funding for SMEs in the start-up and scale-up space is poor, with the West Midlands sitting in the bottom quartile in terms of proportion of UK SME deal share and investment share, despite some existing support measures. If the region does not address the gap to support growth firms, this will hinder the pace of jobs growth and dynamism of the recovery.

2.9 Fig 4. summarises the impacts and opportunities from the new trade frictions from the Trade and Cooperation Agreement with the EU and the ability to strike new trade deals. Sectors facing the greatest risk are Advanced Manufacturing; Retail; Business, Professional & Financial Services and Transport & Logistics, with a high degree of similarity about those sectors facing the compound effects of EU exit and pandemic risks.

Fig.4 – West Midlands Covid-19 sector risks

West Midlands EU Exit Sector Risks	CURRENT, OR POTENTIAL "TEETHING PROBLEM"						LONG-TERM STRUCTURAL CHANGE			
	VAT	Financial Equivalence	Travel	Customs Paperwork	Prof. Quals.	R. of Origin	Standards / Regulation	Data Sharing	Skills Shortages	Overall risk of reduced competitiveness
Advanced Manufacturing & Engineering	Red	Yellow	Yellow	Red	Yellow	Red	Yellow	Yellow	Yellow	HIGH
Construction	Red	Yellow	Yellow	Yellow	Red	Yellow	Green	Yellow	Red	MEDIUM
Retail	Red	Yellow	Yellow	Red	Green	Red	Yellow	Yellow	Red	HIGH
Cultural Economy	Red	Green	Red	Yellow	Green	Yellow	Green	Yellow	Red	MEDIUM
Business, Professional and Financial Services	Yellow	Red	Red	Green	Red	Green	Yellow	Red	Green	HIGH
Energy and Low Carbon Technologies	Yellow	Green	Yellow	Yellow	Yellow	Yellow	Green	Yellow	Yellow	LOW
Creative Industries	Yellow	Green	Red	Yellow	Red	Yellow	Green	Yellow	Yellow	MEDIUM
Healthcare & Life Sciences	Yellow	Yellow	Yellow	Red	Red	Yellow	Red	Yellow	Yellow	MEDIUM
Transport and Logistics	Red	Yellow	Red	Red	Yellow	Red	Yellow	Yellow	Red	HIGH
Hospitality	Yellow	Green	Red	Yellow	Green	Yellow	Green	Yellow	Red	MEDIUM
Public Sector	Yellow	Yellow	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Green	LOW

Mobilising business and civic leaders across the region

2.10 To complement the quantitative analysis, regional leaders have continued to convene regular meetings with business leaders to understand the efficacy of support and act where there are gaps. Major themes include:

- Vital that Government provides businesses with clarity and certainty about the longevity of support – through measures like furlough, business rates reliefs, VAT deferrals and reductions, loan repayment schedules and addressing gaps in support.
- The West Midlands’ advanced manufacturing strength means it is particularly susceptible to preferential Rules of Origin (ROO) regulations, which led to targeted lobbying as the UK finalised its Trade and Cooperation Agreement.
- Rallying business support for major economic projects, including the Gigafactory, HS2 and the Business and Tourism Programme to lever the impact of the Birmingham 2022 Commonwealth Games.

2.11 As well as analysis of lagging economic data, regional partners have also been assessing how new societal and business megatrends set the context for the region's economic and community recovery. Delivered by WMREDI in conjunction with thinktank Future Agenda, the series of seven workshops⁵ brought together academic experts, business leaders and public officials to understand the implications and opportunities for the West Midlands. The outputs of the workshops contribute to the reset of the region's priorities.

3 3 March Budget and Government's 'Plan for Growth'

3.1 The West Midlands is a resilient and innovative region that's used to finding ways to seize on the opportunities coming from a crisis. Now, as the region looks forward and plans for recovery, partners are determined to step up again and tackle the challenges – including the deep-seated, historic issues of deprivation and inequality that existed long before the pandemic. This is a once in a lifetime opportunity to rethink and reset ways of working together across the region to deliver fundamental change that will benefit everyone who lives and works here.

3.2 A fairer, greener and healthier economic recovery in the West Midlands is vital for the national recovery. It is economically important for three reasons:

- Scale - the largest region outside London generating 5.5% of the UK's output.
- Previous growth trajectory – with the strongest track-record of growth outside London, buoyed by construction and services sectors.
- Export strength and the importance of exploiting new global trade opportunities - particularly related to the region's high-value automotive and aerospace manufacturers and their supply chains.

3.3 The West Midlands is also politically, socially and environmentally important, to the national recovery because:

- For Government to succeed in its mission to 'level-up' the country, it must address the stark economic, social and health inequalities exposed and exacerbated by the pandemic and manage public finances.
- Delivering net zero carbon and energy transition is vital for the region given its strengths in energy intensive industries and with the stock of industrial and residential buildings and energy supply. This corresponds to the ambitious 5-year action plan to deliver the region's commitment to be carbon neutral by 2041, as set out in agenda item no. 7.
- The region's young demographic means it will bear deeper long-term consequences of disruption to education and early-stage career progression.

3.4 Ahead of the Budget, the region's priorities for Government were consistent with its ambitions submission to the Comprehensive Spending Review (September 2020). The region has maintained its commitment to exploiting the 'big bets', including the arrival of HS2 through the refreshed Growth Strategy, capitalising on the Coventry City of Culture and Commonwealth Games, large-scale brownfield land development and securing the region's competitive advantage in electric automotive manufacturing by securing a UK Gigafactory.

⁵ See: <https://blog.bham.ac.uk/cityredi/workshop-series-megatrends-and-cities-understanding-the-future/>

3.5 The Chancellor announced the 2021/22 Budget on 3rd March (briefing attached as **Appendix 1**). In addition to national measures to extend emergency support for businesses and households, the Budget included tax measures to incentivise investment (a ‘super-deduction’) and address strained public finances. For the West Midlands, a further £225m of investment was announced across some of the region’s key schemes including:

- £59m for five new stations in the Black Country and south Birmingham.
- £50m to Solihull Council’s Urban Growth Company to further exploit the full benefits of HS2 with transport improvements at Birmingham Interchange Station.
- £116m for the regeneration for Rowley Regis (£19m), Smethwick (£23.5m), West Bromwich (£25m) Wolverhampton (£25m) and Nuneaton (£23.5m) in Towns Deals.
- A £10m Wolverhampton-based Government taskforce to work with the WMCA in developing new construction technologies including low carbon, energy efficient homes.

3.6 In addition to the announcements in the Budget, over the last 12 months, the region has pursued support from Government to mitigate harm to businesses and people and stimulate future growth. A full analysis of the support offered to businesses, residents and authorities across the region is attached as **Appendix 2** and highlights include:

- £10.1bn of support provided by Government through furlough, business grants/loans.
- £376.3m of funding directly allocated to the West Midlands for its priorities, including the Brownfield Land Fund and National Brownfield Institute, VLR Innovation Centre, Precision Health Tech Accelerator and Completing Coventry’s Cultural Capital.
- 26 of the region’s 31 asks to kickstart economic recovery have been actioned, either by Government directly supporting regional plans (in part or in full), or by national government action.

3.7 Alongside the Budget, the Government unveiled its Plan for Growth and details of local growth funding for 2021/22. Led by HM Treasury, the Plan for Growth replaces the 2017 Industrial Strategy with “a new framework for how the UK will build back better”. It responds to major changes since 2017 like the UK’s adoption of the 2050 net zero target, coronavirus and the post-Brexit trade deal with the EU. Its short-term focus is on job creation, but retains a commitment to boosting productivity and living standards. The industrial strategy’s focus on sectors is less strong, with instead a structure of:

- Three ‘**pillars of investment**’ – Infrastructure; Skills; Innovation.
- Three ways of ‘**doing things differently**’ – Levelling-up the whole of the UK; Supporting the transition to net zero; and the Vision for a Global Britain.
- A series of supporting strategies and documents to be published over the next 12 months, including on Net Zero, Innovation, Lifelong Learning, Digital and Devolution.

3.8 Future local growth funding is vital to delivering that vision. 2021/22 sees the replacement of the Local Growth Fund and tapering-away of European Structural and Investment (ESI) funding until 2023. Prospectuses have been published for the Levelling-Up Fund and Community Renewal Fund which, together, channel capital and revenue funding to locally led schemes to support business, boost places and quality of life, and help people develop their skills and find work. While further guidance is awaited, the region's local authorities and community groups will work together to develop submissions by mid-June and secure further investment to drive an inclusive economic and community recovery.

4. Next steps

4.1 In May 2020, the region's political and business leaders acted swiftly to set 10 priorities to guide the region's approach which sought to (i) minimise harm to people, businesses and communities and (ii) forge ahead with ambitious propositions to stimulate future growth. Since then, there have been several milestones as partners, business and communities have acted across those broad aims, including:

- **Ongoing** – local authorities, LEPs, business and community groups, the WMCA and Government departments adapting delivery of vital services and support, particularly to help the most vulnerable.
- **June '20** – Proposition to 'Recharge the West Midlands' submitted to Government to kickstart economic recovery.
- **July '20** – Partners prioritise transformative projects for the £74m Getting Building Fund across the region⁶.
- **September '20** – West Midlands' submissions to Government on the future of devolution to help level-up the UK and on the Comprehensive Spending Review, covering the issues of infrastructure, economy & skills, public service reform and sustainable funding.
- **November '20** – Levelling up the West Midlands: Our roadmap to community recover and prospectus for government published with 41 areas of good practice from across the region, 27 shared ambitions for recovery, 29 asks of government and 15 initial areas for future collaboration following engagement with citizens and partners across the region.
- **November '20** – Intensive work with LEPs, Chambers and Government to put in place practical support to prepare for the end of the Transition Period.
- **January '21** – LEPs update sector recovery plans to take account of the Trade and Cooperation Agreement and further Covid-19 restrictions.
- **February '21** – The region mobilises an ambitious 5-year action plan to drive its transformation to being carbon neutral by 2041.

4.2 In addition to the region's collective work, partners have also driven recovery work to address particular challenges and opportunities at different spatial scales. They include, for example:

- The Coventry & Warwickshire LEP's Reset Strategic Framework⁷ at a sub-regional level, which builds upon sectors of the future.

⁶ This includes £66m for the West Midlands CA area and a further £8m for Warwickshire

⁷ See: https://www.cwlep.com/sites/default/files/cwlep_strategic_reset_framework_2.pdf

- The City of Wolverhampton Council's 'Relighting our City'⁸ plan brings the city together, with 2,500 people directly shaping the key priorities for its recovery.
- Birmingham City Council's 'Our Future City Plan'⁹ offers an ambitious view about the future development of central Birmingham over the next 20 years.

4.3 Many regional recovery plans highlight similar messages. These are drawn from a short review of the region's collective response¹⁰, which is summarised in **Appendix 3**:

- We know our economy is not as resilient as we need it to be.
- Individual action is not enough to prevent climate collapse and structural change is needed.
- Our businesses and industry adapt quickly but they need coordinated support.
- Inequalities have widened and the impact of Covid-19 is not equal with BAME populations and young people being hit hard.
- Our communities mobilise at pace and at scale. There is not a lack of community ambition but a lack of resources.
- Our future economic success depends on making a difference across all areas of our lives – health, the environment and our diverse communities.

4.4 Evidence from the region's social, economic and environmental analysis helps pinpoint a series of linked Challenges exacerbated by the pandemic and will need to inform the region's continuing recovery activity, as set out in the table below. Just as the national industrial strategy has been replaced by the Plan for Growth, the region's business, civic and community leaders will work to reset the region's priorities and strategy to address the damage wreaked by the pandemic, and the opportunities for growth, environmental transformation and a better quality of life as the regional economy recovers.

⁸ See:

<https://wolverhampton.moderngov.co.uk/documents/s152444/Appendix%201%20Relighting%20Our%20City%20City%20of%20Wolverhampton%20Council%20Recovery%20Commitment.pdf>

⁹ See: <https://www.birmingham.gov.uk/ourfuturecityplan>

¹⁰ See: <https://www.wmca.org.uk/media/4671/covid-12-months-on-report.pdf>

Challenge	Fallout from pandemic	Longstanding issues	Evidence
1. DELIVERING GOOD JOBS	<ul style="list-style-type: none"> Weak demand in the economy and for labour, especially for younger people and lower skills levels. Targeting public support and job creation. 	<ul style="list-style-type: none"> Addressing the region's low productivity trends. Improving business leadership, innovation and investment. Connecting future jobs and skills. 	<ul style="list-style-type: none"> Estimated 17.7% of all businesses in the WMCA have been temporarily closed by the latest restrictions 135,000 fewer workforce jobs across the region. 207,645 people across the 3 LEP area claim benefits because they are out of work, which is an increase of 90,055 since March 2020. 261,000 people were furloughed in January 2021, a rate of 14.5%. Strengths in sectors with relatively strong order books and a need for skilled labour.
2. THRIVING PLACES & COMMUNITIES	<ul style="list-style-type: none"> How 'stronger' places, including city centres, recover from pandemic. 	<ul style="list-style-type: none"> Overcoming entrenched market failure in 'left behind' places. Improving inter- and intra-regional connectivity 	<ul style="list-style-type: none"> Figures from Centre for Cities' High Street Recovery Tracker show that footfall in Birmingham city centre had only recovered to 31% of its pre-pandemic levels by early December with expenditure at 17% (the lowest of any city in the UK) This <i>footfall tracker</i> compares the three West Midlands cities
3. SECURING GREEN AMBITIONS	<ul style="list-style-type: none"> Sustain the positive behavioural responses to the pandemic 	<ul style="list-style-type: none"> Deliver on WM2041 Make zero-carbon a driver of inclusive growth 	<ul style="list-style-type: none"> We need to stay within a cumulative carbon dioxide emissions budget of 74.1 MtCO₂ for the period of 2020 to 2100. At 2016 CO₂ emission levels, the budget would be used within 6 years.

<p>4. TACKLING INEQUALITY / LEVELLING-UP</p>	<ul style="list-style-type: none"> • Need to mitigate further harm to most disadvantaged communities and design out inequalities. 	<ul style="list-style-type: none"> • Tackling entrenched inter- and intra-regional inequalities, across different community cohorts and spatial communities. • How the UK's public spending helps the West Midlands 'level-up'. 	<ul style="list-style-type: none"> • Covid deaths are 2.2 times higher in the most deprived areas vs least deprived areas (all deaths 1.9 times higher). • High number of areas with very-high unemployment which have been exacerbated by the pandemic. • Parts of the region continue to have amongst the lowest productivity in the country, which feeds through into living standards.
<p>5. PREVENTING A LOST GENERATION</p>	<ul style="list-style-type: none"> • Preventing children and young people, especially the most disadvantaged, from falling further behind. 	<ul style="list-style-type: none"> • Creating opportunities for young people to fulfil their potential. 	<ul style="list-style-type: none"> • The claimant rate among young people has nearly doubled to 41,230 young people (a rate of 8.4%). • Highest number of non-internet users in UK (1/5th), with a further 1/5th limited users. • Highest proportion of employers saying they find digital skills difficult to obtain from applicants of any UK region (38%).

4.5 As well as setting the foundation for a reset of the region's priorities, partners have begun work at pace on specific measures to address gaps. For example, the Recovery Forum has initiated projects including:

- A Jobs and Skills Delivery Board which has examined the nature of unemployment and jobs supply, and opportunities with growth sectors like low carbon industry and major public procurement contracts to drive the creation of jobs for people out of work.
- A review to design a fit for purpose business support system, led by the LEPs.
- Further development of a co-investment fund to lever private growth capital addressing the challenge identified in paras 2.7 and 2.8, as referred to in agenda item no. 6. This is with a view to accelerate recovery in growth businesses and sectors and drive job creation across the West Midlands that is aligned to the region's strategic priorities around securing green and inclusive growth.

4.6 The SED Board (11 March) considered matters covered in this report and feedback will be provided to the WMCA Board discussion.

5. Financial Implications

5.1 The report describes the implications of the Budget for the West Midlands. Although the report does not directly relate to WMCA spending decisions, there will be a role for the WMCA in convening partners – for example on the Levelling-Up Fund, and specifically as the lead authority on the Community Renewal Fund. That activity is subject to further government guidance (though the latter comes with modest capacity support), and be subject to future WMCA Board decisions, as appropriate.

5.2 Recovery planning will be undertaken within existing resources across the WMCA, local authorities, LEPs and partners. Establishing a clear, coherent and effective partnership strategy is also a vital foundation for work during 2021 to secure more investment on the region's priorities through the expected Comprehensive Spending Review.

5.3 The report refers to economic recovery activity being developed within existing resources. Where there is an opportunity to commit further resources, they will be subject to future WMCA Board decision-making, as appropriate.

6. Legal Implications

6.1 There are no direct legal implications arising from this report. The WMCA's leadership of recovery activity delivers on its statutory power to promote economic development and regeneration. Any specific projects or developments arising as a result of additional funding or initiatives will be considered for their legal implications as required. The Getting Building Fund has already been the subject of funding agreements between the WMCA and partners.

7. Inclusive Growth Implications

7.1 This report has focused squarely about how the Covid pandemic has disproportionately affected the West Midlands and exacerbated existing inequalities. The direction set by the report focuses on five major challenges, each of which contribute to a sustainable and inclusive recovery.

8. Geographical area of report's implications

- 8.1 The report recognises that in responding to the pandemic, partners have acted at the appropriate spatial level. In building upon these strong foundations, the report sets the collective challenges and direction to be developed by the partners and apply to the WMCA's full geographical area.

9. Schedule of Background Papers

Appendix 1 – Summary of Budget 2021

Appendix 2 – Overview of Covid recovery asks and funding secured across the region

Appendix 3 – Summary of 'Resetting the Region' based on work across partners

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Chancellor of the Exchequer Rishi Sunak presented HMG's Budget 2021 to the House of Commons on 3 March 2021. The Chancellor outlined measures in the [Red Book](#) aimed at supporting jobs and businesses and stabilizing public finances. The [plan for growth strategy](#) appears to supersede the Industrial Strategy, and is led out of HMT rather than BEIS (see Annex A for more details).

The Chancellor prefaced his announcements by highlighting some of the challenges facing the country, including a 10% fall in growth in the last year and 700k rise in unemployment. The announcements were made across three themes;

- Business and people
- Fixing public finances
- Building the future economy

Business and people

Key business related announcements made by the Chancellor were:

- £126m to fund 40,000 more traineeship places, and employer incentives for apprenticeships will rise to £3,000, regardless of the age of the apprentice.
- New restart grant to help businesses re-open – nonessential retail to receive up to 6k per premise and up to £18k for hospitality and leisure businesses (replacing rather than in addition to additional business grant support measures).
- A £300 million [Cultural Recovery Fund](#).
- A £300 million Sports Recovery Fund to focus on cricket.
- An extension to the [£500m Film and TV restart scheme](#).
- The [Recovery Loan Scheme](#) will replace CBILS and CBBLs. Firms will be able to borrow £25k to £10m and the Government will guarantee 80% of individual loans made to businesses.
- The 100% business rate holiday for retail, hospitality and leisure businesses will continue until the end of June 2021. This will then be followed by a reduced concession rate of 66% until March 2022.
- Hospitality and tourism businesses will pay 5% VAT rate until September 2021 and then an interim rate of 12.5% until April 2022.

Key measures to support employment, income, home ownership and mental health:

- The [Job Retention Scheme](#) is to be extended until September 2021. Government contributions will fall to 60% in July, 60% in August, from its current level of 80%. A similar process is to be put in place for the [Self-Employment Income Support Scheme](#).
- The Universal Credit uplift of £20 per week will be extended for another six months. Claimants on Working Tax Credit will get a one off payment of £500.
- Stamp duty holiday will be extended until June 2021 for property sales under £500,000. The nil rate band will be £250,000 until the end of September, returning to the usual level of £125,000 from 1 October 2021.
- A new Government mortgage guarantee will enable 95% mortgages.
- £19m for domestic violence programme which includes piloting “respite rooms” for victims of domestic violence.
- £10m will be allocated to support army veterans dealing with mental health issues.

Public finances

Key taxation measures:

- Personal tax thresholds will stand at 12,570 and 50,270 next year (until April 2026).
- Corporation tax on company profits is to increase to 25% and will start in April 2023. It is estimated that 10% of firms will pay this rate due to profit levels, with smaller firms paying lower rates.
- The Government will introduce a “Super Deduction” meaning that companies will have a capital investment allowance of 130%.
- Cancelled duty increases on all alcohol products and fuel.

Building the future economy

The Chancellor introduced this section of the budget by emphasizing the Government’s green growth ambitions:

- Budget 2021 confirmed the creation of the [UK Infrastructure Bank](#) (located in Leeds) that will invest across the UK in public and private projects. Beginning this spring, the bank will have an initial capitalisation of £12bn and is expected to support at least £40bn of total investment in infrastructure.
- [Support for small and medium-sized enterprises](#) to grow through two new schemes to boost productivity. These will launch in the autumn, and appear to be managed centrally rather than through region business support infrastructure, with businesses being invited to express interest through Gov.uk
 - Help to Grow: Management, a new management training offer
 - Help to Grow: Digital, a new scheme to help 100,000 SMEs save time and money by adopting productivity-enhancing software, transforming the way they do business.
- To launch [consultation on tax relief](#), alongside the budget

Levelling up

- The Government is launching the prospectus for the £4.8 billion [Levelling Up Fund](#) alongside Budget. This will be delivered through LAs, with a 3-tier system indicating levels of support and need. MPs will play a role in championing projects. CAs will be able to put forward 1 transport proposal of up to £20m.
- £1bn new town deals confirmed - this includes funding for Wolverhampton, Rowley Regis, Smethwick and West Bromwich.
- £150m [Community Ownership Grant](#) to allow communities to take ownership of pubs at risk.
- A number of Freeports announced, the closest to region is East Midlands Airport.
- Detail on Community Recovery Fund – CAs in lead role with £3m pilot bids for priority places (Birmingham, Dudley, Sandwell, Walsall, Wolves), to inform future Shared prosperity fund.
- Review on geography of LEPS (reporting later in the year).

Potential for funding regional priorities

The Chancellor also announced a further £225m of investments to back some of the region’s key schemes. These include:

- £59m for five new stations in the region in the Black Country and south Birmingham.
- £50m will go to Solihull Council’s Urban Growth Company to help fund transport improvements around the HS2 Birmingham Interchange Station.
- £116m for the regeneration for Rowley Regis (£19m), Smethwick (£23.5m), West Bromwich (£25m) Wolverhampton (£25m) and Nuneaton (£23.5m).
- A £10m Wolverhampton-based Government taskforce to work with the WMCA in developing new construction technologies including low carbon, energy efficient homes.

Progress on WMCA Budget Submission Asks

The table below tracks the region’s budget asks against measures outlined in the Red Book. The funding status of most projects/programme will become clearer after further engagement with Government, although the CA has received confirmation on some aspects i.e. UK Central Hub.

It should be noted that the list of measures in the table are greater than those listed in the headline summary above.

Theme	Budget asks	Budget 2021 Document Excerpt
Infrastructure	<ul style="list-style-type: none"> • Transport Infrastructure • UK Central Hub • Residential and Commercial Development • Natural Capital • Culture & Placemaking • Investment Programme 	<ul style="list-style-type: none"> • £59m for new rail stations at Darlaston and Willenhall on a reopened passenger line between Wolverhampton and Walsall and for new Moseley, Kings Heath and Hazelwell stations on a re-opened Camp Hill line. • £50 million to develop proposals for transport improvements around the High Speed 2 Birmingham Interchange Station. • A £10m Wolverhampton-based Government taskforce to work with the WMCA in developing new construction technologies including low carbon, energy efficient homes. • Creation of the UK Infrastructure Bank that will invest across the UK in public and private projects. The bank will have an initial capitalisation of £12bn and is expected to support at least £40bn of total investment in infrastructure, based in Leeds. • First Sovereign Green Fund will be launched in the summer.

Theme	Budget asks	Budget 2021 Document Excerpt
Economy & Skills	<ul style="list-style-type: none"> Business Resilience and Productivity Programme Integrated Employment and Skills Ecosystem 	<ul style="list-style-type: none"> Plan for Growth published by HMT, understood to supersede BEIS led Industrial Strategy The 100% business rate holiday for retail, hospitality and leisure and leisure businesses will continue until the end of June 2021. This will then be followed by a reduced concession rate of 66% until the end of the financial year. Hospitality and tourism businesses will pay 5% VAT rate until September 2021 and then followed by an interim rate of 12.5% until April 2022. Government will introduce a “Super Deduction” meaning that companies can reduce their tax bill by 130% of the cost of an investment. An additional £425m of discretionary business grant funding to local authorities. Support for small and medium-sized enterprises to grow through two new schemes to boost productivity (expected to be managed centrally): <ul style="list-style-type: none"> Help to Grow: Management, a new management training offer Help to Grow: Digital, a new scheme to help 100,000 SMEs save time and money by adopting productivity-enhancing software, transforming the way they do business. To launch consultation on tax relief, alongside the budget £400 million to help young people catch up on lost learning as a result of COVID-19, as part of a total £700 million package An additional £126m in England for high quality work placements and training for 16-24 year olds in the 2021/22 academic year. Employers who hire a new apprentice between 1 April 2021 and 30 September 2021 will receive £3,000 per new hire A £7m fund from July 2021 to help employers in England set up and expand portable apprenticeships. £1.3m over 2021-22 and 2022-23 to pilot the use of new technologies to support out-of-work people to find new jobs.
Public Services	<ul style="list-style-type: none"> Sustaining homelessness reduction post COVID -19 Investment in Public Service Data and Evidence Innovation West Midlands Safe Centre Building resilience into public services 	<ul style="list-style-type: none"> £150m Community Ownership Grant to allow communities to take ownership of pubs at risk. £300 million Cultural Recovery Fund. £300 million Sports Recovery Fund to focus on cricket. £220 million UK Community Renewal Fund prospectus launch, providing funding for local areas across the UK in 2021-22 for projects investing in people, communities and businesses. Government will provide up to £3.8m of funding to deliver a pilot no-interest loans scheme. The scheme will help vulnerable consumers who would benefit from affordable short-term credit to meet unexpected costs as an alternative to relying on high-cost credit. £19m for domestic violent programme which includes piloting “respite rooms” for victims of domestic violence.

Theme	Budget asks	Budget 2021 Document Excerpt
Sustainable finance	<ul style="list-style-type: none"> • Levelling up health in the West Midlands 	<ul style="list-style-type: none"> • £10m to support army veterans with mental health needs. • £1.7 billion to support the continuation of the vaccine deployment programme.
	<ul style="list-style-type: none"> • The Single Pot Approach • Long Term Sustainable Funding for the Region • Financial Flexibilities 	<ul style="list-style-type: none"> • Government is launching the prospectus for the £4.8 billion Levelling Up Fund alongside Budget. • UK Shared Prosperity Fund – to be published in the autumn after further consultation.

Annex A – Plan for Growth

Following the Budget, the Chancellor has unveiled government’s ‘Plan for Growth’. This will build upon the national Industrial Strategy and will be led by HM Treasury. It responds to major changes since 2017, included the UK’s adoption of the 2050 net zero target, coronavirus and the post-Brexit trade deal with the EU. It includes sections on: global Britain infrastructure; skills; innovation and the low-carbon economy, as well as levelling-up.

This builds on the national industrial strategy and consolidates several recent policy announcements, such as the 10 Point Plan for a Green Industrial Revolution, into a longer-term vision. The Plan also sets out its delivery priorities for the next twelve months:

In the next three months...	<ul style="list-style-type: none"> ■ Getting Smarter: Knowledge Assets Implementation Strategy ■ Heat and Buildings Strategy ■ Industrial Decarbonisation Strategy ■ Integrated Rail Plan for the Midlands and the North ■ Integrated Review of Security, Defence, Development and Foreign Policy ■ National Bus Strategy
In the next six months...	<ul style="list-style-type: none"> ■ Hydrogen Strategy ■ Innovation Strategy ■ Lifelong Loan Entitlement Consultation ■ National Space Strategy ■ Research & Development Places Strategy ■ Research & Development People and Culture Strategy ■ Transport Decarbonisation Plan
In the next twelve months...	<ul style="list-style-type: none"> ■ Devolution and Local Recovery White Paper ■ Digital Strategy ■ Export Strategy ■ Full Conclusion of the Post-18 Review of Education and Funding ■ Net Zero Strategy ■ Procurement Reform ■ Sector Visions ■ Union Connectivity Review

Annex B – Overview of business and economic support measures

Type of support	Support
Grants for businesses – either required to close or those that experience severe impact	<ul style="list-style-type: none"> • Local Restrictions Support Grant (Closed) – to £3,000 per month according to rateable value - continues to operate while businesses cannot open. • Closed Business Lockdown Payment – grants of up to £9,000 announced in January 2021 for firms required to close. In addition to LRSRG (Closed). • Additional Restrictions Support Grant – local authorities put in place discretionary schemes to support firms that do not receive other forms of support, or to provide further support. • Restart Grants – grants for businesses once they are able to resume operating – (they will continue to receive LSRG in the meantime): <ul style="list-style-type: none"> • Up to £6,000 (depending on RV) for non-essential retail, due to reopen on 12 April. • Up to £18,000 (depending on RV) for hospitality businesses, due to reopen (indoors) on 17 May.
Loans and investment	<ul style="list-style-type: none"> • Deadlines for loan applications for CBILS, BBLs, etc. open to end of March 2021 and option to top-up BBLs for firms that didn't originally borrow the maximum. • New Recovery Loan Scheme launched with a 80% Government guarantee for loans between £25k and £10m. • On capital allowance: a "super-deduction" until March 2023 of 130% of investment in new plant and equipment. • UK Infrastructure Bank with £12bn capital to invest in public and private green infrastructure schemes. • Launch of Future Fund Breakthrough
Other support for business	<ul style="list-style-type: none"> • 100% business rates relief for hospitality, retail and leisure businesses extended until end of June 2021... <ul style="list-style-type: none"> • Then 66% reduction for up to a further six months for those hardest hit businesses, with a lower cap for those who can open. • Reduction in VAT to 5% for hospitality extended to end of September, when it will increase to 12.5% until April '22. • Introduced new national business support services through 'Help to Grow Management' and 'Help to Grow Digital'. • Doubled the employer incentive for apprentices of any age to £3,000.
For workers and people looking for work	<ul style="list-style-type: none"> • National living wage increased to £8.91 per hour for over 23s (increase of 19p, or 2.2%). • CJRS (furlough) extended until end of September for any business. Workers continue to receive 80% of wages up to £2,500/mth for hours not worked. Employers cover NICs and pension. In July, employers will need to contribute 10% of wages for non-worked hours, increasing to 20% in Aug/Sept. • Continuation of Restart and Kickstart schemes. • Extended £20 per week uplift to Universal Credit to September 2021. • People claiming Working Tax Credit to receive one-off £500 payment.
Self-employed (SEISS)	<ul style="list-style-type: none"> • Fourth SEISS round covering February – April confirmed at 80% of 3 months average trading profits, capped at £7,500. • Fifth SEISS round from May – July. Payments will vary for those who've seen a reduction of income up to/below 30%: <ul style="list-style-type: none"> • More than a 30% reduction in turnover: receive 80% of 3 months' average trading profits • A reduction in turnover of less than 30%: 30% of 3 months' average trading profits. • Extended qualification criteria to include newly self-employed people who submitted tax returns by 2/3/21.

Key = New support or details announced on 3/3 highlighted in red
Updated – 3/3/21

Further Information

Lead Officer

Mike Lewis
Senior Policy Officer

Covid-19: Economic recovery asks and funding

- Of the 31 asks in ‘Recharge the West Midlands’, 26 of which have been either allocated funding or are in policy areas where we believe the Government has allocated money (e.g. through the November Spending Review, Winter Economic Plan, or 2021 Budget).
- In addition to the schemes which were part of our £3.2 billion recovery plan, we estimate the Government has provided **£10.5bn of further support** for the West Midlands over the last 12 months through schemes like grants for small businesses, furlough and additional funding for councils.

The tables below outline Government funding announcements related to:

- Table 1 - Specific projects and priorities in the ‘Recharge the West Midlands’ proposition. Those secured and with a clear local/regional delivery route are **in bold**, to distinguish from measures delivered by other/national means.
- Table 2 - Other Government funding providing emergency economic support.

Table 1 – Funding related to ‘Recharge the West Midlands’

Regional asks	Funding package, statements and indications [GBF = £66m allocation for Getting Building Fund]
<p>Create green manufacturing jobs</p> <ul style="list-style-type: none"> • Project GREAT (£85m) • Gigafactory (£250m) • EV charging (£35m) • Very Light Rail - VLR (£114m) • Fuel poverty and regional retrofit programme (£100m) • Repowering the Black Country (£30m) 	<ul style="list-style-type: none"> • Verbal support for the Gigafactory proposal – the Prime Minister said: “the whole of the West Midlands is now a global centre of battery technology and batteries for EVs and that is the vision of Mayor Andy Street, and we will back that vision”. Government set aside £500m towards a UK Gigafactory and joint venture partnership established between Coventry City Council and Coventry Airport Ltd. • £1bn national Automotive Transformation Fund. • £500m national programme for electric vehicle charging. • £14.115m for VLR schemes in Dudley and Coventry [GBF]. • A national £2bn "green homes grant" programme to help make homes more energy efficient and £1bn to improve energy efficiency of public buildings. • Repowering the Black Country was one of six projects funded through the Industrial Decarbonisation Challenge in January 2021 (£1m). • Budget 2021: £68m UK-wide funding to implement energy storage prototypes and technology demonstrators.
<p>Maximise job creation</p> <ul style="list-style-type: none"> • UK Central (£95m) • Curzon Street / Digbeth (£131m) • Cultural Catalyst (£80m) 	<ul style="list-style-type: none"> • £9.96m for completing the cultural capital project in Coventry and the Commonwealth Games economic legacy for the Ricoh Arena [GBF]. • £23.3m for cultural assets from the Cultural Recovery Fund • £3m from GBSLEP for the Creative Content Hub. • Spending Review: £118.5m one-year Birmingham Commonwealth Games funding to support the games in 2022 and funding from the Cultural Investment Fund for Coventry’s UK City of Culture 2021 programme. • Budget 2021: £50m to develop infrastructure and development proposals around the HS2 Birmingham Interchange Station/UKC Hub/Arden Cross
<p>Invest in healthcare innovation</p> <ul style="list-style-type: none"> • Birmingham Life Sciences Park (£60m) • ReSCue (£54m) • Grand Central Diagnostic Hub (£13m) • Radical Health Prevention Fund (£10m) 	<ul style="list-style-type: none"> • £10.86m – Precision Health Tech Accelerator, part of Birmingham Life Sciences Park [GBF]. • Spending Review: £325m for the NHS to invest in new diagnostics equipment and £559m to support the modernisation of technology across the health and care system.
<p>Build better digital and transport links</p> <ul style="list-style-type: none"> • Metro (£101m) • Sprint (£61) • WMRP (£84m) • Local connectivity (£86m) • Fibre (£16m) • 5G Accelerator (£28m) 	<ul style="list-style-type: none"> • £15.1m for University Station [GBF]. • £1m for WM5G application accelerator [GBF]. • £11m for Dudley Interchange [TCF and Integrated Transport Block] • £24m for Birchley Island [MRN funding] • Spending Review: £4bn “Levelling Up Fund” to invest in local infrastructure plus confirmation of £4.2bn five-year, consolidated intra-city transport settlements for mayoral combined authorities from 2022/3,

Regional asks	Funding package, statements and indications [GBF = £66m allocation for Getting Building Fund]
	<p>£8.9m revenue capacity funding allocated to the WMCA in the Budget 2021 to help prepare for settlement programme.</p> <ul style="list-style-type: none"> • Spending Review: £300m in 2021/22 for bus services, covering Covid support and transformation. A further £120m in 2021/22 for cleaner, greener, quieter zero emission buses. • Spending Review: £200m to continue flagship digital infrastructure programmes, including Local Full Fibre Networks and the 5G Testbeds and Trials Programme. • Budget 2021: £59m towards the construction of local stations through Rail Package 1 (Willenhall & Darlaston) and Rail Package 2 (Moseley Kings Heath, Hazelwell).
<p>Regenerate brownfield sites and build new homes</p> <ul style="list-style-type: none"> • Urban Transformation Fund (£200m) • National Brownfield Institute (£24m) • Affordable Housing (£400m) • Advanced Methods of Construction (£50m) 	<ul style="list-style-type: none"> • £14.875m for National Brownfield Land Institute [GBF] • £84m of the Brownfield Fund allocated to the WMCA, with a further £24m secured through the competitive element. • £12bn national programme to build 180,000 new affordable homes. • £50m national funding set aside for Advanced Manufacturing in Construction factories and market development costs. • Budget 2021: A £10m Wolverhampton based Modern Methods of Construction Taskforce.
<p>Get people back into work</p> <ul style="list-style-type: none"> • Supporting young people - one off support (training, tracking, wage subsidy) (£272m) • Getting the West Midlands back to work (£33m) • Future Skills, Future Jobs (£60m) • Future Skills, Future Jobs (FE capital plan) (£185m) 	<p>A Plan for Jobs 2020 speech:</p> <ul style="list-style-type: none"> • Kickstart Scheme – £2bn work experience programme for 16-24 year olds that have been unemployed for more than six months. • £1.4bn to increase Job Centre Plus capacity and double work coach numbers. • Spending Review: £2.9bn Restart scheme to help more than one million unemployed people find work - £400m in 2020/21. • 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. A further £111m extra will be added to the traineeship budget, employers will be paid £1,000 per trainee. • £200m for college improvements and £72m in 2021/22 to support the commitment to build 20 Institutes of Technology • £32m over two years for the National Careers Service to fund careers advice for 269,000 more people. • Spending Review: £375m from the National Skills Fund in 2021/22. And £17m to expand sector based work academies. <p>For the West Midlands:</p> <ul style="list-style-type: none"> • £2m for West Midlands digital retraining • £5.2m for Sector Based Work Academy West Midlands AEB for 2020/21 • £2.6m for high value courses for 18 and 19 year olds via AEB • £9m for National Skills Entitlement Level 3 courses <p>Budget 2021:</p> <ul style="list-style-type: none"> • £126m for Traineeships - high quality work placements and training for 16-24 year olds, £1,000 incentive for employers who provide trainees with work experience. • £3,000 employer bonus for hiring new apprentices. (increase to the £2000 incentive set out in Plan for Jobs) • A £7m fund from July 2021 to set up portable apprenticeships
<p>Back our region's businesses</p> <ul style="list-style-type: none"> • Speed to Scale Region (£382m) • Restart, reposition and transform (£60m) • Productivity Factory (£90m) • Enterprise Investment Growth Fund 	<ul style="list-style-type: none"> • £1.9m confirmed for extending the 'Made Smarter' pilot to the West Midlands in 2021/22. • £20m for Growth Hubs nationally, including £1.5m allocated to West Midlands LEPs/Growth Hubs. • Spending Review: £557.5m capital funding for the British Business Bank, including new instruments. • Spending Review: £11.1bn R&D funding (out of an overall government R&D package of £14.6bn). This will include a further £400m for UKRI for core science and £350m for UKRI to support strategic government priorities and the whole research and innovation ecosystem. • Budget 2021: Help to Grow Management and Digital, to support 130,000 SMEs to scale up their management and digital practises. • £375m to introduce the Future Fund: Breakthrough which will invest in innovative, R&D intensive businesses.

Regional asks	Funding package, statements and indications [GBF = £66m allocation for Getting Building Fund]
Total	£376.31m secured directly for the West Midlands, plus opportunities to secure more investment via national programmes of up to £440m (based on estimated West Midlands share of national programmes)
Source of funding:	
<ul style="list-style-type: none"> Getting Building Fund, A Plan for Jobs, Budget 2021 and other national interventions 	

Table 2 – West Midlands uptake of major national funding support

Funding	Details
Business loans¹	<ul style="list-style-type: none"> Coronavirus Business Interruption Loan Scheme (CBILS) - £1.486bn Bounce Back Loans (BBLs) - £3.521bn Future Fund - £18.6m
Business grants payments by Local Authorities	<ul style="list-style-type: none"> Grants paid by WMCA local authorities to Winter Economic Plan - £589m Grants paid by WMCA local authorities under the LRSG, ARG, Christmas payment – around £164m
Local Authority additional funding	<ul style="list-style-type: none"> WMCA Local Authorities - £423m across tranches of emergency funding and council tax support grant.
Furlough support	<ul style="list-style-type: none"> Around £2.8bn in furlough payments across the 3LEP area
Self-employment support²	<ul style="list-style-type: none"> £984m worth of claims
Town centres	<ul style="list-style-type: none"> £500,000 - £1m for each area in the towns fund to spend on improvements to parks, high street and transport, £5.75m for the WM: <ul style="list-style-type: none"> Bloxwich - £750,000 Dudley - £1,000,000 Rowley Regis - £750,000 Smethwick - £750,000 Walsall - £750,000 West Bromwich - £750,000 Wolverhampton £1,000,000 Three non-constituency towns have also received funding (Nuneaton, Redditch and Telford). Budget 2021: Town Investment Plans worth £92.5m for the WMCA Met area: <ul style="list-style-type: none"> Rowley Regis - £19m Smethwick - £23.5m West Bromwich - £25m Wolverhampton - £25m Two non-constituency towns have also been allocated funding (Burton-on-Trent and Nuneaton). Future Highstreets Fund: Brierley Hill – 9.9m Nuneaton, Walsall and Wolverhampton provisionally offered funding subject to further assurance
Travel	<ul style="list-style-type: none"> £43m for Travel: <ul style="list-style-type: none"> Local package to support bus and transport services (using the WMCA transport levy) Dedicated school services: £2m (Department for Education) Light Rail Support: £7m (17 March 2020 to 26 March 2021) Pothole and Challenge Fund: £17.862m Emergency/Active Travel Fund: £17m
Other business support measures	<ul style="list-style-type: none"> This includes Government spending that has benefited West Midlands businesses but is not able to ascertain an accurate regional figure. Examples include the “Eat out to help out” vouchers in August 2020, Business Rates relief and the temporary cut to VAT on food, accommodation and attractions from 20% to 5% for six months.
Total	c£10.135bn in loans, grants and other financial support
Source of funding:	
<ul style="list-style-type: none"> Government’s Support for Business, A Plan for Jobs, Budget 2021 and other national interventions 	

Grand total for all funding

£10.5bn, plus opportunities to secure more investment via national programmes

¹ Across West Midlands six LEP (NUTS1 geography)

² Across West Midlands six LEP (NUTS1 geography)

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RESETTING THE REGION

Our strong history of collaboration has powered our pandemic response.

We have:



- adapted existed plans and programmes and transformed the region's public transport system to be Covid-safe



- set up a rapid recruitment team to find suitable candidates for industries in critical need of extra staff, such as supermarkets, care homes, hospitals and other essential services.



- set up new groups and taskforces. Our economic impact group was convened on 4 March 2020 and meets every week to understand the impact on the regional economy, pinpoint gaps for emergency support and drive economy recovery.



- researched to understand peoples' experiences - we convened 36 people in a representative citizens panel to set their priorities for region. Academics, business leaders and partners examined how new megatrends will affect the West Midlands' recovery.



- used evidence to develop and guide our decision making

We came together as a region to set up new programmes, address gaps in support, lobby government and allocate funds to support our communities. Now we need to strengthen this partnership work as we face the future.

We must reset the way we think and work together across the region to deliver fundamental change. Evidence from the region's social, economic and environmental analysis points to a series of linked challenges, exacerbated by the pandemic, that can only be addressed together. They will be the test of the region's ability to build a fairer, greener and healthier future for everyone who calls the West Midlands their home:



Deliver good jobs

- Estimated 17.7% of all businesses in the WMCA have been temporarily closed by the latest restrictions
- 135,000 fewer workforce jobs across the region year-on-year.
- 261,000 people were furloughed in January 2021, a rate of 14.5%



Support thriving places and communities

- Footfall in Birmingham city centre had only recovered to 31% of its pre-pandemic levels by early December with expenditure at 17% - the lowest of any city in the UK
- For the WMCA, it is estimated the loss of sales in Hospitality has been around £3.25bn.
- Overall, online retail sales rose to a record high of 33.9% as a share of all retail spending.



Embed our green ambitions

- Stay within a cumulative carbon dioxide emissions budget of 74.1 MtCO2 for the period of 2020 to 2100. At 2016 CO2 emission levels, the carbon budget would be used within six years
- WMCA requires a 60% reduction in car mileage to meet our carbon reduction targets



↑
2.2+

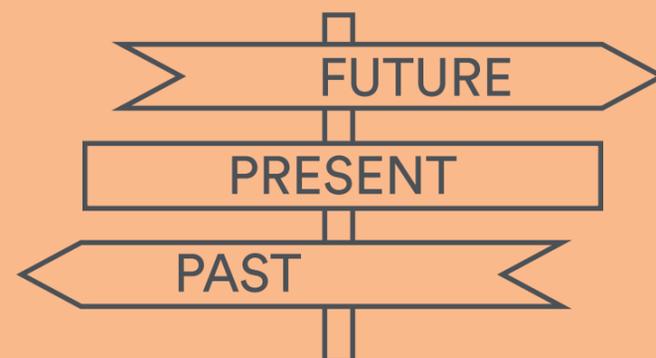
Tackle inequality and level up

- COVID-19 deaths are 2.2 times higher in the most deprived areas compared to least deprived areas and all deaths 1.9 times higher
- Nearly one in seven are looking for employment within Birmingham – which has the worst levels of joblessness in the UK, with five of its ten constituencies with the highest jobless rates across the entire UK



Prevent a lost generation

- 207,645 claimants aged 16 years and over in January. +90,055 claimants since March.
- Youth Claimants has nearly doubled to 41,230 and 8.4% of all 16 to 24 year olds
- Educational activities amongst primary school children fell by a quarter to 4.5 hours a day
- A fifth of the population don't use the internet – the highest number in the UK
- Highest proportion of employers saying they find digital skills difficult to obtain from applicants



Where next?

We're ambitious for the West Midlands and want to do much more than simply recover from the pandemic by rebuilding and recharging our region to come back stronger. We can only do this by working in partnership, focusing together on our shared challenges and finding new and innovative ways to make a lasting difference.

Together we're determined to lead the region to take its rightful place in the world with economic and cultural recovery shared with everyone. We will build a fairer, greener and healthier future for everyone who calls the West Midlands their home.

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WMCA Board

Date	19 March 2021
Report title	Coventry Electric Bus City - Full Business Case
Portfolio Lead	Transport - Councillor Ian Ward
Accountable Chief Executive	Laura Shoaf, Managing Director, Transport for West Midlands email: laura.shoaf@tfwm.org.uk tel: (0121) 214 7444
Accountable Employee	Pete Bond, Director of Integrated Transport Services, Transport for West Midlands email: pete.bond@tfwm.org.uk tel: (0121) 214 7388
Report has been considered by	WMCA Strategic Hub Transport for West Midlands Leadership Team Decision Making Strategic Leadership Team Strategic Transport Officers Group Programme Board Investment Panel

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

- (1) Authorise the Full Business Case for Coventry Electric Bus City under the Government's Phase 2 of the All-Electric Bus Town competition.
- (2) Note the estimated cost of the project which is inclusive of the £50 million funding from Government.
- (3) Note that the WMCA are the accountable body for the entirety of the funding package and any costs above the funding from the Department for Transport.

- (4) Authorise the allocation of £5 million from the Investment Programme to fund the WMCA contributions to infrastructure upgrades subject to the extension of the Investment Programme affordable limit being agreed
- (5) Note that the scope and delivery of the project continues to be refined and that the risks to scope and delivery uncertainty are mitigated by the project's risk management strategy.
- (6) Approve the 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 project.

1. Purpose

- 1.1 The purpose of this report is to seek approval from the WMCA Board for the Full Business Case for the Coventry Electric Bus City under the Government's Phase 2 of the All-Electric Bus Town (AEBT) competition. To successfully secure Government funding for this project, it is essential that the Full Business Case (FBC) is approved by the WMCA Board by 19th March 2021.

2. Background

- 2.1 The Department for Transport (DfT) launched the AEBT competition in February 2020, with up to £50 million in grant funding to be made available to allow one town or city within England to make the transition to a bus network operated fully by electric powered buses. The AEBT is an important pilot programme which will help to inform the DfT's future work on decarbonising the bus fleet and delivery on the Government's commitment to deliver at least 4,000 zero emission buses and to tackle air quality and reduce greenhouse gas emissions. The AEBT includes a number of key aims:
- To act as a pilot to understand what can be achieved when there is a real commitment to move all buses in a place to electric zero-emission;
 - To understand the impact this can have on improving air quality and greenhouse gases in a place;
 - To understand better the challenges of running a wholly electric bus fleet;
 - To understand the impact that an electric fleet can have on running costs, patronage and passenger satisfaction;
 - To support bus manufacturers in the development of zero emission technology.
- 1.2 In June 2020, the West Midlands Combined Authority (WMCA), as the strategic transport authority for the West Midlands, submitted two Expressions of Interest (EOI) at this Phase 1 stage for Coventry and Sandwell, which had themselves been shortlisted from a list across the seven authorities.
- 1.3 The DfT set out on 5 January 2021, the details to devolve responsibility for the development and approval of a Full Business Case to the WMCA, for Phase 2 of the AEBT competition in Coventry. This included a number of assurances to enable the business case development to be devolved solely to the WMCA. The Sandwell bid was not selected by the DfT.
- 1.4 A working group has been established to oversee the business case preparation, led by Transport for West Midlands, in partnership with Coventry City Council, Warwickshire County Council and representatives of local bus operators operating current bus services within Coventry. The business case has been developed following HM Treasury's Green Book and DfT's Transport Analysis Guidance (TAG) and Value for Money Framework. It includes a plan for monitoring and evaluation of the pilot against the objectives of the WMCA and AEBT competition.

- 1.5 The landscape within which the bus industry is operating has changed significantly since the submission of the original bid, with the full impacts of the decline in bus patronage resulting from the COVID-19 pandemic and associated social and economic changes now beginning to be understood. What has previously been a very commercial bus network currently requires significant public funding support, and the ability of bus operators to invest in new buses has been compromised. One local bus company, DeCourcey, has ceased trading since the EOI was submitted.
- 1.6 Due to this challenge the working group have worked extremely closely with the bus operators to ensure that they can still support the level of investment required to ensure the full delivery of this project. It is still considered appropriate that the opportunity to secure up to £50 million of funding from Government, for the improvement of the local bus fleet operating within Coventry should be pursued. Coventry City Council and Warwickshire County Council both remain supportive of the bid, and based on the work outlined here bus operators are also supportive of the business case development and have provided letters of support.
- 1.7 If successful, the project will see new electric buses come into operation in Coventry over the next four years, meaning that by the end of 2025 every local public bus service in the city (including cross-boundary services between Birmingham, Solihull, Warwickshire, Worcestershire and Leicester) will be operated by a zero-emission electric vehicle.
- 1.8 This investment is part of a continued stream of interventions to reduce bus emissions in the region on the path to zero. This began with the adoption of the Low Emission Bus Delivery Plan by the Combined Authority in 2017. The Vision for Bus, adopted in 2019, committed to accelerate the transition to zero-emission buses in the region and achieve the cleanest bus fleet in any metropolitan area of the UK. Through delivery of this major pilot in Coventry, which will be amongst one of the largest single city transitions to electric buses in the western world, the region will gain immense experience and insight and be well placed to work with future partners to ensure further buses of the 4,000 committed by the Government are secured for other parts of the region over the coming years. It will complement other supporting investment including:
- the delivery of zero-emission hydrogen buses on Sprint corridors later this year, which will operate into Birmingham, Sandwell, Solihull and Walsall.
 - re-powered single-deck electric buses.
 - a framework contract to supply pantograph chargers to support electric bus operation, initially looking to support bus services in Wolverhampton and Sprint.

- 1.9 The Business Case demonstrates the positive rationale for this investment, with a low value for money metric and outlines how it is anticipated the programme will be delivered successfully on time and within budget. The project's value for money category provides a succinct summary of the outcome of the complex economic appraisal, in a consistent approach to Government standards. The carbon impacts of the project have been monetised using published carbon values for the valuation of greenhouse gas (GHG) emissions. The values applied to changes in GHG emissions for transport appraisal are currently under review by the Department for Business, Energy & Industrial Strategy (BEIS). In part due to recent changes in the UK's GHG emission targets of achieving net zero emissions by 2050 (adopted in June 2019) as well as the Paris Climate Agreement (signed in 2016). In recognition of this and until updated carbon values are available, it is required to report the project GHG impacts using current published high carbon values as a sensitivity test. The value for money assessment of the high values sensitivity test remains positive for this investment, with a medium value for money metric, demonstrating the sensitivity to the carbon values applied.
- 1.10 It should be emphasised that this is a pilot programme to be delivered over a four year period during which time there may be changes that require the delivery approach to be reviewed. Technology will develop, costs will stabilise, and the regulatory framework may change. For example, WMCA is currently reviewing its powers under the Bus Services Act 2017, assessing the most effective way to deliver bus policy in the future, which includes a consideration of greater levels of intervention in the bus market, including bus franchising. The proposed approach outlined in the Business Case is intended to maintain the flexibility to keep the delivery mechanism for this project under review so that it can be adapted to ensure it has every chance of success in a changing external environment.

3. Financial Implications

- 3.1 The overall funding and spend for the project can be summarised as follows:

Funding Source (£m)	Vehicle upgrades	Base diesel cost	Depot Charging	Power upgrades	On-street Charging	Project Management and contingency	Total
Department for Transport	36.9		7.4	3.5	2.1		50.0
West Midlands Combined Authority	0.7	3.0	0.2	0.3	0.4	4.1	8.7
Warwickshire County Council	0.3	1.6	0.1	0.1	0.3		2.4
Operators	11.3	64.1	2.3	0.8	-		78.4
Total	49.2	68.8	9.9	4.7	2.8	4.1	139.5

- 3.2 The Department for Transport are providing a grant of £50 million towards the required upgrades to vehicles and infrastructure, up to maximum of 75% of the additional cost. The remainder of the upgrade costs are funded by commercial operators, WMCA and Warwickshire County Council.
- 3.3 The commercial operators are funding 25% of the additional costs for electric vehicles over diesel vehicles, depot charging facilities and the associated power upgrades, totalling £78.4 million.

- 3.4 WMCA and Warwickshire County Council also provide supported services within the area and will be required to fund the 25% of additional costs in a similar way to the commercial operators.
- 3.5 The costs for the vehicles for supported services are to be revenue funded and WMCA will use existing funding in the 2021/22 budget and Medium-Term Financial Plan for current supported services and planned upgrades to diesel vehicles from Euro IV to Euro VI engines for this purpose. This paper requests capital funding from the Investment Programme of £0.5 million, contained within the £5m request, for potential upgrades to depot charging and power upgrades for supported services.
- 3.6 This scheme as currently planned also provides pantograph charging provision available to any operator. As this is not specific to a commercial operator, this will require capital funding from the WMCA Investment Programme of £0.4 million (contained within the £5m request) towards the 25% upgrade contribution. Warwickshire County Council will be providing capital funding of £0.4 million towards pantograph charging provision.
- 3.7 There is also a requirement for WMCA Investment Programme funding of £0.9 million towards ongoing project management over the 5-year delivery life of the project, and monitoring and evaluation.
- 3.8 The costs of the infrastructure upgrades being delivered by WMCA have been compiled using third party quotations, with contingencies applied due to the potential for unforeseen utility costs arising from the power supply upgrades.
- 3.9 The total capital funding requirement from the WMCA Investment Programme is therefore £5 million.
- 3.10 The overall funding from WMCA is therefore as follows:

	£m	Source
Base diesel vehicles and upgrades to electric	3.7	Existing revenue budget for Supported Services
Infrastructure upgrades and project management including contingency	5.0	WMCA Investment Programme
Total	8.7	

- 3.11 The Department for Transport grant conditions state that WMCA will be required to fund any additional costs of the scheme over those outlined above. There is also a risk that WMCA as the accountable body may be obligated to return DfT grant where the outputs have not been delivered. These financial risks and mitigations are detailed in the following table.

Risk	Details / Mitigation
As WMCA are the accountable body for the grant, there may be a risk that DfT claw back some / all the £50m in the event of non-delivery of outputs.	WMCA to secure delivery through use of legal agreements with 3 rd party delivery organisations. There will also be an Enhanced Partnership Scheme developed for Coventry which will require the operation of electric vehicles in the city, thus mitigating the risk that operators will run alternative diesel services. WMCA intend to work in close collaboration with DfT.
Risk of WMCA exposure to cost escalation (vehicles)	Agreements with Operators will be to a capped financial value, negating exposure to WMCA. The DfT funding would only be passed on to operators upon signing legal agreements ensuring compliance with the WMCA grant conditions.
Operators do not deliver the intended outputs for the grant provided	The legal agreements will ensure payments to operators are appropriately aligned to delivery.
Exposure to cost escalation (other works)	WMCA may be exposed to cost escalations with respect to the works it commissions directly (i.e. pantograph charging infrastructure etc.) but adequate contingency allowances are included within the budget.
Risk to not being able to achieve the full match funding requirement	Such a scenario may only occur where there is a lack of Operator interest. Letters of intent have however been received and Operators remain supportive.
Contravention of state aid regulations	The delivery route assessment took into account all State Aid implications in arriving at the chosen delivery option which is not considered to be exposed to State Aid implications.
Investment Programme funding does not realise the intended benefits.	The main benefit of the Investment Programme funding will come from unlocking the Government and Private Sector investment. The measures detailed above demonstrate how WMCA intend to hold the operator to account for delivery which thereby ensures the availability of the supplementary funding.
Operator liquidation during project	WMCA are working with Government to ensure the necessary financial support to the sector. Financial stability assessments will be carried out for operators taking part in the scheme as part of WMCA's standard procurement procedures. Also, part of the ongoing development of the grant conditions will ensure WMCA retains rights over assets as appropriate.

4. Legal Implications

- 4.1 Appropriate legal comments are set out in the accompanying Coventry Electric Bus City Full Business Case, as referred to within paragraph 9 (Schedule of background papers) of this report. Notwithstanding this, legal will assist as necessary in order to facilitate and progress the requirements of approvals arising in line with the recommendations of this report.

5. Equalities Implications

- 5.1 Equalities Impact Assessment has been undertaken by the project which identify and address key equality issues and their mitigating measures. This project provides a positive impact on young people, minority ethnic groups, disabled people and other protected groups, as well as lower socio-economic groups, who are more likely to rely on the bus network to access education, employment and other opportunities.

6. Inclusive Growth Implications

- 6.1 Economic Growth – the investment in new vehicles and associated charging infrastructure will provide an opportunity for local supply chains to support the manufacturing of new buses and infrastructure. In addition, the investment in local bus services will support local economic growth and provide better access for businesses to the labour market, playing a role in the economic growth of Coventry and the neighbouring areas of Warwickshire.
- 6.2 Transport – new buses will improve the local bus offer by creating an attractive, cleaner and greener public transport system operating within Coventry and for bus services between Coventry and Solihull, Birmingham, Warwickshire, Worcestershire and Leicester.
- 6.3 Infrastructure – the project will deliver associated charging infrastructure for local bus depots and where required, on-route charging infrastructure for buses.
- 6.4 Accessibility – making Coventry, along with neighbouring areas of Warwickshire, more accessible for business, visitors and local people through the provision of improved bus services using zero-emission, modern and accessible vehicles.
- 6.5 Health & Wellbeing – Poor air quality contributes to climate change and directly impacts upon human health, causing respiratory disease. The transition to electric buses will improve air quality, and therefore the health and wellbeing of local people.
- 6.6 Employment & Skills – the investment in new buses and associated charging infrastructure will bring opportunities to improve skills levels and qualifications to access jobs – Ignite (children and young people) / Retune (employability) / Accelerate (Skills for the future labour market).
- 6.7 Environmental Impact – Electric buses have noticeable environmental benefits over diesel buses in the form of fewer greenhouse gas emissions, even when taking into consideration the electricity generated to operate and charge the buses.

7. Geographical Area of Report's Implications

- 7.1 The project will see every local public bus service in Coventry operating with zero-emission electric vehicles over the next four years. Many of these local bus services also serve areas in Solihull, Birmingham and Warwickshire, as well as services to Evesham in Worcestershire and Leicester city centre. The learning from this project will help contribute towards the successful future roll-out of zero-emission buses within the wider conurbation and help demonstrate the capabilities of our region to effectively invest government funds, making the case for further funding for future schemes.

8. Other implications

- 8.1 None.

9. Schedule of Background Papers

- 9.1 Coventry Electric Bus City FBC – Final – Private

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WMCA Board

Date	19 March 2021
Report title	Adoption of a Revised Code of Conduct for the Mayor and Members of the Combined Authority
Accountable Chief Executive	Deborah Cadman, West Midlands Combined Authority email: deborah.cadman@wmca.org.uk Tel: (0121) 214 7200
Accountable Employee	Tim Martin, Head of Governance, Clerk and Monitoring Officer email: tim.martin@wmca.org.uk tel: (0121) 214 7435
Report has been considered by	Senior Leadership Team Audit, Risk & Assurance Committee Programme Board

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

- (1) Adopt the enclosed revised Code of Conduct, following consideration of it at the Audit, Risk & Assurance Committee on 4 March 2021.

1. Purpose

- 1.1 Under the provisions of the Localism Act 2011, all local authorities (which for the purposes of this report includes Combined Authorities) are required to have a Code of Conduct for elected politicians which covers ethical standards and behaviour. This report recommends updating the WMCA Code of Conduct for the reasons set out below.

2. Background

- 2.1 The WMCA adopted a Code of Conduct as part of its constitution when first established. For a Combined Authority the Code applies to the Mayor who is directly elected to the authority and to elected and co-opted members who are appointed to represent the constituent and non-constituent bodies. Apart from the Mayor, other members of the Combined Authority are not elected directly to the Combined Authority and become members of the WMCA upon nomination by their own Authority. The WMCA Code of Conduct only applies to Members when they are undertaking the work of the Combined Authority.
- 2.2 The Committee on Standards in Public Life (CSPL) reviewed the operation of the ethical framework in local government in 2017 and made a number of recommendations. A number of these recommendations require the Government to take legislative action and it is understood that the Government's response is still awaited.
- 2.3 A number of the issues raised by the CSPL review related to the lack of available sanctions in terms of enforcing any relevant Code provisions since the disbanding of the Standards Board for England. This has been a longstanding issue but in the absence of legislative authority it has been concluded by those advising local and combined authorities that hard edged sanctions e.g. suspension, disqualification etc would be unlawful in most cases.
- 2.4 In the meantime, the Local Government Association (LGA) has consulted with its members and issued a revised model Code of Conduct suitable for adoption by local government bodies which incorporates those points raised by the CSPL report which do not require any legislative change.
- 2.5 The existing WMCA Code of Conduct is light on detail in a number of areas. Best practice would indicate that it should be reviewed at regular intervals and the publication of the LGA code gives a sensible opportunity to implement a revised document that should be widely understood across the local government spectrum.
- 2.6 The revised Code of Conduct adds or strengthens provisions around:
- Bullying and harassment (including making it clear that members themselves are entitled to be treated with respect by the public)
 - Equalities
 - Covering communications via social media
 - Use of resources
 - Bringing the authority into disrepute
 - Compliance with the Code and any investigations.

- 2.7 The revised code strengthens the links between the seven principles of public life and the context in which they are to be observed and implemented. The document attached mirrors the LGA code in almost every respect however some terminology and context has been amended to reflect the specific circumstances of the Combined Authority.
- 2.8 The Code reiterates the existing provisions regarding the registration of interests and the declaration of gifts and hospitality. For most elected members, they will have registered their interests as part of their compliance with arrangements in their own authority. The Combined Authority relies on those arrangements, augmented by an annual check that there are no additional interests that apply in the WMCA area which do not arise within the member's home City or Borough. The Mayor's interests are registered with the WMCA directly.
- 2.9 The Audit, Risk & Assurance Committee is the body which discharges the role of Standards Committee for the Combined Authority and is responsible for advising on the adoption of a revised code of conduct. The committee considered the revised code at its meeting on 4 March 2021 and recommended to this board that it should be adopted by the WMCA.
- 2.10 There have been no complaints or referrals under the Code of Conduct in the last two financial years.

3. Financial Implications

- 3.1 There are no financial implications arising from this report.

4. Legal Implications

- 4.1 The legislative background to the ethical framework for local government bodies is set out in this report. There have been no changes to the requirements in the Localism Act 2011 or the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

5. Equalities Implications

- 5.1 The Combined Authority is subject to the public sector equality duty as set out in the Equalities Act 2010. The revised code reinforces the requirement to have regard to these duties at all times, to prevent discrimination towards any person in relation to any of the protected characteristics and the need to ensure that equality considerations are integral to performance and strategic aims across the work of the authority.

6. Inclusive Growth Implications

- 6.1 There are no specific implications.

7. Geographical Area of Report's Implications

- 7.1 The Code of Conduct applies to all Members of the WMCA whether from Constituent or Non Constituent bodies.

8. Other Implications

- 8.1 None.

9. Appendices

Draft Revised Code of Conduct issued by LGA.

Code of Conduct for the Mayor and Members of the West Midlands Combined Authority

Definitions

For the purposes of this Code of Conduct, a “Mayor” or “Councillor” means a member or co-opted member of the Combined Authority or a directly elected Mayor. A “co-opted member” is defined in the Localism Act 2011 Section 27(4) as “a person who is not a member of the authority but who

- a) is a member of any committee or sub-committee of the authority, or;
- b) is a member of, and represents the authority on, any joint committee or joint subcommittee of the authority;

and who is entitled to vote on any question that falls to be decided at any meeting of that committee or sub-committee”.

Purpose of the Code of Conduct

The purpose of this Code of Conduct is to assist you, as a Mayor or Councillor, in modelling the behaviour that is expected of you, to provide a personal check and balance, and to set out the type of conduct that could lead to action being taken against you. It is also to protect you, the public, fellow elected Members, local authority officers and the reputation of the Combined Authority and local government generally. It sets out general principles of conduct expected of all Mayors or Councillors and your specific obligations in relation to standards of conduct. The fundamental aim of the Code is to create and maintain public confidence in the role of an elected Mayor or Councillor and local government.

General principles of Mayor or Councillor conduct

Everyone in public office at all levels; all who serve the public or deliver public services, including ministers, civil servants, Mayors or Councillors and local authority officers; should uphold the [Seven Principles of Public Life](#), also known as the Nolan Principles.

Building on these principles, the following general principles are applicable to the role of elected Mayor or member of the Combined Authority.

In accordance with the public trust placed in me, on all occasions:

- I act with integrity and honesty
- I act lawfully
- I treat all persons fairly and with respect; and
- I lead by example and act in a way that secures public confidence in the role of Mayor/Councillor.

In undertaking my role:

- I impartially exercise my responsibilities in the interests of the residents and communities of the Combined Authority area

- I do not improperly seek to confer an advantage, or disadvantage, on any person
- I avoid conflicts of interest
- I exercise reasonable care and diligence; and
- I ensure that public resources are used prudently in accordance with the combined authority's requirements and in the public interest.

Application of the Code of Conduct

This Code of Conduct applies to you as soon as you sign your declaration of acceptance of the office of Mayor or are appointed as a member, participant or representative on the Combined Authority, or attend your first meeting as a co-opted member, and continues to apply to you until you cease to occupy any of those roles.

This Code of Conduct applies to you when you are acting in your capacity as a Mayor or Councillor (and in the case of a Councillor, when you are acting in your role in relation to the Combined Authority only) which may include when:

- you misuse your position as a Mayor/Councillor
- Your actions would give the impression to a reasonable member of the public with knowledge of all the facts that you are acting as a Mayor or Councillor;

The Code applies to all forms of communication and interaction, including:

- at face-to-face meetings
- at online or telephone meetings
- in written communication
- in verbal communication
- in non-verbal communication
- in electronic and social media communication, posts, statements and comments.

You are also expected to uphold high standards of conduct and show leadership at all times when acting as a Mayor or Councillor.

Your Monitoring Officer has statutory responsibility for the implementation of the Code of Conduct, and you are encouraged to seek advice from your Monitoring Officer on any matters that may relate to the Code of Conduct.

Standards of Mayor or Councillor conduct

This section sets out your obligations, which are the minimum standards of conduct required of you as a Mayor or Councillor. Should your conduct fall short of these standards, a complaint may be made against you, which may result in action being taken.

Guidance is included to help explain the reasons for the obligations and how they should be followed.

General Conduct

1. Respect

As a Mayor or Councillor:

1.1 I treat other elected politicians, co-opted Members and members of the public with respect.

1.2 I treat Combined and local Authority employees, employees and representatives of partner organisations and those volunteering for the Combined or Local Authority with respect and respect the role they play.

Respect means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a Mayor or Councillor, you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a robust but civil manner. You should not, however, subject individuals, groups of people or organisations to personal attack.

In your contact with the public, you should treat them politely and courteously. Rude and offensive behaviour lowers the public's expectations and confidence in elected representatives.

In return, you have a right to expect respectful behaviour from the public. If members of the public are being abusive, intimidatory or threatening you are entitled to stop any conversation or interaction in person or online and report them to the Combined Authority, the relevant social media provider or the police. This also applies to fellow elected representatives, where action could then be taken under this Code of Conduct. Similar concerns over Combined Authority employees, should be raised in line with the Combined authority's protocol for Mayor, Member and Officer relations.

2. Bullying, harassment and discrimination As a Mayor or Councillor:

2.1 I do not bully any person. 2.2 I do not harass any person.

2.3 I promote equalities and do not discriminate unlawfully against any person.

The Advisory, Conciliation and Arbitration Service (ACAS) characterizes bullying as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. Bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.

The Protection from Harassment Act 1997 defines harassment as conduct that causes alarm or distress or puts people in fear of violence and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.

Unlawful discrimination is where someone is treated unfairly because of a protected characteristic. Protected characteristics are specific aspects of a person's identity defined by the Equality Act 2010. They are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The Equality Act 2010 places specific duties on local authorities. May have a central role to play in ensuring that equality issues are integral to the local authority's performance and strategic aims, and that there is a strong vision and public commitment to equality across public services.

3. Impartiality of officers

4. As a Mayor or Councillor:

3.1 I do not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the combined authority or a local authority.

Officers work for the Combined authority as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. You can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written. However, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

5. Confidentiality and access to information As a Mayor or Councillor:

4.1 I do not disclose information:

- a. given to me in confidence by anyone**
- b. acquired by me which I believe, or ought reasonably to be aware, is of a confidential nature, unless**
 - i. I have received the consent of a person authorised to give it;**
 - ii. I am required by law to do so;**
 - iii. the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or**
 - iv. the disclosure is:**
 - 1. reasonable and in the public interest; and**
 - 2. made in good faith and in compliance with the reasonable requirements of the local authority; and**
 - 3. I have consulted the Monitoring Officer prior to its release.**

4.2 I do not improperly use knowledge gained solely as a result of my role as a Mayor or Councillor for the advancement of myself, my friends, my family members, my employer or my business interests.

4.3 I do not prevent anyone from getting information that they are entitled to by law.

Public authorities must work openly and transparently, and their proceedings and printed materials are open to the public, except in certain legally defined circumstances. You should work on this basis, but there will be times when it is required by law that discussions, documents and other information relating to or held by the local authority must be treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

5. Disrepute

As a Mayor or Councillor:

5.1 I do not bring my role or the combined authority into disrepute.

As a Mayor or Councillor, you are trusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on you, other elected representatives and/or your combined or local authority and may lower the public's confidence in your or your authority's ability to discharge your/it's functions. For example, behaviour that is considered dishonest and/or deceitful can bring your authority into disrepute.

You are able to hold the authority and fellow elected representatives to account and are able to constructively challenge and express concern about decisions and processes undertaken by the combined authority whilst continuing to adhere to other aspects of this Code of Conduct.

6. Use of position

As a Mayor or Councillor:

6.1 I do not use, or attempt to use, my position improperly to the advantage or disadvantage of myself or anyone else.

Your position as a member of the combined authority provides you with certain opportunities, responsibilities and privileges, and you make choices all the time that will impact others. However, you should not take advantage of these opportunities to further your own or others' private interests or to disadvantage anyone unfairly.

7. Use of local authority resources and facilities As a Mayor or Councillor:

7.1 I do not misuse public resources.

7.2 I will, when using the resources of the combined authority or authorising their use by others:

- a. **act in accordance with the combined authority's requirements;**
- and**

- b. **ensure that such resources are not used for political purposes unless that use could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of the combined authority or of the office to which I have been elected or appointed.**

You may be provided with resources and facilities by the authority to assist you in carrying out your duties as a Mayor or Councillor.

Examples include:

- office support
- stationery
- equipment such as phones, and computers
- transport
- access and use of combined authority buildings and rooms.

These are given to you to help you carry out your role as a Mayor or Councillor more effectively and are not to be used for business or personal gain. They should be used in accordance with the purpose for which they have been provided and the authority's own policies regarding their use.

8. Complying with the Code of Conduct

As a Mayor or Councillor:

8.1 I undertake Code of Conduct training provided by my authority.

8.2 I cooperate with any Code of Conduct investigation and/or determination.

8.3 I do not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings.

8.4 I comply with any sanction imposed on me following a finding that I have breached the Code of Conduct.

It is extremely important for you as a Mayor or Councillor to demonstrate high standards, for you to have your actions open to scrutiny and for you not to undermine public trust in the local authority or its governance. If you do not understand or are concerned about the combined authority's processes in handling a complaint you should raise this with the Monitoring Officer.

Protecting your reputation and the reputation of the Combined Authority

9. Interests

As a Mayor/Councillor:

9.1 I register and disclose my interests.

Section 29 of the Localism Act 2011 requires the Monitoring Officer to establish and maintain a register of interests of members of the authority.

You need to register your interests so that the public, authority employees and fellow elected representatives know which of your interests might give rise to a conflict of interest. The register is a public document that can be consulted when (or before) an issue arises. The register also protects you by allowing you to demonstrate openness and a willingness to be held accountable. You are personally responsible for deciding whether or not you should disclose an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise. It is also important that the public know about any interest that might have to be disclosed by you or other elected representatives when making or taking part in decisions, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained.

You should note that failure to register or disclose a disclosable pecuniary interest as set out in Table 1, is a criminal offence under the Localism Act 2011.

Appendix B sets out the detailed provisions on registering and disclosing interests. If in doubt, you should always seek advice from your Monitoring Officer.

10. Gifts and hospitality As a Mayor or Councillor:

- 10.1 I do not accept gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence on my part to show favour from persons seeking to acquire, develop or do business with the authority or from persons who may apply to the authority for any permission, licence or other significant advantage.**
- 10.2 I register with the Monitoring Officer any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt.**
- 10.3 I register with the Monitoring Officer any significant gift or hospitality that I have been offered but have refused to accept.**

In order to protect your position and the reputation of the local authority, you should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you because you are a Mayor or Councillor. The presumption should always be not to accept significant gifts or hospitality. However, there may be times when such a refusal may be difficult if it is seen as rudeness in which case you could accept it but must ensure it is publicly registered. However, you do not need to register gifts and hospitality which are not related to your role as a Mayor or Councillor, such as Christmas gifts from your friends and family. It is also important to note that it is appropriate to accept normal expenses and hospitality associated with your duties as a Mayor or Councillor. If you are unsure, do contact your Monitoring Officer for guidance.

Appendices

Appendix A – The Seven Principles of Public Life

The principles are:

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 disclose 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.

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.

Appendix B

Registering Interests

Within 28 days of becoming a member or your re-election or re-appointment to office you must register with the Monitoring Officer the interests which fall within the categories set out in **Table 1 (Disclosable Pecuniary Interests)** which are as described in "The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012". You should also register details of your other personal interests which fall within the categories set out in **Table 2 (Other Registerable Interests)**.

"Disclosable pecuniary interest" means an interest of yourself, or of your partner if you are aware of your partner's interest, within the descriptions set out in Table 1 below.

"Partner" means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

1. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.
2. A 'sensitive interest' is as an interest which, if disclosed, could lead to the Mayor/Councillor, or a person connected with the Mayor/Councillor, being subject to violence or intimidation.
3. Where you have a 'sensitive interest' you must notify the Monitoring Officer with the reasons why you believe it is a sensitive interest. If the Monitoring Officer agrees they will withhold the interest from the public register.

Non participation in case of disclosable pecuniary interest

4. Where a matter arises at a meeting which directly relates to one of your Disclosable Pecuniary Interests as set out in **Table 1**, you must disclose the interest, not participate in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest, just that you have an interest.
Dispensation may be granted in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.
5. Where you have a disclosable pecuniary interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it

Disclosure of Other Registerable Interests

6. Where a matter arises at a meeting which **directly relates** to one of your Other Registerable Interests (as set out in Table 2), you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Disclosure of Non-Registerable Interests

7. Where a matter arises at a meeting which **directly relates** to your financial interest or well-being (and is not a Disclosable Pecuniary Interest set out in Table 1) or a financial interest or well-being of a relative or close associate, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.
8. Where a matter arises at a meeting which **affects** –
 - a. your own financial interest or well-being;
 - b. a financial interest or well-being of a friend, relative, close associate; or
 - c. a body included in those you need to disclose under Disclosable Pecuniary Interests as set out in **Table 1**

you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied

9. Where a matter **affects** your financial interest or well-being:
 - a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward or authority area affected by the decision and;
 - b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

10. Where you have a personal interest in any business of your authority and you have made an executive decision in relation to that business, you must make sure that any written statement of that decision records the existence and nature of your interest.

Table 1: Disclosable Pecuniary Interests

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the [Relevant Authorities \(Disclosable Pecuniary Interests\) Regulations 2012](#).

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain. [Any unpaid directorship.]
Sponsorship	Any payment or provision of any other financial benefit (other than from the council) made to the Mayor/Councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a Mayor/Councillor, or towards his/her election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations
Contracts	Any contract made between the Mayor/Councillor or his/her spouse or civil partner or the person with whom the

	<p>Mayor/Councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council —</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land and Property	<p>Any beneficial interest in land which is within the area of the council.</p> <p>'Land' excludes an easement, servitude, interest or right in or over land which does not give the Mayor/Councillor or his/her spouse or civil partner or the person with whom the Mayor/Councillor is living as if they were spouses/ civil partners (alone or</p>
Licenses	<p>Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer</p>
Corporate tenancies	<p>Any tenancy where (to the Mayor/Councillor's knowledge)—</p> <p>(a) the landlord is the council; and</p> <p>(b) the tenant is a body that the Mayor/Councillor, or his/her spouse or civil partner or the person with whom the Mayor/Councillor is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.</p>
Securities	<p>Any beneficial interest in securities* of a body where—</p> <p>(a) that body (to the Mayor/Councillor's knowledge) has a place of business or land in the area of the council; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the Mayor/Councillor, or his/ her</p>

	they were spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.
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* 'director' includes a member of the committee of management of an industrial and provident society.

* 'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Table 2: Other Registerable Interests

You have a personal interest in any business of your authority where it relates to or is likely to affect:

a) anybody of which you are in general control or management and to which you are nominated or appointed by your authority

b) anybody

(i) exercising functions of a public nature

(ii) anybody directed to charitable purposes or

(iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)

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West Midlands Combined Authority

Housing & Land Delivery Board

Wednesday 13 January 2021 at 10.00 am

Minutes

Present

Councillor Mike Bird (Chair)
Sarah Middleton

Councillor Sharon Thompson
Councillor Jacqueline Sweetman
Bill Blincoe
Councillor David Welsh
Councillor Angus Lees
Marc Lidderth
Philip Farrell
Councillor David A Wright
Councillor Ian Lloyd

Councillor Matthew Dormer
Councillor Robert Macey
Councillor Ian Courts
Councillor Daren Pemberton
Councillor Peter Butlin
Kevin Rodgers

Walsall Metropolitan Borough Council
Black Country Local Enterprise
Partnership
Birmingham City Council
City of Wolverhampton Council
Coventry and Warwickshire LEP
Coventry City Council
Dudley Metropolitan Borough Council
Environment Agency
Homes England
North Warwickshire Borough Council
Nuneaton and Bedworth Borough
Council
Redditch Borough Council
Shropshire Council
Solihull Metropolitan Borough Council
Stratford on Avon District Council
Warwickshire County Council
West Midlands Housing Association
Partnership

In Attendance

David Butler
Neil Taylor
Rachel-Ann Atterbury
Gareth Bradford
Carl Craney
Dan Essex
Mia Higgins
Rob Lamond
Tim Martin
Gurdip Nagra
Lyndsey Roberts
Hannah Stock
Patricia Willoughby
Hannah Worth

Coventry City Council
Walsall Metropolitan Borough Council
West Midlands Combined Authority
West Midlands Combined Authority

Item No.

Title

- 25. Apologies for Absence (if any)**
Apologies for absence had been received from Councillor Julie Jackson (Nuneaton and Bedworth Borough Council), Councillor Keith Allcock (Sandwell Metropolitan Borough Council) and Councillor Lisa Trickett (Chair – WMCA Overview and Scrutiny Committee).
- Apologies for absence had also been received from Gill Hamer (The Marches Local Enterprise Partnership), Simon Tranter (Walsall Metropolitan Borough Council), Mark Ryder and Geraint Stoneman (Warwickshire County Council) and Isha Bhatt (West Midlands Combined Authority).
- 26. Notification of Substitutes (if any)**
Councillor Ian Lloyd had been nominated as a substitute member for Councillor Julie Jackson (Nuneaton and Bedworth Borough Council).
- 27. Declarations of Interests (if any)**
No declarations of interest were made in relation to matters under consideration at the meeting.
- 28. Minutes of last meeting**
Councillor Jacqueline Sweetman commented that she had been unable to attend the last meeting and had nominated her colleague, Councillor Stephen Simkins, to attend as her substitute but he was not recorded as being in attendance at the meeting. She asked whether the attendance of substitute members was recorded or whether the attendance of Councillor Simkins had been omitted inadvertently. The Chair confirmed that such attendance was recorded and that the record could be amended.
- Carl Craney reported that no nomination of Councillor Simkins acting as a substitute had been received and, accordingly, an invitation to the meeting including the necessary link had not been provided. Councillor Simkins had not attended the meeting.
- Resolved:
- That the minutes of the meeting held on 2 November 2020 be confirmed as a correct record and signed by the Chair.
- 29. Affordable Housing Delivery Vehicle - Update and Next Steps**
Gareth Bradford reminded the Board that the report on the Affordable Housing Collaborative Delivery Vehicle, which had been noted at the last meeting had been 'Called in' by the WMCA Overview and Scrutiny Committee and at the meeting of that Committee held on 23 November 2020 the report had been referred back to this Board for further consideration. Tim Martin reported that, unfortunately, neither the Chair or Vice-Chair of the Overview and Scrutiny Committee were able to attend this meeting to outline the reasons for the decision of that Committee.

Rob Lamond read out to the Board a letter from Councillor Lisa Trickett, Chair of the Overview and Scrutiny Committee to the Chair of this Board as follows:

Dear Cllr Bird,

Re: Affordable Housing Collaborative Delivery Vehicle: Progress Update

As you know the Overview & Scrutiny Committee called-in the decision of the Housing & Land Delivery Board held on 2 November 2020 relating to the proposals for an affordable housing collaborative vehicle. The reason for the call-in was stated as:

The panel was not made aware of the extent of need and possibility of specifying a purpose to deliver on social housing requirements. Our concern is that members have not been given the information required to make an informed decision and that this report unduly fetters the opportunity to use such a vehicle to deliver on housing need in the region.

Thank you for attending Overview & Scrutiny Committee on 23 November to discuss and answer questions in relation to the above. The committee concluded that:

“The Affordable Housing Collaborative Delivery Vehicle: Progress Update report be referred back to the Housing & Land Delivery Board for further consideration in order that the members of that board can be assured that the proposals and the full business case provided sufficient evidence that the proposals would deliver on the intended objectives as stated at this committee by the Chair of the Housing & Land Delivery Board and the Director of Housing & Regeneration”

I understand that you will be re-considering the Affordable Housing Delivery Vehicle report at the next meeting of the Housing & Land Delivery Board on 13 January which, in accordance with the provisions of the WMCA’s constitution, I am able to attend and report on the findings of the Overview & Scrutiny Committee. Unfortunately I am not able to attend due to a clash of meetings but would welcome a summary of the conversation from your reconsideration of this item.

Thank you.

The Chair reminded the Board that work on the preparation of a Full Business Case for the Affordable Housing Delivery Vehicle was on-going and that, in his opinion, the ‘Call In’ had been premature.

Gareth Bradford reported that the report presented to this meeting was more detailed than that submitted previously and included information on the history and context of the proposal and addressed the issues raised by the Overview and Scrutiny Committee insofar as it explained the position with 'affordability' with it being measured against the regional definition. He emphasised that, at this stage, the WMCA was not being asked to commit any resources in terms of finance or land and (any such decisions would be made by the Investment Board) that any concerns raised at this meeting could be included within the Heads of Terms. He assured the Board that work on the governance arrangements for the Delivery Vehicle were progressing to ensure that they were sufficiently robust.

He advised that any allocation of resources to the Delivery Vehicle would be subject to the WMCA's governance requirements and that the intention was to achieve 'additionality' i.e. the provision of affordable housing over and above what could be delivered normally on difficult to develop sites. He also reminded the Board that in respect of 'Housing Needs', this was a matter for each local authority, in their role as Local Planning Authorities, to determine through the Local Plan process albeit that the WMCA worked in collaboration local authorities worked in collaboration with the WMCA with local authorities to support the delivery of such proposals particularly those on brownfield land.

Councillor Angus Lees concurred with the views now expressed as no decision was required at this stage with the Full Business Case still in the development stage. He suggested that this be presented to the Overview and Scrutiny Committee in the first instance for consideration. He queried how the Management Board of the Delivery Vehicle, once established, would be held to account. The Chair commented that the Delivery Vehicle would be comprised of and operated by a number of Housing Associations, all of which would be subject to their normal governance arrangements and contracts with Homes England.

Councillor Jacqueline Sweetman commented that the development of the Delivery Vehicle was still in an embryonic stage and that this Board had the opportunity to shape its form. She drew to the attention of the Board that many brownfield sites were often unviable for development and asked whether the WMCA would contribute to the remediation and development costs in order to off-set the negative value. She also asked, in the circumstance of loan funding, whether the WMCA would be providing guarantees for this finance. Gareth Bradford explained that the Delivery Vehicle would act as a project Sponsor and, in the same way as any other organisation, would be required to comply with the Single Commissioning Framework to access any funding. He explained that there were rules and restrictions imposed on those funds by Government and these would have to be complied with e.g. the amount of money that could be put into any one development. He gave the example of the Housing Deal Land Fund which required the WMCA to deliver 8,000 dwellings in return for £100 million. This required the average support per unit to be no greater than £12,500 across the programme as a whole (although there could be significant variations on the level of grants within individual projects).and this matter was the subject of regular reports to the Investment Board. Currently, the WMCA was on track to deliver on the target. Any applications for loans would need to be applied for in the normal way with funding only being accessed with the approval of the Investment Board. Any decisions made in respect of funding would be subject to reports to the appropriate Board in the usual way.

Neil Taylor asked why the vehicle was needed and what value it would add. Gareth Bradford explained that on some sites, the risk for the development industry were just too high. He explained that, if housing associations worked together and with the WMCA, they could achieve more than if working independently.

Councillor Sharon Thompson commented that given the housing need in the region the development of the Delivery Vehicle should be supported.

Kevin Rodgers explained that the intention had always been for the Housing Associations to work collaboratively with the WMCA with a view to providing more social housing units than defined in their respective business plans and contracts with Homes England. Subject to the approval of the Full Business Case, the Affordable Housing Delivery Vehicle would assist in fulfilling this aspiration. He explained that the majority of housing association homes were provided as social or affordable rent, or as shared ownership. Sites that could not readily be undertaken by individual housing associations could be developed by housing associations provided that the risk was shared. The available expertise of the 26 members of the Partnership, anchored across the West Midlands, would allow more affordable homes to be provided across the region as a whole. By working with the WMCA, the Partnership would be able to deliver new homes on sites that the private sector would not be prepared to develop or on which they would provide only private sector housing. He concluded by saying that the WMCA would be a member of the partnership and the delivery vehicle would be owned 50% by the WMCA.

Councillor Ian Courts commented that if the Delivery Vehicle could deliver more homes and sites it should be supported although a strong risk assessment process would be required to be in place.

Rob Lamond drew particular attention to elements of the report which addressed the concerns of the Overview and Scrutiny Committee in relation to the definition of affordable housing and the role of Housing Associations. He highlighted that social rented housing was an important offer of the affordable housing delivery vehicle and that the partnership very much reflected the shared values and objectives of both the WMCA and the housing associations.

Resolved:

1. That the background, strategic context and rationale for developing a proposal between the WMCA and the West Midlands Housing Association Partnership for a collaborative Affordable Housing Delivery Vehicle to address the pressing housing affordability challenge of the West Midlands be endorsed;
2. That the development of a Full Business Case to be prepared for the March 2021 Housing and Land Delivery Board be agreed;
3. That it be noted that any WMCA investment into the proposed Affordable Housing Delivery Vehicle would be subject to Investment Board consideration and approval and the robust gateway approval and assurance processes for all investments made via the WMCA's Single Commissioning Framework.

30. Zero Carbon Homes: Charter and Routemap

Rachel-Ann Atterbury presented a report which updated the Board on the excellent progress being made under the Zero Carbon Homes Work Programme of the Board.

Councillor Ian Courts advised that he supported fully the proposals although there was a need to examine the cost parameters to ensure they were realistic. He also asked whether developers could make alternative provisions (allowable offsets) if they could not deliver zero carbon homes on a site. Rachel-Ann Atterbury assured the Board that both matters were built into the Routemap and acknowledged particularly the need to attempt to drive down costs and what the WMCA could do in this area. She commented that the issue of 'off-setting' and the need for consideration to be given to retro-fitting some measures at existing properties were also being addressed. She commented that as offsetting could sometimes reduce any adverse impacts rather than deliver zero carbon homes further work was being undertaken on this matter.

Councillor Peter Butlin challenged whether it was possible to deliver both affordable housing and zero carbon homes in view of the additional costs in fitting, for example, an air source heat pump or a ground source heat pump compared to a traditional gas boiler heating system. He suggested that the affordable technology required was not yet available and that concentrating on delivering affordable housing should be the priority of this Board. Councillor Ian Courts suggested that the additional costs could be met by driving down the purchase price of the land required for development. He commented that it was for the WMCA to set the standards and act as 'Champion' on such matters. Rachel-Ann Atterbury acknowledged the comments on the additional costs involved and explained that further work was being carried out but advised that developments at scale brought the average price down. It was possible for some developers to include such measures at cost and that implications other than cost needed to be considered e.g. zero carbon measures could lead to the running costs of the building being reduced.

Councillor Daren Pemberton commented that, ultimately, developers would deliver the product that the market demanded and was of the view that there was no choice but to persevere with the delivery of zero carbon homes. He reported that on 14 January 2021 Stratford on Avon District Council and Warwick District Council would begin the development of a new Joint Strategic Plan and invited Rachel-Ann Atterbury to work with colleagues in those authorities to ensure that the provision and delivery of zero carbon homes was embedded in that Strategy. Rachel-Ann Atterbury advised that both authorities played an active part in the work of the Zero Carbon Homes Working Group.

Gareth Bradford reminded the Board that its Terms of Reference included a requirement to improve the quality of housing provided and to be pro-active in promoting new forms of development. He commented that whilst initially the requirement to provide a 20% affordable element on schemes before WMCA financial assistance could be provided had received resistance, this was now accepted by developers. Adopting a similar line on zero carbon homes would deliver additional benefits for local people. He commented that progress on delivery would be monitored closely and would be reported regularly to this Board.

Resolved:

1. That the principles and format of the Zero Carbon Homes Charter as set out in Appendix A to the report be agreed in readiness for publication;
2. That the contents of the Zero Carbon Homes Routemap as set out in Appendix B to the report be agreed in readiness for publication;
3. That the proposal to launch formally the Zero Carbon Homes Charter and Routemap in early 2021 (date to be confirmed) be agreed;
4. That the excellent support from local authority officers on the Zero Carbon Homes Working Group and industry experts on the Zero Carbon Homes Taskforce in formulating the charter and Routemap be noted;

5. That delegated powers be granted to the Director of Housing and Regeneration in consultation with the Portfolio Holder for Housing and Land to agree the final versions of the charter and Routemap (ready for publication).

31. Brownfield Land Funding

Gareth Bradford reported that the WMCA had been awarded a sum of £24 million out of a national allocation of £40 million for brownfield land remediation and that this should be viewed as a credit to the work of this Board.

The meeting ended at 10.49 am.



**West Midlands
Combined Authority**

Audit, Risk & Assurance Committee

Monday 18 January 2021 at 10.00 am

Minutes

Present

David Lane (Chair)	
Councillor Ram Lakha OBE (Vice-Chair)	Coventry City Council
Councillor Ahmad Bostan	Sandwell Metropolitan Borough Council
Councillor Alan Butt	City of Wolverhampton Council
Sean Farnell	Coventry & Warwickshire LEP
Councillor Michael Gough	Solihull Metropolitan Borough Council
Councillor Alexander Phillips	Shropshire Council
Councillor Alan Taylor	Dudley Metropolitan Borough Council
Councillor David Thain	Worcestershire Non-Constituent Local Authorities

In Attendance

Fiona Bebbington	West Midlands Combined Authority
Louise Cowen	West Midlands Combined Authority
Peter Farrow	City of Wolverhampton Council
Mark Finnegan	West Midlands Combined Authority
Julia Goldsworthy	West Midlands Combined Authority
Victoria Harman	West Midlands Combined Authority
Linda Horne	West Midlands Combined Authority
Amar Jandoo	Arlingclose
Sandra Kalyan	City of Wolverhampton Council
Tim Martin	West Midlands Combined Authority
Grant Patterson	Grant Thornton
Carl Pearson	West Midlands Combined Authority
Mark Pickering	Arlingclose
Lorraine Quibell	West Midlands Combined Authority
Joti Sharma	West Midlands Combined Authority
Rachel Teoh	West Midlands Combined Authority
Tracy Walters	West Midlands Combined Authority

Item Title

No.

40. Apologies for Absence

Apologies for absence were received from Councillor Fred Grindrod (Birmingham City Council), Councillor Christine Martin (Staffordshire Non-Constituent Authorities), Councillor June Tandy (Nuneaton & Bedworth Borough Council) and Councillor Gurmeet Singh Sohal (Walsall Metropolitan Borough Council).

41. Minutes - 26 October 2020

The minutes of the meeting held on the 26 October 2020 we agreed as a correct record.

42. Chair's Remarks (if any)

The Chair informed the committee an additional meeting of the committee had been scheduled for Thursday 4 March 2021 due to the significant amount of items requiring consideration of the committee.

**43. Matters Arising
Whistleblowing**

The committee received an update on whistleblowing matters from the Head of Governance who informed them that a number of investigations had been closed without any findings of concerns. He also noted that two recent referrals received were under investigation and advised the chair would continue to be briefed on such matters. He also informed the committee to changes in how whistleblowing would be reported to future committees.

Draft Internal Audit Plan

The Head of Governance informed the committee that work continued on the developments of the internal audit plan and a focus would be around the items identified within the risk register. He noted that the draft internal audit plan would be brought to the next committee in March 2021 for consideration and approval.

Organisational Response to COVID- 19

The committee were informed by the Head of Governance that work continued on resilience, response and planning for the recovery of the region. In regards to Councillor Alexander Philips query on the long-term effects of home working and the use of the Combined Authority building assets in particular 16 Summer Lane the Head of Governance highlighted that the CA continued explore various possibilities of building occupancy.

Arm's Length Companies Annual Update

The Internal Audit Liaison Officer informed members of the delay on reporting back to the committee on the annual update on Arm's Length Companies and hoped that this would be the information would be available to share with members at its meeting in March 2021.

44. Forward Plan

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

Resolved:

- (1) The forward plan be noted.

45. Covid 19 and support to promote Staff Wellbeing whilst Remote Working

The committee received a report from the Head of Human Resources and Organisational Development which set out the support the organisation had provided to its staff during the Covid-19 pandemic to protect their mental health and promote their wellbeing. The Head of Audit also commented that an internal audit had been completed on employee management Covid-19 response which received a substantial level of assurance which was noted by the committee as being positive and highlighted the good work undertaken by the organisation.

Councillor Alexander Philips queried that data around employees response to working from home, the Head of HR/OD highlighted the although results had dropped from the original survey it had not dropped substantially and felt that staff had more of an issue with Covid-19 and not with working from home. Councillor Michael Gough raised a potential issue around staff not reporting sickness whilst working from home. The Head of HR/OD recognised this concern and commented on the work being undertaken to address this whereby staff were asked to report if they had Covid-19 'like' symptoms to self-isolate and to report this but would not be penalised for this. She felt this was positive as staff came forward and allowed staff to be open although this data was low. She was also pleased to comment on how the data from sickness reporting and staff surveys did not report and increase in concern of staff mental health.

Councillor Ram Lakha queried how the current offer of wellbeing initiatives would be sustained and the consideration being given to the number of staff working agilely or working from the office. The Head of HR/OD commented that a task and finish group had been established to look at future arrangement of financing wellbeing initiatives. In terms of staff returning to the office she felt that this was somewhat between 20 to 40% of staff working back from the office and felt a more agile approach would be taken forward.

Resolved:

- (1) The contents of the paper be noted.
- (2) A further update to be provided to committee at its July 2021 meeting.

46. Internal Audit Update - January 2021

The committee received a report from the Head of Audit on the work completed by internal audit so far, this financial year. It was noted that four audits have been completed within the reporting quarter, and four audits currently in process. The Audit Business Partner provided a brief overview of the audit complete on employee management Covid-19 response which was given as substantial level of assurance.

The chair queried as to whether the deadlines for the recommendations contained within the Human Resources Pre-Employment checks had been met. The Head of HR/OD confirmed that those given a December 2020 deadline had been completed.

The chair informed members of a new approach being adopted whereby when changes occur to the audit plan or reports prior approval would be sought from the chair in advance, which in turn provided confidence audits would not be missed.

Resolved:

- (1) The contents of the latest Internal Audit Update report be noted.

47. The Annual Audit Letter for West Midlands Combined Authority - Year ended 31 March 2020

The committee considered the WMCA's Annual Audit Letter for the year ended 31 March 2020 which summarised the key findings arising from the work carried out by external audit team at Grant Thornton. It was noted that an unqualified opinion on the financial statement was provided on the 30 November 2020.

Grant Thornton highlighted the fee variation for the forthcoming year as identified within the report. The Finance Director shared that ongoing discussions on this matter would be taken through the PSAA, with the chair being informed on outcome those discussions.

Resolved:

- (1) The Annual Audit Letter for the year ended 31 March 2020 be noted.
- (2) The publication of the letter on the Combined Authority's website be approved.

48. WMCA Strategic Risk Register

The committee received a report updating them on the current status of the strategic risk register. It was noted and recognised by the committee that there continued to be uncertainties surrounding the national political situation and Brexit which resulted in a number of risks presented as challenges to the WMCA.

The chair requested that an in-depth overview of the strategic risk register was provided at in June meeting.

Resolved:

- (1) The strategic risks contained within the WMCA strategic risk register be noted.

49. Programme & Project Management Framework Update

The committee received a report from the Head of Strategic Hub updating them on the progress made towards meeting the recommendations and how improvements are delivered through the Single Assurance Framework and an overview of the route map for delivering the regular assurance update report and trend analysis.

The chair requested that an update was brought to its April meeting, outlining the progress made of those outstanding recommendations.

Resolved:

- (1) The work that has been undertaken to date on delivering a consistent Programme & Project Management Framework and against the recommendations contained within the Internal Audit Report in May 2020 be noted.
- (2) The next steps of the Single Assurance Framework implementation and delivery be noted.

50. Financial Update

The committee received a presentation from the Finance Director who provided members with an overview of the financial position of the organisation, the budget setting for 2021 / 22 and an update on sustainable funding beyond 2021/22.

Councillor Ahmad Bostan queried as to whether any funding had been allocated by central government for the mayoral elections. The Finance Director shared that there continued to be ongoing dialogue with Governance with regards to funding of the mayoral elections and would continue to lobby government to receive funding for this. However plans are being established as a contingency.

Resolved:

- (1) The presentation be noted.

51. 2021/22 Treasury Management Policy, Strategy and Practices

The committee received a presentation from Arlingclose which provided members with information on what treasury management is, the legislation, guidance, roles and responsibilities associated with treasury management, information was also provided on economic outlook and credit conditions as well as the WMCA borrowing and investment strategy.

Councillor Ram Lakha sought further information in regards to public services loan board being brought down. The Director of Arlingclose informed the committee of a consultation that took place with the findings resulting into limitations on local authorities ability to borrow money to invest full yield.

Resolved:

- (1) The draft 2021/22 Treasury Management Policy Statement be endorsed for onward approval by WMCA Board in January 2021.
- (2) The draft 2021/22 Treasury Management Strategy be endorsed for onward approval by WMCA Board in January 2021.

(3) The arrangements for ensuring Treasury Management Practices are adequately maintained be noted.

52. Arrangements for the Mayoral Elections May 2021

The committee received a report from the Head of Governance updating them on the arrangements for the Mayoral elections in May 2021 as well as assuring members that robust management of the process were in place with continued work with Coventry City Council with regards to the mayoral elections arrangements.

Resolved:

(1) The information in the report be noted.

53. Date of Next Meeting

Thursday 4 March 2021 at 10.00am.

The meeting ended at 12.10 pm.



**West Midlands
Combined Authority**

Strategic Economic Development Board Meeting

Wednesday, 20 January 2021 at 1.00pm

Minutes

Members

Greater Birmingham & Solihull LEP
Black Country LEP
Coventry & Warwickshire LEP
Cabinet Portfolio - Economy &
Innovation (City of Wolverhampton)
Dudley MBC
Redditch BC
Sandwell MBC
Solihull MBC
Walsall MBC
Warwickshire CC
WM Universities
Automotive Sector
Construction Sector

Tim Pile (in the Chair)
Tom Westley
Sarah Windrum

Councillor Ian Brookfield
Councillor Angus Lees
Councillor Matthew Dormer
Councillor Danny Millard
Councillor Ian Courts
Councillor Adrian Andrew
Councillor Peter Butlin
Prof John Latham
Prof David Keene
Sat Nijjer

Officers in Attendance

Black Country LEP (Rail)
Black Country LEP
Black Country LEP
City of Wolverhampton
Coventry & Warwickshire LEP
Coventry & Warwickshire LEP
Coventry City Council
Greater Birmingham & Solihull LEP
Greater Birmingham & Solihull LEP
City of Wolverhampton
Create Central
Create Central
West Midlands Combined Authority
West Midlands Combined Authority

Rachel Eade MBE
Sarah Middleton
Prof Delma Dwight
Charlotte Johns
Paula Deas
Jordan Dowthwaite-Clark
Andy Williams
Ed Watson
David Furnage
Charlotte Johns
Suzie Norton
Nick Toon
Julia Goldsworthy
Annie Kehoe
Fiona Latter
Rebecca Riley
Jonathan Skinner
Tony Smith

**Item
No.**

159. Apologies for absence

Apologies for absence were received from Councillors Matthew Dormer, George Duggins, David Humphreys, Izzi Seccombe and Ian Ward and from Matthew Hammond

160. Declarations of Interest

No declarations were made.

161. Notes of the Strategic Economic Plan Board Meeting held 17 December 2020

Resolved:

That the notes of the meeting held on the 17 December 2020 be approved as an accurate record.

162. SED Board Tracker Log

Resolved:

That the SED Board Tracker Log be received and noted.

163. Forward Plan

The Chair noted the revisions to the Forward Plan and reiterated his requests that officers to ensure the right structure the March meeting and the 2021/22 meetings on dates to be agreed, to optimise the effectiveness of the Board's input.

Resolved:

That the Forward Plan continue to be reviewed and updated to provide for a planned future work programme of the Board.

Economic & Innovation Portfolio

164. West Midland CA Covid Economic Monitoring – WM Redi weekly monitor 15 January 2021 and the updated SED Board Economic Dashboard

Rebecca Riley provided an update highlighting the headline figures, to include:

- The Covid death rate had increased over the Christmas period;
- Youth claimants, the latest forecast would increase in the second quarter of this year;
- Business Activity before Christmas had indicated optimism and gone into positive;
- Quarterly GDP had dropped at the beginning of the last quarter and forecasters had noted that the region would be hardest hit because of the business base and the export/import and inward investment.

She advised that she would not do a full update on the State of the Region but would provide an update for June. She highlighted that the region had been at £100BN in the economy and were outperforming other regions, however in regard to the strengths and the weaknesses the region had it was predicted that it would be the worst affected economy due to Covid and Brexit impacts; the business base had been growing faster but now 1 in 5 businesses were closed; employment had slowed and the region was one of the worst for furlough; apprenticeships had dropped off; claimants had doubled over the period; 20% of the region were in the most deprived of the country and these communities had been hit harder by Covid. However, there were positives in that there was pent up demand; accelerated digital connectivity and higher levels of digital usage.

The Chair asked that work be done with the four Executives across the LEPs and the CA so that when the Economic Dashboard report came back in March that not only would it include a translation of the implications of the impact on the economy but would include 2 to 3 key actions to tackle the issues.

Sarah Windrum advised that there was potential to use the predictions of the Brexit impact and current dashboard to look at scenarios for the West Midlands in Quarter 2 of 2021, or when the current Covid related support mechanisms were due to end.

Julia Goldsworthy advised that the CA and LEP colleagues could build into the Covid 12 months on plan. She advised that they were tracking the key actions and interventions that were required through Government, regional, local and sub-regional level, with the aim of mapping the gaps to see what other interventions were required. In respect of the scenario planning, she advised that this was work in progress and would come out through the Brexit item and advised that they were working through the quantum of implications, highlighting that in relation to trade issues they were seeking to understand whether they were initial “teething” problems or whether there were other problems that would not materialise for a while.

The Chair acknowledged the points made but advised that for this Board he would still wish to see the actions to be taken to address the issues the dashboard was currently highlighting.

Resolved:

- 1) That the Board note the Economic Dashboard data and summary of the State of the Region;

- 2) That the Board note an interim State of the Region report would be submitted through to the June Board; and
- 3) That the further interventions and actions required to address issues identified in the Dashboard be developed and reported through to the Board.

165. Implications of the Trade and Cooperation Agreement

Julia Goldsworthy advised that the paper and reports shared with the Board represented the first take where we were with the trade deal and emerging implications. It represented one part of the work being undertaken and LEP colleagues may wish to on the work in the localities to include the sector views. It identified the current risks and how they could be managed. Work was also being undertaken at the SCG level and through the EIG. She advised that it would take time to work through what at a high level was a very substantive free trade agreement but with some specific exceptions which would provide challenges such as the issues being felt in food distribution. However, she added that there were also opportunities, including in battery technology and production and electric vehicles. She highlighted that there was a Brexit Contingency fund with a current focus on the business face of the local authorities, particularly environmental health and trading standards and advised that it was going to be “bumpy”.

Tony Smith provided an overview of the Agreement noting that it was hard Brexit which meant that there were lots of gaps and unfinished business, meaning that negotiations would be ongoing for a number of years and that there was uncertainty of businesses and the economy going forward. He advised that the Board would need to consider the medium- and longer-term impact of the Agreement. He advised that there were issues intrinsic to the deal that could not be changed such as the freedom of movement which was unlikely to see any re-negotiation thus there was need to consider how to adjust.

In respect of longer-term issues, Tony Smith highlighted that there were big gaps around the service sector to include financial agreements; recognition of professional qualifications; whilst there was a temporary agreement on data, this was only in place for 6 months and there was no guarantee these issues would get resolved, thus there was uncertainty. In respect of other big changes, migration affected certain sectors which were dependent on immigrant labour. There was more pressure to invest in home battery production and the broad forecasts on GDP were not looking good.

Tony Smith advised that whilst there was no shortage of data and intelligence the question remained is what you did with it. He concluded that the Brexit fund currently focussed on public services but there was scope to widen the focus.

Councillor Ian Brookfield highlighted one area high on his radar was the loss of EU fund which equated to approximately £20m for the City of Wolverhampton and which had provided funding for schemes to create jobs, provide training and enable businesses to expand. As yet the replacement funding was unknown but as a region and noting the Government plans to “level-up”, there was a need to receive the lost EU funding before the region could progress anywhere else.

The Chair advised that he had asked the three LEP Chief Executives to get to one figure of what EU funding had brought into the region, a “hero figure”, which captured ESIF/ESA etc. and thus be clear the support the region had received over the last five years from EU funds. He noted that that the Leveling Up Fund was currently £4BN.

Councillor Angus Lees queried where the economic growth was coming from and reflected on the education sector, which to his mind all seemed to be a bit disjointed at the moment, would be key. He advised that he was involved in scrutiny review looking at how funding had been allocated and the bidding processes. In respect of the Black Country, he highlighted the work on the Very Light Rail project and Dudley Institute of Technology. He commented that in order to develop a strategy there needed to be clear knowledge of where the region was going to be.

Councillor Peter Butlin advised that he was optimistic and commented that the EU had been a barrier to new technology opportunities by over legislating, highlighting that UK tech firms had received £11.2BN investment by venture capitalist which was more than France and Germany combined. Whilst the EU was a market of 550m people the world’s population was 7BN plus.

Prof Delma Dwight shared the chart of EUSIF Funding allocation between 2014-20:

Black Country	£177m
Coventry and Warwickshire	£124m
Greater Birmingham and Solihull	£255m
Stoke and Staffordshire	£169m
The Marches	£100m
Worcestershire	£69m
West Midlands Total	£894m

The Chair welcomed the notification of the figures and commented that, whilst it was good that a negotiation that would normally take 5-6 years had been concluded in 1 year but noted that there were still issues that remained unresolved. He proposed that going forward, every time there was a review of a sector plan there should be consideration of the Brexit outcome to include implications, opportunities the direction required for the sector to include consideration of cross cutting themes across the sector.

Resolved:

That the SED Board:

- 1) Note the summary provided on the implications of the Trade and Cooperation Agreement; and
- 2) That each sector plan review include a transition (Brexit) lense in respect of the implications, opportunities and direction required for the sector; to include identification of cross cutting themes across the sectors.

166. Policy context and development

Levelling Up; Overall context and potential urgent workshop on retail and hospitality sectors; Levelling Up-Fund and Shared Prosperity Fund; Community and economic recovery; Covid 12-month On; Jobs and Skills Board; and Green Book training.

Julia Goldsworthy advised that the report recapped the economic context which currently did not provide for a great outlook. However, there was a £600m treasury business support grant coming through the local authorities; a short-term call for action to partners across the region was close to being finalised, seeking clarity on Government support to:

- 1) Provide maximum prior notice to businesses of forthcoming changes;
- 2) A further push on previously raised gaps;
- 3) Unlocking space to enable business to plan and move quickly, in that the first mover should have an advantage.

She referenced the announcement of the Government's Build Back Better Council which was going to have quarterly meetings to consider opportunities and how to build future growth, which had a good regional representation but was a big business view so has a region there was a need to reflect the diverse business base and how that gets represented through that process. There was need to understand risks for sectors.

In respect of national announcements, Levelling Up and UK Shared Prosperity Fund these were expected at budget time. At present the CA and LEPs were pushing for regional need and flexibility as currently it was being driven centrally.

In response to the Green Book the summer school was being developed but consideration was being given to what could be done sooner.

In regard to the Covid 12 months on report this would be a two-part report, to include:

- 1) Bring together all activity and recovery planning across the region; and

- 2) Consider recharge priorities and how they related to future opportunities. Considering how the situation had evolved over Christmas it was still at response mode and there was need to include immediate activity and trail some key economic missions that would be pursued.

She highlighted that since the last meeting BEIS had a new Secretary of State, Kwasi Kwarteng, who had announced five priorities, which were strongly aligned with the WM region – Business response and support to Covid; Trade; Decarbonisation; Innovation; and the National Security bill.

Julie Nugent advised that working closely with Councillor Ian Brookfield who chaired the Jobs & Skills Board the actions were closely aligned to the wider economy recovery and the activity had been structured in three areas:

- 1) Helping Young people;
- 2) Getting WM Back to Work; and
- 3) Future Jobs Future Skills.

Whilst it was not known where economic growth would come from at present where there was recognition of an immediate need or where employers were re-skilling resources were being targeted there, thus digital, construction, health & social care and also electrification. She advised that whilst there was not yet a set out plan, they were switching resources where need was identified to support providers and she would come back to a future meeting.

The Chair welcomed further reporting to provide a schedule for skills as it was a major requirement going forward for not only tackling youth unemployment but also general unemployment. He noted the comments on the need for a structured plan in respect of skills. In respect of the update on the Secretary of State he was pleased to see the priorities aligned with the regional priorities; welcomed the Green Book summer school, although the sooner the better; the Covid 12 months on whilst noting there was a need to re-express what had happened in the last 12 months, he stated that there was need to develop what success would like in tackling the economic issues arising from the pandemic.

Rebecca Riley advised that there was a meeting scheduled with Treasury on Friday and that they were developing a series of road shows in respect of the Green Book. She advised that they would be seeking nominations from partners for a Regional User Group.

Julia Goldsworthy advised that “Covid-12 months” on was a working title. In respect of the part of the interface with Government she advised that they had gone very quiet on the Local Industrial Strategy nationally but advised that the CA were monitoring any activity.

The Chair noted that everything had been impacted by the pandemic but there was still a need to push. In respect of the Retail and Hospitality Sector he asked who was the lead. It was noted that Coventry and Warwickshire LEP were leading on Retail and would report back to the next meeting.

Resolved:

That the SED Board:

- 1) Note the updates provided;
- 2) Request officers to progress the Green Book Summer School as fast as was possible, to ensure the region were prepared for future funding announcements and consequently submissions;
- 3) Advise the local authorities that a Regional Green Book User was being established for which nominations were being sought from each CA partner;
- 4) That the Covid 12 months on report highlight what success would look like;
- 5) Note that Coventry and Warwickshire LEP were leading on the Retail and Hospitality Sector, with a report to be submitted through to the next SED Board; and
- 6) Note that the Jobs and Skills programme would be reported to a future meeting, to be scheduled.

167. West Midlands Business Support

Paula Deas provided an overview of the current support coming through the Growth Hubs and Federation of Small Businesses, although it was noted that there were still some gaps. In respect of Retail and Hospitality they were galvanizing and combining efforts in Coventry. She advised that the City Council had looked to plug the gaps for the cultural sector and independent workers.

Paula Deas advised that in respect of the medium term there was need to consider where the gaps in provision were and change or vary the products to meet these. This was being done by harnessing the intelligence and provide products that were "Fit for Purpose" for customers. She noted that much of the funding to now had been associated with EU funding.

Resolved:

That the SED Board:

- 1) Note the progress on both the immediate economic provision of, and the potential improved solutions to, economic support measures.
- 2) Note the analysis of the wider landscape and the initial findings of the scoping meeting highlighting how improved information, advice, and support provided by Growth Hubs at the centre of the ecosystem, will help businesses and entrepreneurs accelerate economic recovery over the medium-term.
- 3) Agree to the ongoing work to procure external services to look at options for a long-term fit for purpose future operating model for business support.
- 4) That a further report be submitted to the March SED Board.

168. Sector Plans – Rail

Rachel Eade provided an overview of the work being undertaken on the Rail Sector Action Plan highlighting that Rail was part of the connected transport infrastructure. In respect of the sector there were key sub-sectors to consider i.e., connectivity, digital, catering and construction. She observed that the WM was one of the largest regions impacted by rail, with a strong base for HS2 and supported by world leading innovation to include the Very Light Rail scheme at Dudley and the WMG at Warwick. The region had a good range of support but in relation to Covid the sector had been impacted severely in terms of passenger journeys, with Lockdown 3 having an even bigger impact. There was need to get the messaging out there to get passengers to return.

However, Rachel Eade advised that there remained opportunities around digitisation and decarbonisation. She advised that there was need to work together across the region for a rail and transport recovery for work, education and tourism.

The Chair noted how the sector cut across sectors and asked how best the SED Board could best support to encourage the public back on to transport to include rail and buses.

Councillor Peter Butlin advised that he was the Chair of WM Rail and advised that rail was operating at 15% of capacity and that the “new normal” would be that people would not return to workplace-based locations on a daily basis but that the challenge was to make people feel safe and restore confidence. There would be a need to redo pricing the model for travel and provide flexibility. He highlighted forthcoming innovations to include hydrogen and gas powered trains.

Rachel Eade advised that there was an opportunity to move more freight off the road and Sat Nijjer agreed with this, plus he advised that there were the lighter rail opportunities being developed. The Chair added that HS2 would provide the freight opportunity rather than solely speed of journeys.

Councillor Peter Butlin observed that whilst there were good rail links north and south, there was a need to develop the east to west linkages, particularly for freight to Felixstowe.

The Chair welcomed the update and asked Rachel Eade to advise the Board when she required specific support or action from them.

Resolved:

That the SED Board:

- 1) Note the comments of the Board in respect of opportunities for rail and transport;
- 2) Ask the Sector Lead to advise the Board when their support was required for specific actions to taken.

169. Sector Plans - Creative

David Furmage provided an update on the delivery plan, which now included the Covid recovery plan, however he noted that there was need for national support. He highlighted the impact on the creative sector in relation to the touring market with the new rules on movement to the EU.

He provided an update respect of progress against the following actions previously reported

- Ci1.2 Covid Recovery Creative Sector Support Programme;
- Ci2.1 Creative Cluster Collaboration Programme;
- Ci2.2 Develop & Launch CI Data Portal;
- Ci3.1 Map immediate and future creative work roles;
- Ci4. 1 Broader creative careers provision into schools;
- Ci5.1 Map innovation opportunities between creative, tech and key sectors – harnessing benefits of Createch1 for the region;
- Ci6.1 Develop an investible pipeline of creative infrastructure projects;
- Ci7.1 Develop ‘cultural action zones’, heritage investments, and ‘meanwhile spaces’; and
- Ci7.2 Develop and investible pipeline of cultural capital projects

Councillor Ian Courts commented that the sector was held back by the lack digital infrastructure and skills. David Furmage advised that there was flexibility in digital skills in other sectors, thus there was a need to try to exploit the availability of digital skills in these other sectors. Councillor Ian Courts added that the sector represented 5% of the workforce across the West Midlands and David Furmage stated that if the wider creative sector was included, then the sector was actually 9% of the regions workforce.

The Chair welcomed the report and asked that, where possible, that the quantum behind the initiatives detailed and outputs could be included in future reporting.

Resolved:

That the SED Board:

- 1) Note, whilst Covid challenges continue for many creative & cultural sector businesses, the creative sector overall will be a significant contributor to the region’s economic recovery because it is an enabler of cross-sectoral innovation and growth across all sectors.
- 2) Note the progress being made through specific sector interventions that support recovery in the areas of business support, skills & talent development, innovation, infrastructure and place-making.
- 3) Endorse these on-going interventions within this WM Creative Sector Recovery Plan.

170. Create Central - Screen Industry Body - Next Phase Governance model of Create Central

Suzie Norton provided a presentation on the proposed revised Governance for the Screen industry Body and sought support from the SED Board for the proposals.

Resolved:

That the SED Board confirm the transition of Create Central beyond its initial Proof of Concept year, with a specific emphasis on streamlining decision-making, boosting diversity, representation and developing plans to ensure Create Central's financial sustainability.

171. Create Central - Screen Industry Body - Production & Inward Investment Strategy including regional production services.

Nick Toon provided a presentation on the Production & Inward Investment Strategy to include regional production services with the request that the SED Board support the recommendations in the strategy.

Sarah Middleton welcomed the proposals and advised that the Black Country had a new partnership to achieve inclusive growth across technical and supply chains. She was aware of the opportunities and encouraged a whole conurbation reach for the Strategy.

Nick Toon advised that he was aware of Deborah Aston and strong individual characters across the region which were incredibly important to develop the Strategy.

Resolved:

That the SED Board:

Approve the recommendations of the WM Production and Investment Strategy, as detailed below: -

STREAM 1: REGIONAL CO-ORDINATION AND DIRECTION

- 1) Given Create Central's mandated strategic development role for the region's creative content sector and subject to the approval of this strategy, Create Central to establish formal partnership agreements with key stakeholders to support delivery of this production and inward investment strategy.
- 2) Create Central lead to convene monthly meeting for key production and inward investment local and national stakeholders, including service providers, to co-ordinate knowledge sharing and activity and maximise impact

- 3) Work to commence as soon as possible on the sustainability of Create Central beyond the two-year BFI programme to deliver the long-term commitment required to make a lasting impact from this strategy

STREAM 2: PHYSICAL INFRASTRUCTURE (I.E. STUDIO SPACE) & PRODUCTION SERVICES

- 1) Create Central and key partners to continue to work closely with Mercian Studios to support its development and promote it as a key case-study of what the wider region can deliver in order to attract investment from other investors, including broadcasters and streaming services.
- 2) Create Central to commission studio mapping exercise and use output to work with WMGC to promote the region as a potential destination for long-running HETV or feature film production [tender issued].
- 3) West Midlands to develop improved region-wide production services offer. Create Central to provide key coordinating role and strategic advice to ensure that bodies including Creative England, Film Birmingham, Local Authorities and Crew Birmingham, work together more effectively to support incoming productions right across the region.

STREAM 3: REGIONAL INDEPENDENT PRODUCTION SECTOR SUPPORT

- 1) Create Central to support and promote the establishment of the Creative Content Hub in Digbeth, including through the development of financial incentives from appropriate local authorities to facilitate relocations to the hub by indigenous indies and the undertaking of a 'roadshow' to large UK indies to promote the hub as their out of London base.
- 2) Seek specific regional partnership opportunities with public service broadcasters, with an immediate focus on the BBC.
- 3) Seek partnership opportunities with new media entrants, e.g., YouTube.
- 4) Agree a partnership with RTS Midlands and explore opportunities with other relevant partners to support the development of region-wide indie networks of (i) established indies and (ii) emerging indies/new talent
- 5) Seek to establish region-wide indie production development fund pilots [see Stream 5] to support growth of local indie sector and creation of IP, and facilitate partnership opportunities with broadcasters such as BBC, Channel 4, and Sky.

STREAM 4: BUILDING A HIGHLY SKILLED, DIVERSE, LOCAL CREW BASE AND TALENT POOL

- 1) Conduct a mapping exercise of existing crew in region to identify strengths, weaknesses, and opportunities [tender issued]. Co-ordinate outputs from this with wider West Midlands screen training offer completed by Create Central in December 2020 in order to inform skills & training plans for the region.
- 2) Create Central to provide coordinated oversight of region-wide training opportunities, establish pilot fund for production training, and seek industry partnerships (e.g., with BBC, Channel 4, Sky) to ensure training opportunities are sustainable and open access to the industry for residents from all backgrounds, coordinating this work with the outcomes from the bootcamps pilots and broadcast training opportunities arising from the Birmingham 2022 Commonwealth Games.

STREAM 5: LOCAL FUNDING SUPPORT FOR PRODUCTIONS

- 1) Create Central to work closely and effectively with Creative England, administrators of the West Midlands Production Fund, to promote the fund and identify opportunities to secure investment in a returning HETV series.
- 2) Create Central to pilot development funds to support local production. In the first instance to explore potential development funding partnerships with existing broadcasters, e.g., BBC, Channel 4 [see Stream 3] as proof of concept for creation of longer-term regional support for IP development

172. Creative Scale Up Programme – an update

Fiona Latter advised that the DCMS had not extended funding for the programme. However, there was still an opportunity to continue a skeleton programme through to March 2022. She reported that in respect of the Scale programme, the initiative had worked well.

Resolved:

That the update be noted.

173. Date of Next Meeting

Resolved:

That the SED Board note that the next meeting would be held 11th March 2021.

The meeting closed at 3.00pm

Chair

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**West Midlands
Combined Authority**

Transport Delivery Committee

Monday 8 February 2021 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 Adrian Andrew	Walsall Metropolitan Borough Council
Councillor Linda Bigham	Coventry City Council
Councillor Mary Locke	Birmingham City Council
Councillor Diana Holl-Allen	Solihull 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

84. Chair's Remarks

- (i) The Chair reported that she would like to express her condolences and deepest sympathy to the Mayor of the West Midlands on behalf of the committee following the recent death of his mother.
- (ii) The Chair reported that the pre-9.30am £1 fare for concessionary passholders would be waived for those travelling to a Covid-19 vaccination appointment on presentation of the appointment letter or text message to the bus driver.
- (iii) The Chair reported that she would be attending a meeting of the WMCA's Transport Scrutiny Sub-Committee on 22 February and would provide feedback to this committee in due course.

85. Minutes of the last meeting

The minutes of the meeting held on 11 January 2021 were agreed as a true record.

86. Action Tracker

The action tracker was noted.

87. Correspondence/ Petitions

The Chair referred to a letter she had circulated to the committee on 5 February 2021.

The letter set out the response from the Secretary of State for Transport to Pat McFadden MP on the issue of railcard refunds that had been raised on behalf of one of his constituents, Alderman Judith Rowley. The letter indicated railcards would remain non-refundable and would not be extended.

Resolved:

That the letter be noted.

88. Bus Alliance Update

The committee considered a report of the Network Development Manager that reported on matters related to the governance, operation, performance and delivery of the West Midlands Bus Alliance.

The Chair and Lead Member for Putting Passengers First introduced the report and reported on the increasingly important role for the Bus Alliance since the start of the Covid-19 pandemic.

The Network Development Manager, Edmund Salt, highlighted the critical role undertaken by the Bus Alliance in coordinating and managing the impacts of Covid-19 on the bus network by working with bus operators, CPT and UTG to introduce a number of measures in response to the pandemic (outlined in paragraphs 6-14 of the report).

In relation to comment from Councillor Lal regarding Swift Go and the need to accelerate best value capping with bus operators as more people work part-time/ travel less because of Covid-19, the Director of Integrated Network Services, Pete Bond, reported that customer research was being undertaken by the Human Intelligence Team that would look to develop products in accordance with customer needs. The Network Development Manager undertook to feedback Councillor Lal's comment to the Head of Swift.

Resolved:

1. That the contents of the report, the current status of the Bus Alliance and its work programme for 2021 be noted and
2. That the report be submitted to the West Midlands Combined Authority Board for information be noted.

89. Cycling Charter Progress Report

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

The Lead Member for Safe and Sustainable Travel, Councillor Holl-Allen, introduced the report.

The Cycling and Walking Development Officer, Hannah Dayan, presented key highlights from the report. This included details of the Starley Network, Transforming Cities Fund, the Emergency Active Fund, Cycling for Everyone, Active Travel Partnerships and School Streets.

In relation to an enquiry from Councillor Locke regarding a school in her ward that has registered an interest in taking part in School Streets and whether they would be able to participate in the scheme, Hannah Dayan undertook to look into the matter and provide feedback to Councillor Locke.

Resolved:

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

90. Park and Ride Update

The committee considered a report of the Head of Park and Ride that provided an update on park and ride matters within the West Midlands Combined Authority area and the impacts of Covid-19 on car park operations and development.

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

The Head of Park and Ride, Babs Spooner highlighted key areas within the report. This included the impact of the pandemic on car park occupancy, Longbridge Park and Ride delivery and park and ride development.

Resolved:

That the contents of the report be noted.

91. Presentation: e-scooters

Further to the presentation given to the committee on 14 September 2020, the Innovation Integration Lead, Mark Collins provided an update on the e-scooter trials.

The presentation provided an overview of the trials to date, the current status, key statistics for the three operating areas of the trial and the latest developments included in the proposed expansion of the Birmingham trial and details of the University of Warwick's trial.

Resolved:

That the presentation be noted.

92. Presentation: TfWM Post Covid Recovery Programme Strategy

The committee received a presentation from TfWM's Strategic and Engagement Manager, Andrew Purchase on TfWM's post Covid Recovery Programme Strategy.

The presentation included the impacts of Covid-19 on the transport network,

new scenarios, the long-term recovery programme strategy goals and the 6 key areas of the recovery programme.

The Strategic and Engagement Manager reported that the challenges of the pandemic also brought with it opportunities to change people's travel behaviour and outlined the 2021 recovery campaign and next steps.

The Chair thanked Andrew Purchase for his informative presentation and invited members to contact Andrew with any feedback.

Resolved:

That the presentation be noted.

93. Bus Recovery

This item was withdrawn from the agenda.

The Chair advised the committee that they would receive a briefing note on the subject following the meeting.

94. Notices of Motion

None submitted.

95. Questions

None submitted.

96. Forward Plan

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

Resolved:

That the report be noted.

97. Date of Next Meeting

15 March 2021

98. Exclusion of the press and public

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).

99. WMCA Board Transport Reports (For Information Only)

The transport reports that would be considered by the WMCA Board at its meeting on 12 February 2021 were submitted for information.

Resolved:

That the reports be noted.

The meeting ended at 2.55 pm.

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**West Midlands
Combined Authority**

Investment Board

Monday 15 February 2021 at 10.00 am

Minutes

Present

Councillor Bob Sleight (Chair)
Nick Abell

Councillor Mike Bird
Paul Brown

Councillor Tristan Chatfield
Councillor Steve Clark
Councillor Karen Grinsell
Councillor Tony Jefferson
Councillor Jim O'Boyle
Councillor Stephen Simkins
Gary Taylor

Portfolio Lead for Finance & Investments
Coventry & Warwickshire Local
Enterprise Partnership
Walsall Metropolitan Borough Council
Black Country Local Enterprise
Partnership
Birmingham City Council
Dudley Metropolitan Borough Council
Solihull Metropolitan Borough Council
Non-Constituent Authorities
Coventry City Council
City of Wolverhampton Council
Greater Birmingham & Solihull Local
Enterprise Partnership

In Attendance

Simon Dancer
Sarah Middleton

Liam Davies
Talha Khalifa
Paula Deas

James Dunn
John Haywood
Isha Bhaat
Gareth Bradford
Carl Craney
Dan Essex
Linda Horne
Ian Martin
Carl Pearson
Freddy Shrieve
Nick Oakley
Ed Bradburn
Kieren Turner-Owen

Amion
Black Country Local Enterprise
Partnership
City of Wolverhampton Council
Coventry City Council
Coventry and Warwickshire Local
Enterprise Partnership
Telford and Wrekin Council
Telford and Wrekin Council
West Midlands Combined Authority
West Midlands Development Capital
West Midlands Development Capital
West Midlands Development Capital

- | Item No. | Title |
|-----------------|--|
| 148. | <p>Chair's Opening Remarks</p> <p>The Chair thanked Members and Officers for joining this virtual meeting of the Investment Board. He asked that any Member wishing to speak on any item should use the appropriate icon on the tool bar or indicate their wish in the 'chat' box which would be monitored throughout the meeting. Following the consideration of each item the recommendations contained within the respective report or those made during consideration of the item would assume to be supported unless members made it clear that they dissented.</p> |
| 149. | <p>Apologies for Absence (if any)</p> <p>Apologies for absence had been received from Councillor Wasim Ali (Sandwell Metropolitan Borough Council) and Sue Summers (west Midlands Development Capital).</p> <p>Apologies for absence had also been received from Richard Lawrence (City of Wolverhampton Council), Richard Moon and Andy Williams (Coventry City Council), Tim Martin (West Midlands Combined Authority) and Roger Mendonca (West Midlands Growth Company).</p> |
| 150. | <p>Notification of Substitutes (if any)</p> <p>No notification of substitute members had been received.</p> |
| 151. | <p>Declarations of Interests (if any)</p> <p>Councillor Stephen Simkins declared a non-pecuniary interest in Agenda Item No. 7 (WMCA Brownfield Land and Property Development Fund (BLPDF) – Dashboard) insofar as it related to scheme PH1 Pipe Hall, Bilston as the Local ward Councillor and City of Wolverhampton Council's Cabinet Member for City Assets.</p> |
| 152. | <p>Minutes of last meeting</p> <p>Further to Minute No. 136 (Investment Programme Dashboard), the Chair advised that the Dashboard now included comments on financial implications of schemes allocated a red rating, as requested by Councillor Tristan Chatfield at the last meeting.</p> <p>Resolved:</p> <p style="padding-left: 40px;">That the minutes of the meeting held on 11 January 2021 be confirmed as a correct record and signed by the Chair.</p> |
| 153. | <p>Investment Programme Update and Dashboard</p> <p>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.</p> <p>He reported that approved funding from the WMCA Investment Programme for programmes totalled £795.3 million (as at 31 January 2021), compared to £780.3 million as at 31 November 2020) with funding drawn down/incurred against these projects as at 31 December 2020 totalling £252.5 million. Since the last meeting the following business cases had been approved:</p> |

- New Stations Package 1 – Full Business Case;
- New Stations Package 2 – Full Business Case;
- Very Light Rail Transforming Connectivity West Midlands (VLR TCWM) – Change Request; and
- Coventry Station Masterplan – Change Request.

He reminded the Board that in respect of the Gateway Review, a complimentary report to the SQW report had been prepared and approved for submission. WMCA officers had been invited to a Gateway Review meeting, chaired by H M Government on 24 January 2021 and were given the opportunity to respond to queries, discuss achievements/progress within the gateway period and consider future opportunities. A ministerial decision was expected before April 2021 and further reports on this matter would be submitted to the Board.

Councillor Karen Grinsell asked if the discussions had included lifting the ceiling on future borrowing. The Chair reported that some additional headroom had been identified with further work to be undertaken. A report on this matter would be submitted to a future meeting.

Councillor Stephen Simkins commented that the next meeting of the Board would be held in March 2021 and asked whether investment opportunities in the north of the WMCA area especially in the Black Country could be considered at that meeting given that the majority of the reports to be considered at today's meeting related to the south of the area. The Chair explained that it was Project Sponsors / Local Authorities to bring forward schemes for consideration.

Ian Martin drew to the attention of the Board that the following schemes were rated as RED and outlined the current position:

- HS2 Parallel Designs – Change Request received and discussions underway with UGC and Solihull Metropolitan Borough Council;
- UKC Interchange Strategy – Change Request received and under consideration;
- Coventry City Centre South – Change Request expected in due course – planning application for the redesigned scheme had been submitted in November 2020;
- Metro Wolverhampton Interchange – Extension of time request expected;
- UKC Infrastructure – individual extension of time requests expected in respect of five schemes.

Resolved:

1. That the status of the Investment Programme delivery as detailed in the report be noted;
2. That the progress of the Devolution Deal five-year gateway review be noted;
3. That the Investment Programme funding status be noted.

- 154. WMCA Collective Investment Fund (CIF) - Dashboard**
Nick Oakley presented the Collective Investment Fund (CIF) Dashboard (public iteration) as at 1 February 2021.

Resolved:

That the Dashboard be received and noted.

- 155. WMCA Brownfield Land and Property Investment Fund (BLPDF) - Dashboard**
Nick Oakley presented the Brownfield Land and Property Development Fund (BLPDF) Dashboard (public iteration) as at 1 February 2021.

Resolved:

That the Dashboard be received and noted.

- 156. WMCA Revolving Investment Fund (RIF) - Dashboard**
Nick Oakley presented the Revolving Investment Fund (RIF) Dashboard (public iteration) as at 1 February 2021.

Resolved:

That the Dashboard be received and noted.

- 157. 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).

- 158. West Longbridge - St Modwen Developments Ltd. - Brownfield Housing Fund**

Gareth Bradford introduced the report on this matter which had been co-developed with St Modwen and Birmingham City Council. The Board received a PowerPoint presentation from Simon Dancer which explained that a grant from the WMCA's Devolved Housing and Land Fund was sought to support critical infrastructure which would unlock the development project. This initiative involved the remediation of a 30ha brownfield site in Longbridge and represented a strategic housing and brownfield regeneration opportunity. The project was a key initiative within the overall Longbridge redevelopment, which was one of the largest regeneration schemes in the UK comprising the transformation of the former MG Rover car plant. The Longbridge redevelopment was a flagship project in Birmingham City Council's Local Plan.

Simon Dancer responded to various questions from Members and Officers on the proposal.

Resolved:

That subject to:

- (i) The completion of a Funding Agreement including a detailed Spend and Delivery Programme, independent Project Monitoring Reports and a detailed Risk Register;
 - (ii) The inclusion of appropriate clawback and overage clauses within the Funding Agreement in line with Chapter 11 of the Single Commissioning framework;
 - (iii) The completion of a legal report to the satisfaction of the WMCA Director of Housing and Regeneration and WMCA Head of Governance;
 - (iv) St Modwen being liable to repay the grant if serviced housing land was not delivered by the long stop date; and
 - (v) Details of the usage of the sums detailed in the Section 106 Agreement being identified:
1. An investment as detailed in the report from the WMCA's Devolved housing and Land funds to deliver infrastructure which would unlock the West Longbridge site in Birmingham be approved. The opening up of this regionally significant development opportunity would deliver 350 homes (minimum 20% affordable) and 83,612 square metres of commercial floorspace that could accommodate 5,000 jobs;
 2. That it be noted that the report had been co-developed with St Modwen, project promoter and landowner. As a strong sign of commitment St Modwen would invest a sum detailed in the report in West Longbridge as part of the wider amount to transform the former car factory;
 3. That it be noted that this project had gone through the key decision making and appraisal stages of the WMCA's Single Commissioning Framework in its journey to this Board and was fully compliant with the requirements set by Central Government for Devolved Housing and Land funds administered by the WMCA;
 4. That it be noted that Birmingham City Council, as the Local Planning Authority, had put this scheme forward as a priority for SCF investment in 2019 and that the WMCA had worked together with the City Council on this application and report.

159. Coalbrookdale Works, Wellington Road, Coalbrookdale, Telford - Shropshire Homes Ltd. - Land Fund Grant

Gareth Bradford introduced the report on this matter and advised that it had been co-developed with Telford and Wrekin Council and Shropshire Homes. If approved, a previous allocation from the Brownfield Land and Property Fund would be reclaimed and be available for alternative purposes. Freddy Shrieve presented the report which sought approval for an investment from the WMCA's Devolved housing and Land Fund under its Single Commissioning Framework for the former AGA Foundry Project, a major strategic housing development project in Telford which would bring forward at least 100 new homes by 2026. He responded to various questions from Members and officers on the proposal.

Councillor Tristan Chatfield queried whether an allocation from the Devolved Housing and Land Fund was appropriate given that the scheme was not inside the WMCA area i.e. the West Midlands Metropolitan area. Gareth Bradford explained that the Housing Deal, which was the source of funding, was available across the WMCA geography and both Constituent and Non-Constituent Authorities were eligible to apply for funding. This statement was confirmed by Linda Horne.

Resolved:

That subject to:

- (i) Further detailed vetting of the Applicant (Shropshire Homes);
 - (ii) Provision of RICS Red Book Valuation for the site to the satisfaction of the WMCA;
 - (iii) The Applicant to provide a final detailed cost plan on the full scheme;
 - (iv) The completion of a Funding Agreement including a detailed spend and delivery programme, independent project monitoring reports and a detailed Risk Register;
 - (v) Inclusion of appropriate clawback and overage clauses within the Funding Agreement in line with Chapter 11 of the Single Commissioning Framework;
 - (vi) The completion of a Legal Report to the satisfaction of the WMCA's Director of Housing and Regeneration and WMCA's Head of Governance;
 - (vii) Shropshire Homes being liable to repay the WMCA investment if housing was not delivered by the long stop date of December 2026
1. The investment as detailed in the report from the WMCA's Devolved Housing and Land funds be approved to remediate and de-risk the former AGA Foundry project in Telford which would bring forward at least 100 housing units, including 20% affordable provision (against the WMCA's approved regional affordable housing definition);
 2. That it be noted that the funding was fully compliant with the requirements of the WMCA's Single Commissioning Framework approved by this Board, the Housing and Land Delivery Board and the WMCA Board in March 2019 and fully operational since April 2019;

3. That it be noted that this project has gone through the key decision making and appraisal stages of the WMCA Single Commissioning Framework and was fully compliant with the requirements set by Central Government for Devolved Housing and Land funds administered by the WMCA;
4. That it be noted that Telford and Wrekin Council had identified this site as a priority for SCF investment and that this report had been co-developed and was fully supported by Officers from Telford and Wrekin Council, the Local Planning Authority for the scheme;
5. That it be noted that the ask was being provided through the Land Fund rather than from a provisional BFLPDF allocation as agreed with Telford and Wrekin Council;
6. That it be noted that this report had received express support by the Investment Panel at its meeting on 25 January 2021.

160. Hortonwood West, Hadley Park, Telford - Morris & Co - CIF Loan

Kieren Turner-Owen presented a report which sought development loan funding to support the development of two industrial units on the outskirts of the Hortonwood industrial area of Telford.

Resolved:

That the provision of a Collective Investment Fund (CIF) loan to the Company fully secured against the property to fund the development be approved subject to the terms and conditions detailed in the report.

161. Mill House, Forge Lane, Minworth, Sutton Coldfield Chancerygate (Newbridge) Ltd - CIF Loan

Ed Bradburn presented a report which sought approval to a Collective Investment Fund (CIF) loan to fund the development of eleven light industrial units totalling circa 72,010 square feet creating 140 new jobs and new business rates as set out in the report. He advised that since the report had been circulated there had been an adjustment to the proposed terms and conditions of the loan in favour of the WMCA.

Resolved:

That the allocation of a Collective Investment Fund (CIF) loan to fund the costs required to deliver the development by way of senior commercial loan on the key terms and conditions, as amended, be approved.

162. WMCA Collective Investment Fund (CIF) - Dashboard

Nick Oakley presented the Collective Investment Fund (CIF) Dashboard (private iteration) as at 1 February 2021 and updated the Board on the position with certain schemes.

Resolved:

That the Dashboard and the update report be received and noted.

163. WMCA Brownfield Land and Property Investment Fund (BLPDF) - Dashboard

Nick Oakley presented the Brownfield Land and Property Development Fund (BLPDF) Dashboard (private iteration) as at 1 February 2021 and updated the Board on the position with certain schemes.

Resolved:

That the Dashboard and the update report be received and noted.

164. WMCA Revolving Investment Fund (RIF) - Dashboard

Nick Oakley presented the Revolving Investment Fund (RIF) Dashboard (private iteration) as at 1 February 2021 and updated the Board on the position with certain schemes.

Resolved:

That the Dashboard and the update report be received and noted.

165. Land and Property Investment Fund (LPIF)

Sarah Middleton presented the Land and Property Investment Fund (LPIF) Dashboard as at 1 February 2021.

Resolved:

That the Dashboard and the update report be received and noted.

The meeting ended at 11.10 am.



West Midlands Combined Authority

Housing & Land Delivery Board

Wednesday 3 March 2021 at 10.00 am

Minutes

Present

Councillor Mike Bird (Chair)
Sarah Middleton

Councillor Sharon Thompson
Councillor Jacqueline Sweetman
Councillor David Welsh
Councillor Angus Lees
Suzanne Ward
Councillor Julie Jackson
Councillor Matthew Dormer
Councillor Keith Allcock
Councillor Ian Courts
Councillor David Wright
Kevin Rodgers

Councillor Cathy Bayton

Walsall Metropolitan Borough Council
Black Country Local Enterprise
Partnership
Birmingham City Council
City of Wolverhampton Council
Coventry City Council
Dudley Metropolitan Borough Council
Environment Agency
Nuneaton & Bedworth Borough Council
Redditch Borough Council
Sandwell Metropolitan Borough Council
Solihull Metropolitan Borough Council
Telford and Wrekin Council
West Midlands Housing Association
Partnership
WMCA Overview and Scrutiny
Committee

In Attendance

Graham Russell
Ross Cook
Ian Culley
David Butler
Philippa Venables
Chris Egan
Rachel-Ann Atterbury
Gareth Bradford
Carl Craney
Dan Essex
Mia Higgins
Amanda Holland
Rob Lamond
Gurdip Nagra
Hannah Stock
Hannah Worth
Patricia Willoughby

Amion
City of Wolverhampton Council
City of Wolverhampton Council
Coventry City Council
Walsall Metropolitan Borough Council
Warwickshire County Council
West Midlands Combined Authority
West Midlands Combined Authority

Item Title

No.

32. Apologies for Absence (if any)

Apologies for absence had been received from Councillor George Adamson (Cannock Chase District Council), Councillor Joanne Hadley (Sandwell Metropolitan Borough Council), Councillor Daren Pemberton (Stratford on Avon District Council) and Councillor Peter Butlin (Warwickshire County Council).

Apologies for absence had also been received from Marc Liddeth (Environment Agency), Gill Hamer (The Marches Local Enterprise Partnership), Victoria Barnard, David Hayton-Hill and Mark Ryder (Warwickshire County Council) and Isha Bhatt (West Midlands Combined Authority).

33. Notification of Substitutes (if any)

No notification of Substitute Members had been received.

34. Declarations of Interests (if any)

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

35. Minutes of last meeting

Resolved:

That the minutes of the meeting held on 13 January 2021 be confirmed as a correct record and signed by the Chair.

36. Strategic Outline Business Case for an Affordable Housing Delivery Vehicle

Gareth Bradford introduced the item by reminding the Board that it had considered previously several reports on this matter and that the current report was the latest in the on-going development of the Affordable Housing Delivery Vehicle (AHDV).

Rob Lamond presented the report which detailed the Outline Business Case (OBC) for the proposal: a joint venture between the WMCA and housing association partners in the region and that it had been subject of robust and detailed assurance and due diligence work and its purpose, success criteria and operation throughout the development process.

Kevin Rodgers advised that the five Housing Association Members and the wider partnership of 26 housing associations fully supported and endorsed the proposal.

Resolved:

That subject to:

- a) The completion of detailed financial and legal due diligence which was feeding into a Full Business Case for the establishment of the AHDV to the satisfaction of the WMCA Director of Housing and Regeneration, WMCA Head of Governance and WMCA Finance Director;
- b) Confirmation of the first tranche of sites to be brought forward by the Vehicle; and
- c) The identification and assessment of any WMCA funding based on appraisals and approvals that were fully compliant with the Single Commissioning Framework and the associated assurance and gateway process:
 1. That the Outline Business Case, which sets out the background, strategic context and rationale for the development of a Full Business Case between the WMCA and the West Midlands Housing Association Partners Investments (WMHAPI) for the establishment of a new regional collaborative Affordable Housing Delivery Vehicle to address the pressing housing affordability challenges in the West Midlands be endorsed;
 2. That, subject to conditions, the principles of establishing an Affordable Housing Delivery Vehicle (AHDV) be agreed and the work underway to develop a comprehensive Full Business Case with supporting detailed financial and legal due diligence for consideration later in 2021 be endorsed;
 3. That it be noted that any WMCA investment into the proposed Affordable Housing Delivery Vehicle (of land/grant/loan) would be subject to the consideration by and approval of the Investment Board and the robust gateway approval and assurance processes for all investments made via the WMCA's Single Commissioning Framework and Single Assurance Framework and approval by the WMCA Board of the Full Business Case setting out the legal, financial and risk implications arising from the proposal to establish a new Delivery Vehicle structure.

37. Zero Carbon Homes Charter and Routemap

Gareth Bradford introduced the report and reminded the Board that the proposals were linked to the work of the Environment and Energy Board.

Rachel-Ann Atterbury presented the report which updated the Board on the progress being made under its Zero Carbon Homes Work Programme.

Councillor Ian Courts welcomed the report and reminded the Board of the importance of the proposals and highlighted a central issue around the financial implications which would vary from site to site. He reminded the Board that cost savings could be identified throughout the manufacturing process and suggested that exemplars be identified and that an increase in the scale of production would assist in driving down unit cost. He stressed the links with the Board's proposals on Advanced Manufacturing in Construction (AMC). He asked if further details could be provided to a future meeting on the cost structure of the proposals and added that retro fitting could also be considered at a later stage. The Chair asked if there were any examples available of a volume house builder using zero carbon and whether comparison exercises could be undertaken.

Councillor Jacqueline Sweetman endorsed the comments now made and advised that the City of Wolverhampton Council was keen to see examples of the economies of scale which could be sought out on AMC and zero. She asked for sight of the various cost breakdowns.

The Chair queried whether developers could be encouraged to build more Zero Carbon Homes via an implied condition in the financial support provided by the WMCA. Gareth Bradford reminded the Board that the provision of AMC properties was now a requirement of the Single Commissioning Framework for larger sites and had been successful in bringing such units forward. He suggested that the various points now raised should be raised at the next meeting of the industry led Zero Carbon Homes Task Force with a response being presented to a future meeting.

Councillor Ian Courts referred to paragraph 2.3 of the report insofar as it related to 'meeting net zero whole life carbon being aspirational'. He commented that this would be an aspiration but that developers were endeavouring to become carbon neutral in a number of ways and gave the example in the reduction in the number of skips on development sites where Advanced Manufacturing in Construction were used.

Resolved:

1. That the principles and format of the Zero Carbon Homes Charter as set out in Appendix A to the report be approved;
2. That the contents of the Zero Carbon Homes Routemap as set out in Appendix B to the report be approved;
3. That the proposal to launch the Zero Carbon Homes Charter and Routemap in 2021 (date to be confirmed) be approved;
4. That the excellent support from local authority Officers on the Zero Carbon Homes Working Group and the industry led Zero Carbon Homes Task Force in formulating the Charter and Routemap be noted;
5. That delegated authority be granted to the Director of Housing and Regeneration, in consultation to the Portfolio Holder for Housing and Land to agree the final versions of the Charter and Routemap (ready for publication);

6. That the various points raised in the discussion be referred to the industry led Zero Carbon Homes Task Force for consideration with a response being presented to a future meeting.

38. The Advanced Manufacturing in Construction (AMC) Routemap

Rachel-Ann Atterbury presented a report which updated the Board on the extensive work undertaken by the WMCA, the AMC Officer Working Group and the AMC Expert Advisory Panel in producing a Routemap for accelerating Advanced Manufacturing in Construction in the region, as commissioned by the Board. She reminded the Board of the links between this workstream and the Zero Carbon Homes workstream.

The Chair questioned whether any companies had intimated an interest in basing manufacturing operations within the region. Gareth Bradford reported that discussions were on-going with several such manufacturers regarding locating such factories in the region and advised that the pipeline of schemes including AMC properties provided a higher level of certainty and encouragement to such prospective companies.

Councillor Keith Allcock advised that Sandwell MBC was exploring the options of using AMC buildings and this extended beyond timber framed buildings with an approach having been received from a local company, Hadley Industries, regarding a steel framed building. A further company in Coventry had also made contact regarding such a building but the current cost of the unit was considerably higher than existing alternatives. The Chair advised that Walsall MBC had used steel framed buildings previously in developments.

Councillor Ian Courts advised that such steel framed buildings had been used in Japan during a recession within the traditional steel industry. He reminded the Board that it should not become fixated on one particular AMC option as there were several available including 'Pods'. He commented that use at scale would assist in driving down costs.

Councillor Jacqueline Sweetman endorsed the previous comments but expressed concern with regard to the action to be taken to link the initiatives with training providers and colleges within the region in order to secure fully trained staff for employment within the industry. The Chair concurred with this comment and referred to the Shropshire Council Plan where 70 hectares of land was identified for employment purposes. He commented that if AMC development opportunities were available, this site was in commuting distance of the West Midlands Metropolitan area and could provide employment opportunities for those who had lost their jobs during the pandemic.

Gareth Bradford assured the Board that the two elements of the AMC proposals (skills and real estate) were being addressed by local HE/FE providers represented on the Task Force. The bid made to the Government for funding included seeking support for the skills element, together with the manufacturing element.

Councillor Jacqueline Sweetman suggested that a report be presented to the next meeting of this Board on the implications and impacts of the Government's planning reform proposals for the Green Belt. Gareth Bradford reminded the Board that the WMCA had statutory planning powers.

Resolved:

1. That the contents of Part 2 of the AMC Routemap as detailed in Appendix B to the report, which had been worked up by the AMC Officer Working Group and expert Advisory Panel be noted;
2. That the proposals to explore options for implementing the Routemap's recommendations in collaboration with the AMC Officer Working Group and AMC Expert Advisory Group be agreed;
3. That the intention to launch formally the AMC Routemap be noted;
4. That delegated authority be granted to the Director of Housing and Regeneration in consultation with the Portfolio Holder for Housing and Land to agree the final version of the Routemap (for publication);
5. That the excellent support from local authority Officers on the AMC Working Group and industry experts on the AMC Expert Advisory Group in formulating the Routemap be noted.

39. Update on Housing and Land Portfolio Deliverables 2020/21

Resolved:

That the Housing and Land Portfolio Deliverables for 2021/22 as agreed by the WMCA Board on 12 February 2021 be noted.

40. Housing Deal and Land Fund

Gareth Bradford reported that at his forthcoming meeting with Government to report on progress he would be able to report that the WMCA was well ahead of target on performance with Land Fund usage and detailed schemes which had benefitted from this source of funding. The Chair commended the work of the Board in respect of its performance.

The meeting ended at 10.30 am.



**West Midlands
Combined Authority**

Audit, Risk & Assurance Committee

Thursday 4 March 2021 at 10.00 am

Minutes

Present

David Lane (Chair)	
Councillor Ram Lakha OBE (Vice-Chair)	Coventry City Council
Councillor Ahmad Bostan	Sandwell Metropolitan Borough Council
Councillor Alan Butt	City of Wolverhampton Council
Sean Farnell	Coventry & Warwickshire LEP
Councillor Michael Gough	Solihull Metropolitan Borough Council
Councillor Christine Martin	Staffordshire Non-Constituent Authorities
Councillor June Tandy	Nuneaton & Bedworth Borough Council
Councillor Alan Taylor	Dudley Metropolitan Borough Council
Councillor David Thain	Worcestershire Non-Constituent Local Authorities

In Attendance

Fiona Bebbington	West Midlands Combined Authority
Louise Cowen	West Midlands Combined Authority
Jason Danbury	West Midlands Combined Authority
Dan Essex	West Midlands Combined Authority
Peter Farrow	City of Wolverhampton Council
Julia Goldsworthy	West Midlands Combined Authority
Victoria Harman	West Midlands Combined Authority
Linda Horne	West Midlands Combined Authority
Wajid Hussain	Midland Metro Limited
Sandra Kalyan	City of Wolverhampton Council
Helen Lillington	Grant Thornton
Tim Martin	West Midlands Combined Authority
Lorraine Quibell	West Midlands Combined Authority
Joti Sharma	West Midlands Combined Authority
Rachel Teoh	West Midlands Combined Authority

Item Title

No.

54. Apologies for Absence

An apology for absence was received from Councillor Fred Grindrod (Birmingham).

55. Minutes - 18 January 2021

The minutes of the meeting held on 18 January 2021 were approved, subject to the addition of Councillor June Tandy's apologies for absence from the meeting and the correction of a minor typographical error within minute no. 51.

56. Matters Arising

(a) Recruitment of New Independent Member/Chair

Following the Chair's announcement that he would be stepping down from his role as independent member/chair in September he requested that the committee be informed of the process and timeline for recruitment of a new independent member/chair.

The Governance Services Manager informed the committee of the process and timeline of recruitment which had been put into place. He expected the independent member/chair to be appointed at the WMCA Board meeting in July, which would allow for a transition leading up to the meeting of the committee planned for September. The Chair requested that a further update be provided at the meeting of the committee on 28 June.

(b) Overview & Scrutiny Committee Mayoral Question Time: Budget - Response from the Mayor to Recommendations Presented to the WMCA Board on 13 November 2020

The committee received a copy of the Mayoral response to Overview & Scrutiny Committee following its Q&A session. Following comments from committee members, it was agreed that the Director of Finance would ensure the committee had access to regular financial monitoring information, and the Director of Strategy would provide a half-yearly update against the WMCA's annual delivery plan.

57. Forward Plan

The committee considered the plan of items to be reported to future meetings. The Chair requested that the Chief Executive be invited to a future meeting of the committee and provide an update on the Business Transformation Programme. The Director of Finance also noted that it was likely approval of accounts would be undertaken in July and therefore asked that a meeting of the committee planned for the 12 July 2021 be put in committee members' diaries.

Resolved:

- (1) The forward plan of items to be reported to future meetings be noted.

58. Quarterly Programme Assurance Update Report

The committee considered a report from the Head of Strategic Hub updating it on the progress made to date regarding the projects in the Investment Programme transitioning into the new Single Assurance Framework arrangements, and on the intention to present an assurance update to committee on a quarterly basis to provide reassurance that the new programme assurance arrangements continued to be embedded and were being followed by the WMCA.

The Chair expressed his thanks to the Head of Strategic Hub and the team for the work undertaken to strengthen and give confidence around the investment decisions and monitoring processes.

Resolved:

- (1) The Programme Assurance Observation report and the assurance activity undertaken to date in relation to projects following the Single Assurance Framework be noted.
- (2) The next steps of the Single Assurance Framework implementation and delivery be noted.
- (3) Organisation restructure changes that impacted future assurance and appraisal arrangements be noted.

59. Strategic Risk Register

The committee received an update from the Strategic Risk Manager on the developments of the review being undertaken on the strategic risk management framework and the strategic risk register. She noted that the review was undertaken by a cross directorate working group with the strategic risk management framework focusing on three key areas. The conclusions of the review would be brought to committee as its June meeting for endorsement. The committee also noted that since the last meeting there has been no significant material changes to the risk register.

The committee also received a brief update on the strategic risk relating to the UK's withdrawal from the EU from the Director of Strategic and the regional context of this.

Resolved:

The update provided to committee be noted.

60. Assurance Report - Arm's Length Companies: Assurance & Governance Arrangements

The committee considered a report on the annual review of the governance and assurance arrangements for all of the Arm's Length Companies where the WMCA had a shareholding, along with details of the areas of assurance being sought. It was agreed that in future years this would be tabled for the January meeting of ARAC.

The Chair requested that the Head of Governance and Director of Finance consider the future arrangements as to whether it is appropriate that ARAC continue its oversight of Arm's Length Companies and to provide an update at the next annual review (i.e. the 21/22 position would remain as current).

Following Councillor Ram Lakha's question as to whether consideration was sought from the external auditors, the Director of Finance confirmed that with regard to subsidiaries, Grant Thornton required assurance that those accounts were unqualified. The external auditor also confirmed that it undertook specific procedures around its group audit to confirm satisfaction and would continue to follow those in upcoming and future audits.

Resolved:

- (1) It be confirmed that the committee were satisfied with the assurance arrangements that had been established and confirmed for all of the WMCA's Arm's Length Companies and that in future years this report would come to ARAC in its January meeting.
- (2) The CA would review during 2021 whether ARAC should continue to be the body through which Audit, Risk and Assurance Governance should be handled beyond the year 2021/22.
- (3) The structure and purpose of each of the companies, all of which were registered and adhered to the requirements of Companies House, be noted.

61. Midland Metro Limited Accounts 2019/20

The committee considered a report outlining the annual accounts of Midland Metro Ltd for the financial year ended 31 March 2020. It was noted that the audit process had been completed, and the auditors had issued an unqualified audit opinion on the accounts and were filed with Companies House on 17 February 2021. It was recognised that future approval of Midland Metro Ltd accounts would be required by the committee and that a process had been put into place to ensure that agreed assurance arrangements for the company were met.

Sean Farnell sought further information on turnover and how profit was derived. The Director of Finance explained the clauses outlined within the contract between the subsidiary and the WMCA whereby any profit made would go towards financial plans around extension schemes and the Metro network. She also confirmed that income essentially was driven from ticket, advertising and marketing revenue.

Resolved:

- (1) The annual accounts for Midland Metro Ltd for the year ended 31 March 2020 be noted.
- (2) It be noted that the independent auditors issued an unqualified audit opinion for the accounts on 9 December 2020.
- (3) That Midland Metro Ltd's accounts were filed with Companies House on 17 February 2021 be noted.
- (4) That Midland Metro Ltd's accounts would in future be approved by ARAC prior to submission to Companies House.

62. Internal Audit Plan 2021 - 2022

The committee considered the Internal Audit Plan for 2021 - 2022 for approval, setting out the range of audit reviews to be undertaken and the methodology on how those areas were chosen. The plan was co-produced by the WMCA with all directors being consulted as part of the developments of the draft risk-based internal audit plan. It was recognised that if any changes were made to the plan, the Chair would be informed.

Sean Farnell commented that he was pleased with the plan presented, which offered a good scope of work to be completed.

Resolved:

The Internal Audit Plan for 2021 - 2022 be approved.

63. Internal Audit Update - March 2021

The committee received an update on the work completed by Internal Audit for this financial year. It was noted that as this was an additional meeting, only one internal audit had been completed and issued, relating to Procurement (COVID-19 Response) and that this was given a substantial opinion. The Head of Audit also provided an overview of the remainder of internal audits to be completed.

The Chair commented that it was pleasing to see the number of substantial and satisfactory reports the committee are seeing.

Resolved:

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

64. Informing the Audit Risk Assessment 2020/21 for West Midlands Combined Authority

The committee considered a report from the External Auditors on the risk assessment of the WMCA. The risk assessment procedures included obtaining an understanding of management processes and the WMCA's oversight of the following areas: General Enquiring of Management, Fraud, Laws and Regulations, Related Parties and Accounting Estimates. It was recognised that the format of the report had changed due to new guidance.

Following the Chair's question regarding timelines for approval of accounts, the External Auditor confirmed that approval would likely be sought in July with no anticipated earlier sign off due to the complexities around the pension fund audit being completed.

Resolved:

The draft Informing the Audit Risk Assessment 2019/20 report presented by Grant Thornton, and the responses provided by management being consistent with its understanding, be noted.

65. Adoption of a Revised Code of Conduct for the Mayor and Members of the Combined Authority

The committee considered a report from the Head of Governance and Monitoring Officer advising it of the changes recommended to the WMCA Code of Conduct following publication of a revised draft Code of Conduct from the Local Government Association. The revised Code of Conduct added or or strengthened provisions around bullying and harassment, equalities, communication via social media, use of resources, bringing the authority into disrepute, compliance with the code of conduct and any investigations.

Councillor June Tandy suggested that once Government had addressed both social media and sanctions, a review of the amended code of conduct be looked at. The Head of Governance and Monitoring Officer confirmed that he was alert to this and would undertake a further review as appropriate.

Resolved:

The draft revised Code of Conduct be recommended to the WMCA Board for adoption.

66. Exclusion of the Public and Press

Resolved:

That in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business as they involved the likely disclosure of exempt information as specified in the paragraphs of the Act.

67. Update on Cyber Security & ICT Processes

The committee considered a report from the Strategic Head of Digital & Data on cyber security and ICT processes. It also considered information on the Protection of Digital and Data Systems and Information - Acceptable Use Policy which set out five main categories for awareness to provide employees of the WMCA with a better understanding. The committee also received an in-depth presentation outlining security metrics, trend analysis and information on processes, access and systems.

Resolved:

(1) The Protection of Digital and Data System and Information - Acceptable Use Policy to support the organisation be noted.

(2) The presentation be noted.

68. Investigations and Whistleblowing Update

The committee considered a report updating it on the outcomes of any recently completed investigations into concerns that had been raised with the WMCA, including those through the whistleblowing route.

Resolved:

The contents of the latest Investigations and Whistleblowing Update report be noted.

69. ATG Administration

The committee received a brief update in relation to the administration process of the Accessible Transport Group from the Head of Governance and Monitoring Officer.

Resolved:

That the update be noted.

70. Date of Next Meeting

Monday 19 April 2021 at 10.00am

The meeting ended at 12.15 pm.

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**West Midlands
Combined Authority**

Public Service Reform Board

Thursday 4 March 2021 at 2.00 pm

Minutes

Present

Councillor Wasim Ali	Sandwell Metropolitan Borough Council
Councillor Karen Grinsell	Solihull Metropolitan Borough Council
Councillor Izzi Seccombe	Warwickshire County Council
Henrietta Brealey	Greater Birmingham Chamber of Commerce
Laura Caulfield	Higher Education
Sue Ibbotson	Public Health England
Paul Jennings	Chief Executive NHS Birmingham & Solihull CCG
Jatinder Sharma	Further Education

In Attendance

Ed Cox	West Midlands Combined Authority
Claire Dhami	West Midlands Combined Authority
Claire Spencer	West Midlands Combined Authority
Neelam Sunder	West Midlands Combined Authority
Councillor Sharon Thompson	Birmingham City Council

23. Apologies for absence

Apologies were received from Councillor Crompton (Sandwell MBC), Councillor Jones (Birmingham City Council), Vanessa Jardine (West Midlands Police), Phil Loach (West Midlands Fire Service), Tom McNeil (Office of the Police and Crime Commissioner), Alison Tonge (NHSE) and Jean Templeton (Homelessness Taskforce).

24. Declarations of Interest

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

25. Chair's Remarks

Councillor Ali reported that he would be chairing the meeting today as unfortunately both the Chair, and Vice-Chair were unable to attend the meeting.

26. Minutes of the last meeting

The minutes of the meeting held on 15 December 2020 were agreed as a true record.

27. PSR Annual Business Plan: High Level Deliverables

The Director of Inclusive Growth and Public Service Reform, Ed Cox, presented a report that informed the board of progress made on the high deliverables for the year 2020/21 and set out the proposed high level deliverables for the coming year 2021/22.

The Director of Inclusive Growth and Public Service Reform reported that a number of changes had been made to the high level deliverables (HDLs) as a result of the Covid-19 pandemic and outlined the changes that had been made which included the addition of four new high deliverables in the context of Region's recovery and the proposed high level deliverables for 2021/22.

The Director of Inclusive Growth and Public Service Reform also highlighted the key achievements of the directorate during the year that were set out in paragraph 2.7 of the report. This included the publication of the Community Recovery Road Map, the launch of the digital inclusion coalition, a rough sleepers initiative and an Inclusive Growth Framework for Kinghurst redevelopment in Solihull amongst other work.

In relation to an enquiry from Councillor Grinsell regarding inclusive growth for Kinghurst, Solihull and how this board links with the work being undertaken on inequalities, the Director of Inclusive Growth and Public Service Reform reported that tackling inequalities is at the heart of everything the WMCA does and referred to the integration of the work of this board with the Wellbeing Board that has a focus on health inequalities.

The Senior Adviser- Public Services and Inclusive Growth, Claire Spencer advised that with regards to Kingshurst, the next stage of the programme would be to undertake community engagement to understand the views of various groups and to connect them with investment.

Further to an enquiry from Sue Ibbotson regarding how this board engages with the Directors of Public Health on Integrated Care Systems, its core themes and inequalities, the Director of Inclusive Growth and Public Service Reform advised that the WMCA's Wellbeing Board was undertaking this role; the Wellbeing Board had oversight of 50 different commitments with partner organisations to tackle health inequalities that are 'owned' by the Strategic Transformation and Recovery Board (STaR Board).

The Head of Public Service Reform and Prevention, Claire Dhami considered that the Chair of this board might want to consider 'cross-fertilisation' working with the Wellbeing Board.

Councillor Seccombe, Chair of the Wellbeing Board, reported that inequalities feature across the work of many boards and should be owned by all partners in the West Midlands. Councillor Seccombe added that she would welcome the Wellbeing Board connecting with this board as proposed by Claire Dhami.

Resolved:

1. That progress to date on 2020/21 high level deliverables be noted;
2. That the proposed high level deliverables for 2021/22 be endorsed;

and

3. That an update on the high level deliverables be submitted to every board meeting be agreed.

28. Community Recovery

The board considered a joint report of the Director of Inclusive Growth and Public Service Reform and the Head of Public Service Reform and Prevention that provided an update on community recovery progress since the last meeting.

The Head of Public Service Reform and Prevention, Claire Dhami outlined the report and provided an update on the delivery of the 6 priorities areas identified by the Citizens Panel that are being led by a local authority 'Sponsor' along with one of the 'cross-cutting' principles.

The Head of Public Service Reform and Prevention also highlighted the Community Recovery Innovation Challenge Competition aimed at grassroot organisation and SMEs to put forward their ideas/innovation for improving the lives of citizens and communities. It was noted that the top twenty ideas would be awarded a cash prize of £500 plus an invitation to a business development masterclass delivered by Power to Change and the top 3 ideas would also receive support, investment and coaching up to the value of £15k each.

In relation to an enquiry from Councillor Grinsell as to whether all the competition ideas could be shared with this board after the winners have announced so that local authorities could take forward any ideas with the potential for future development, Claire Dhami advised that this was the intention and to also link ideas to local initiatives.

The Chair asked members to help promote the competition with their network of organisations; it was noted the closing date for entries was 21 March.

Resolved:

That progress since the publication of 'Levelling up West Midlands: Our roadmap to Recovery and Prospectus for Government' be noted.

29. Homelessness Taskforce: Children and Families and Young People Task Group

The Programme Manager for Homelessness, Neelam Sunder, provided an update on the Homelessness Taskforce since the last meeting.

The Homelessness Programme Manager reported that significant progress had been made by cross sector support services working in partnership with local authorities and the Rough Sleeper Task Group to tackle homelessness during the pandemic ; their combined efforts had resulted in a reduction of 62 % in the number of rough sleepers in WMCA area during autumn 2020, the lowest in 10 years. It was noted that an action plan would now focus on preventing rough sleeping.

The Homelessness Programme Manager advise the board that the Homelessness Taskforce would now focus its attention on future homelessness and what could be achieved as a collective for children, families and young people and reported on a specific task group for this area. The Children, Families and Young People Task Group would seek to reduce the number and time households spend in temporary accommodation and look to increase the numbers in secure and affordable accommodation.

Councillor Thompson (Birmingham Cabinet Member for Homes and Neighbourhoods) thanked Neelam Sunder and the team for their work on tackling homelessness in the West Midlands and by the same token, Neelam Sunder conveyed her thanks and appreciation to Councillor Thompson and the Taskforce Members Advisory Group for all her support in this area.

Resolved:

That the update be noted.

30. Verbal Updates

The Senior Policy Adviser – Public Services and Inclusive Growth, Claire Spencer, provided updates on the Social Economy Business Plan and on the Inclusive Growth workstreams and the Head of Public Service Reform and Prevention, Claire Dhami, provided an update on the Punishing Abuse work.

In relation to the Social Economy Business Plan it was noted that the first draft of the Social Economy Business Plan (taking forward the recommendations of the Social Economy Taskforce) would be submitted to stakeholders, local enterprise partnerships and universities for consideration before submission to this board after the mayoral election.

In relation to Inclusive Growth, Claire Spencer reported that 20 Inclusive Growth Business partners have recently been confirmed which includes the Black Country Consortium and the Greater Birmingham and Solihull LEP. Claire Spencer advised that the Inclusive Growth Team was interested in working with local authorities and partner organisations to help support the region and add value.

Dudley Interchange project was one example where the team was unlocking inclusive growth potential with regards to the construction and build value of the scheme. Claire Spencer asked colleagues to let her know of any areas they would like the team to be involved with.

Further to consideration of the Punishing Abuse report at the last meeting, the Head of Public Service Reform and Prevention, Claire Dhami reported that a joint policy response from the Police and Crime Commissioner and Mayor would be published on 12 March with regards to the report's recommendations.

The report recommendations set out the case for system reform to prevent children being admitted to the criminal justice system in the first instance and the need to tackle broader structural issues.

The Chair noted the Office of the Police and Crime Commissioner's representative on this board, Tom McNeil was unable to attend today's meeting but had submitted comments on the report's findings. His comments noted the hardship endured by many children in the criminal justice system, the powerful evidence for pushing public health approaches in criminal justice and recognised this research was a great example of cross-party and inter-agency collaboration.

Resolved:

That the updates be noted.

The meeting ended at 3.23 pm.

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West Midlands Combined Authority

Overview & Scrutiny Committee

Monday 8 March 2021 at 10.00 am

Minutes

Present

Councillor Lisa Trickett (Chair)	Birmingham City Council
Councillor Cathy Bayton (Vice-Chair)	Association of Black Country Authorities
Councillor Naeem Akhtar	Coventry City Council
Councillor Ahmad Bostan	Sandwell Metropolitan Borough Council
Paul Brown	Black Country Local Enterprise Partnership
Councillor Mike Chalk	Worcestershire Non-Constituent Local Authorities
Councillor Peter Fowler	Birmingham City Council
Councillor Robert Grinsell	Joint Coventry/Solihull Representative
Councillor Angus Lees	Dudley Metropolitan Borough Council
Councillor Suky Samra	Walsall Metropolitan Borough Council
Councillor Stephen Simkins	Association of Black Country Authorities
Councillor Diane Todd	Staffordshire Non-Constituent Authorities

In Attendance

Michael-Akolade Ayodeji	Young Combined Authority
Deborah Cadman	West Midlands Combined Authority
Ed Cox	West Midlands Combined Authority
Louise Cowen	West Midlands Combined Authority
Dan Essex	West Midlands Combined Authority
Barry Evans	WSP
Julia Goldsworthy	West Midlands Combined Authority
Jacqueline Homan	West Midlands Combined Authority
Linda Horne	West Midlands Combined Authority
Tim Martin	West Midlands Combined Authority
Aisha Masood	Young Combined Authority
Lyndsey Roberts	West Midlands Combined Authority
Jonathan Skinner	West Midlands Combined Authority

Item Title No.

104. Inquorate Meeting

The meeting was inquorate and therefore decisions taken at the meeting would be submitted to the WMCA Board on 19 March 2021 for formal approval.

105. Apologies for Absence

Apologies for absence were received from Councillor Chris Cade (Warwickshire Non-Constituent local authorities), Councillor Dean Carroll (Shropshire Non-Constituent local authorities), Mike Lyons (Greater Birmingham & Solihull LEP), Councillor Kate Wild (Solihull) and Sarah Windrum (Coventry & Warwickshire LEP).

106. Chair's Remarks

The Chair noted that this was the last meeting of the municipal year and thanked members and officers for their attendance and commitment to the scrutiny process during the last year.

107. Minutes - 11 January 2021

The minutes held on the 11 January 2021 were agreed as a correct record.

108. Matters Arising

In respect of minute no. 97 ('Matters Arising'), the committee noted a tracker which outlined member attendance at committee meetings during the current municipal year.

In respect of minute no. 98 ('Mayoral Question Time: Policy - Response from the Mayor to Recommendations presented to the WMCA Board on 13 November 2020') Councillor Peter Fowler noted the discussions regarding the high level of non-school ready children within the region and suggested that this may be a subject for a future scrutiny review. Councillor Angus Lees indicated that this issue had been raised in the Black Country scrutiny review, which included a recommendation in this regard.

109. Economic Funding Tracker

The committee considered an updated copy of the economic funding tracker from the Director of Strategy. The tracker outlined specific projects and priorities in the 'Recharge the West Midlands' proposition to Government, along with other funding that provided emergency economic support. It was noted that of the 31 'asks' in the 'Recharge the West Midlands', 24 had either been allocated funding or were within policy areas where Government had allocated money through November's spending review and the winter economic plan. The Chair noted that the tracker included funding allocations that were not within the spending influence of the WMCA and so did not give an accurate indication of the funding secured for WMCA use.

The Chair expressed concern over the content of the tracker, which she wished to show the actual money received to date against the asks and their delivery, which she felt this would provide greater transparency, accountability and confidence in the process. The committee requested that further updates should provide this information clearly, and that the information should be broken down into portfolio and local authority areas if possible.

The Director of Strategy highlighted that the recharge asks from Government were made on behalf of the region, rather than specifically the WMCA. She undertook to work further with the Director of Finance to ensure the committee was provided with clarity on the funding elements of these asks.

Recommended:

That the contents of the economic funding tracker be noted.

110. Mayoral Question Time: Budget - Response from the Mayor to recommendations presented to the WMCA Board on 13 November 2020

The committee considered the Mayor's response to the recommendations arising from the Question Time on the WMCA draft 2021/22 budget, which were presented to the WMCA Board on 13 November 2020.

The Chair considered that the Mayor's response did not adequately reflect the extent of the needs of the region as evidenced to the committee during the course of the year. Members of the committee also considered that the Mayor had not owned the challenge of inequality that existed, and that the current funding regimes for education and skills pathways worked against addressing the need for reform in these areas.

Councillor Ahmad Bostan expressed his disappointment that investment projects did not appear to him to sufficiently target deprived areas, although Councillor Mike Chalk indicated that schemes being put forward in Redditch were targeted at generating employment and improving residents' lives. He did however suggest that more funds should be put towards addressing the skills shortage.

Many members voiced their concern over the bidding process for funds and believed this was a flawed process. The Chief Executive reported that following the recent budget announcements from Government, a proposal was being taken forward to other Chief Executives across the region to look at opportunities to work strategically together to improve access to funding sources.

Although the committee noted the Mayor response, there remained concern that it did not adequately address the level of inequalities and deprivation with the region.

Recommended:

That the response from the Mayor be noted.

111. WM2041 Five Year Plan: 2021 - 2026

The committee received a presentation from the Director of Public Service Reform & Inclusive Growth and Head of Environment on the development of a five year plan to help meet the WM2041 net zero carbon ambitions. The committee received this item as an item of pre-decision scrutiny prior to the report being considered by the WMCA Board on 19 March 2021.

The Chair considered that the proposals did not provide a clear understanding of the requirements, nor provided an adequately clear direction or clarity on some transport elements. The Director of Public Service Reform & Inclusive Growth recognised that the Local Transport Plan would play a critical part in addressing regional air quality issues. The committee was concerned that the plan was not ambitious enough and lacked direction in terms of clear and coherent interventions that would lead the region in a net zero carbon environment. It also highlighted that whilst the work on a technical baseline was welcomed, there remained an absence of climate clarity.

Aisha Masood stressed the importance of ensuring systematic inequalities that further disadvantaged certain sections of the population needed to be adequately addressed, and stressed the importance of work on behaviour change. The Director of Public Service Reform & Inclusive Growth reported that work was being undertaken with the behavioural insights team to address issue and he would be happy to share the outcome of that work at a future meeting.

Recommended:

- (1) The presentation be noted.
- (2) The comments made by the committee help inform the preparation of the report prior to its submission to the WMCA Board on 19 March 2021.

112. 'Economic Needs of the Black Country' Scrutiny Review - Summary of Findings

The committee considered a draft report from Councillor Ahmad Bostan outlining the findings of the scrutiny review undertaken to understand whether the region's economic recovery proposals, which the WMCA were supporting and enabling, were meeting the needs that had been identified within the Black Country sub-region. The review also considered whether the specific sub-regional needs were being adequately considered during the development of wider regional policies.

The review considered a number of themes relating to funding, resources, learning, skills, governance, responsibility, structures, and interdependencies. The group proposed four recommendations falling under a number of key areas of activity: coherence of the funding landscape, scaling-up immediate support for businesses and people whose jobs were at risk, working towards a long-term whole-life approach, and co-ordination, governance and accountability across the Black Country.

It was recognised that the report had been amended and re-circulated to correct a number of drafting inaccuracies which had not been brought to the review group's attention as it was gathering evidence. The Chair commented that they had been contacted by the Black Country LEP to address some factual elements that were not reflected within the report and required amendments. Councillor Angus Lees indicated that he did not support these changes, which he felt had watered down the clear views of the review panel, and could therefore not support the recommendations. The Head of Governance and Monitoring Officer apologised for the lateness of the changes required but stressed the importance of the report being factually correct.

Councillor Stephen Simkins noted that the review had highlighted that the level of deprivation within the Black Country and the need for the WMCA to address issues such as health, education, quality of life and upskilling in a coherent way. Councillor Cathy Bayton also highlighted that the review identified the role of the Association of Black Country Authorities as being unclear, and she supported an overarching strategy to closely align the work of the Black Country authorities, whilst still allowing for local solutions to local problems.

Recommended:

(1) The observations and conclusions of the scrutiny review group be endorsed for further consideration by the WMCA, Black Country local authorities and the Black Country LEP, specifically:

(a) Coherence of the Funding Landscape

Complex funding streams and processes can hinder delivery of impactful projects. Future devolution agreements need to simplify funding to the region and ensure funding is available where it is needed. The importance of the speed and urgency in rectifying this could not be overstated by the review panel.

(b) Scaling-up immediate support for businesses and people whose jobs were at risk

- The need to urgently review regional skills plan that provided a clear strategy for career pathways.
- The WMCA needed to review and understand the updated publication from the New Policy Institute that identified key information regarding the state of 'economic justice' in Birmingham and the Black Country local authority areas and assess whether its policies addressed the challenges identified in the report. This updated version of the report was published on 1st February 2021 and an Executive Summary is attached as an appendix. The full report is available from the Barrow Cadbury Trust website.

- The need for an employment taskforce to address the economic needs of the Black Country.
- The WMCA should consider brokering a region-wide common understanding and vision for the skills, training and employment needs of the Black Country.

(c) Working towards a long-term, whole-life approach

Recognising that many residents in the Black Country were born, work and then retire in the Black Country, a more joined-up whole-life approach to targeted support needs to be implemented throughout public authorities and other stakeholders in recognition of the inter-dependency between education, skills, employment and health.

(d) Co-ordination, governance and accountability across the Black Country

- The Black Country's economic, social and wellbeing outcomes were interlinked and co-dependent. It was therefore vital that decisions made by the region's public bodies were joined up, and best practice shared widely.
- Local authorities were most likely best placed to understand the needs of localities. It was important therefore that the structural architecture existed that enabled this knowledge of place to shape wider regional economic strategy. The review group were unpersuaded that this architecture currently existed in a robust enough state, and this might therefore be something that required a more in-depth scrutiny review to be undertaken during the coming year.

(2) It be noted that the conclusions of the scrutiny review would be reported to the WMCA Board on 19 March 2021.

113. Effectiveness of Transport Delivery Committee in Overseeing the Delivery of WMCA Transport Policies - Update on Recommendations

The committee considered a report of the head of Governance on the progress made with the implementation of the recommendations arising from the Transport Governance scrutiny review undertaken last year. The recommendation relating to strengthening Transport Delivery Committee had been acknowledge as not as progressing at the pace initially anticipated. The establishment of both the Strategic Transport Board and Transport Scrutiny Sub-Committee had been successfully implemented.

It was noted that a review of Mayoral and members' allowances was still outstanding, and Councillor Cathy Bayton stressed the importance of progressing this as a matter of priority.

Recommended:

The progress on implementations of the recommendations agreed by the WMCA Board on 17 January 2020 be noted.

114. WMCA Scrutiny Review on the Effectiveness of the WMCA's Governance Structures in Delivering the Policy Objectives of the WMCA - Update on Recommendations

The committee considered a report from the Head of Governance on the progress made with the observations and conclusions arising from the Governance scrutiny review undertaken last year. It was acknowledged that many of the observations identified were matters that required consideration and reflection at a political, rather than an operational, level. Due to the COVID-19 pandemic, it was acknowledged that the capacity of the Mayor and Constituent authority Leaders to reflect on these matters had been limited. The Head of Governance concluded that it would be timely to re-start those consideration immediately after the Local and Mayoral election in May 2021.

Councillor Ahmad Bostan indicated that his concerns were very much related to the political aspects of the review's findings, and wished to thank the Chief Executive and her leadership team in an organisation he considered to be well run. He did however stress the need for a review of members allowances to progress at pace.

Recommended:

- (1) The current position and progress made on the observations and conclusions arising from the Governance scrutiny review presented to the Strategic Leadership Team in October 2020 be noted.
- (2) The comments made by the committee be noted.

115. Transport Scrutiny Sub-Committee Minutes

The committee considered the minutes of the Transport Scrutiny Sub-Committee held on the 22 February 2021. It was noted as both Transport Scrutiny Sub-Committee and Overview & Scrutiny Committee were inquorate, approval for recommendations outlined within the minutes would be sought at WMCA Board on the 19 March 2021.

Recommended:

- (1) The minutes be approved.
- (2) The terms of reference of the Transport Delivery Committee be reviewed and updated to reflect the changed role of the committee since the establishment of the WMCA and clearly setting out the specific role and responsibilities the WMCA Board wished the committee to undertake, to include a responsibility for a performance monitoring role of Transport for West Midlands.

- (3) Transport Delivery Committee member role profiles be developed as a priority to give clarity as to what was expected of those councillors appointed to the committee.
- (4) Transport Delivery Committee's annual work planning process be reviewed to more closely align the responsibilities of the committee with the transport-related deliverables contained with the WMCA's Annual Plan and other strategic policies.
- (5) The role and purpose of Transport Delivery Committee's Lead Member Reference Groups be reviewed to improve their accountability and transparency, including to ensure that all members of the committee were fully involved in formal decision making and the discussions and decisions made at these meetings being reported publicly to the Transport Delivery Committee.
- (6) The relationship between the Chair of Transport Delivery Committee, the Mayor and the Portfolio Lead for Transport be strengthened and formalised so as to ensure proper engagement and collaboration between transport policy and delivery.

116. Forward Plan

The committee noted a forward plan of items that were to be reported to future meetings of the WMCA Board.

The meeting ended at 12.45 pm.



Young Combined Authority

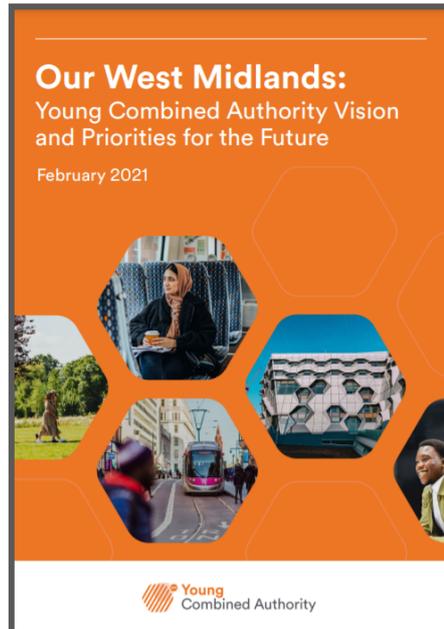
Round up of Young Combined Authority (YCA) activity, March 2021

YCA Vision report is published!

One month on from the WMCA Board's endorsement of the document, the YCA Board published their 'Vision and Priorities' report on 15 February 2021.

The report sets out the YCA's asks and aspirations of and for the West Midlands. It identifies 7 key priority areas for helping the region's young population to recover from the impacts of the coronavirus pandemic.

YCA members have started the next step of working with partners to secure support for their Vision. YCA reps Chris Burden and Kari Lawler presented the final report for discussion at the West Midlands Recovery Coordination Group on 18 February 2021, as well as to WMCA's Policy Working Group, to identify ways it can be made real.



The report is available at:
[https://www.wmca.org.uk/
media/4561/yca-vision-
2021.pdf](https://www.wmca.org.uk/media/4561/yca-vision-2021.pdf)

YCA Community has launched!

The Young Combined Authority Community officially launched on 2 March 2021 with a 'welcome webinar' for new and prospective members!

The event was led by YCA Board members Chris Burden, Olivia Agbe, Ibrahim Sohail, Lily Eaves and Kashmire Hawker – with guest panellist Councillor Brigid Jones, as WMCA Portfolio Lead Member for Inclusive Communities.

Watch the Welcome Webinar: <https://youtu.be/tHdw5eemHZE>

Young people need to be involved in decisions around youth unemployment



Julie Nugent and Gina Patel

director of productivity and skills, West Midlands Combined Authority and productivity and skills lead, West Midlands Youth Combined Authority

In the news...

Gina Patel, YCA Co-Lead for Digital and Skills, joined the WMCA's Director of Skills and Productivity Julie Nugent to write an opinion piece for FE Week. In their article, Gina and Julie highlighted the importance of engaging young people in the development of skills policy.

You can read the article here: <https://feweek.co.uk/2021/02/27/young-people-need-to-be-involved-indecisions-around-youth-unemployment/>

YCA Summit

Youth voice representatives from different Combined Authority areas convened for the first time on 18 February 2021.

The West Midlands was repped by YCA Board members Aisha Masood, Chris Burden, Lily Eaves and Kashmiri Hawker. They were joined by reps from Greater Manchester, Liverpool City Region and Sheffield City Region. We're excited to see where this goes!

YCA at Scrutiny

During the course of this municipal year Aisha Masood & Michael Ayodeji have represented YCA on Overview & Scrutiny Committee, and Kashmiri Hawker represented the YCA on Transport Scrutiny Sub-Committee.

Both Aisha and Michael were able to engage & actively voice young people's views on scrutiny items which related to the recovery planning for the region, Grand Central Diagnostics Hub, Comprehensive Spending Review & a call-in relating to an item taken to the Housing & Land Delivery Board.

The YCA were also well represented and engaged in Q&A sessions with the Mayor, the Chair of Transport Delivery Committee and the Portfolio Lead for Transport.

Stay up to date:

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